As filed with the Securities and Exchange Commission on June 5, 2007

Registration No. 333-137588

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 7
to

FORM S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

CVR ENERGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	2911	61-1512186
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
(281) 207-3200
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

John J. Lipinski
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
(281) 207-3200
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With a copy to:

Stuart H. Gelfond
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Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee (3)
Common Stock, $0.01 par value	$375,000,000	$40,125

(1) Includes offering price of shares which the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

(3) Of the total registration fee of $40,125, $32,100 has previously been paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Subject to Completion. Dated June 5, 2007.

15,500,000 Shares

CVR Energy, Inc.

Common Stock

This is an initial public offering of shares of common stock of CVR Energy, Inc. CVR Energy is offering all of the shares to be sold in the offering.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $. Our common stock has been approved for listing on the New York Stock Exchange under the symbol "CVI."

See "Risk Factors" beginning on page 23 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

To the extent that the underwriters sell more than 15,500,000 shares of common stock, the underwriters have the option to purchase up to an additional 2,325,000 shares from the selling stockholders at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2007.

Goldman, Sachs & Co. **Deutsche Bank Securities**

Credit Suisse

Citi **Simmons & Company International**

Prospectus dated , 2007.

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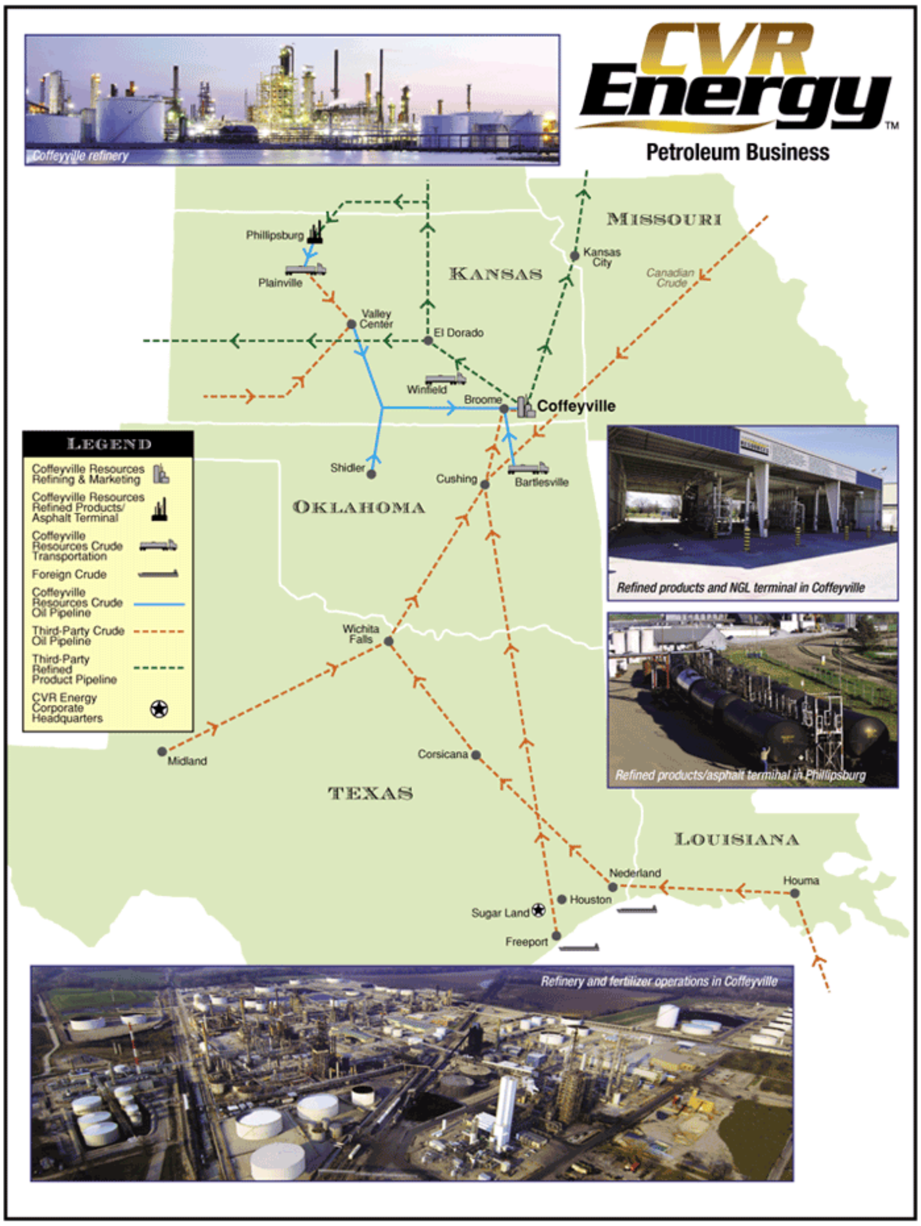

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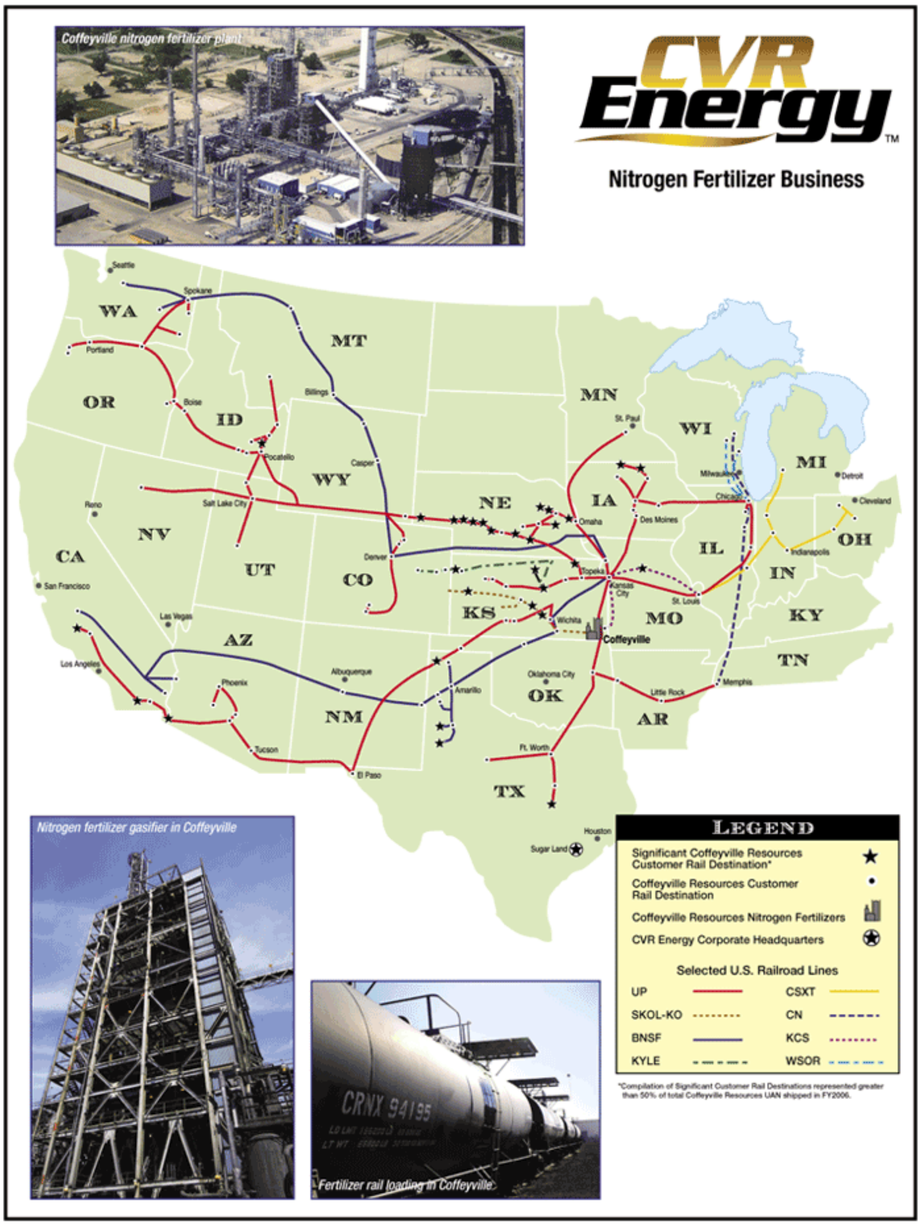


PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should carefully read the entire prospectus, including the "Risk Factors" and the consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. In this prospectus, all references to "the Company," "Coffeyville," "we," "us," and "our" refer to CVR Energy, Inc. and its consolidated subsidiaries, unless the context otherwise requires or where otherwise indicated. References in this prospectus to the "nitrogen fertilizer business" refer to our nitrogen fertilizer business which, prior to the consummation of this offering, we are transferring to a newly formed limited partnership whose managing general partner will be owned by our controlling stockholders and senior management. See "The Nitrogen Fertilizer Limited Partnership." You should also see the "Glossary of Selected Terms" beginning on page 280 for definitions of some of the terms we use to describe our business and industry. We use non-GAAP measures in this prospectus, including Net income adjusted for unrealized gain or loss from Cash Flow Swap. For a reconciliation of this measure to net income, see footnote 3 under "— Summary Consolidated Financial Information."

Our Business

We are an independent refiner and marketer of high value transportation fuels and, through a limited partnership, a producer of ammonia and urea ammonia nitrate, or UAN, fertilizers. We are one of only seven petroleum refiners and marketers in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa) and, at current natural gas prices, the nitrogen fertilizer business is the lowest cost producer and marketer of ammonia and UAN in North America.

Our petroleum business includes a 108,000 barrel per day, or bpd, complex full coking sour crude refinery in Coffeyville, Kansas (with capacity expected to reach approximately 115,000 bpd by the end of 2007). In addition, our supporting businesses include (1) a crude oil gathering system serving central Kansas and northern Oklahoma, (2) storage and terminal facilities for asphalt and refined fuels in Phillipsburg, Kansas, and (3) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville and Phillipsburg, and to customers at throughput terminals on Magellan Midstream Partners L.P.'s refined products distribution systems. In addition to rack sales (sales which are made at terminals into third party tanker trucks), we make bulk sales (sales through third party pipelines) into the mid-continent markets via Magellan and into Colorado and other destinations utilizing the product pipeline networks owned by Magellan, Enterprise Products Partners LP and NuStar Energy L.P. Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States, served by numerous pipelines from locations including the U.S. Gulf Coast and Canada, providing us with access to virtually any crude variety in the world capable of being transported by pipeline.

The nitrogen fertilizer business is the only operation in North America that utilizes a coke gasification process to produce ammonia (based on data provided by Blue Johnson & Associates). A majority of the ammonia produced by the fertilizer plant is further upgraded to UAN fertilizer (a solution of urea, ammonium nitrate and water used as a fertilizer). By using petroleum coke, or pet coke (a coal-like substance that is produced during the refining process), instead of natural gas as raw material, at current natural gas prices the nitrogen fertilizer business is the lowest cost producer of ammonia and UAN in North America. Furthermore, on average, over 80% of the pet coke utilized by the fertilizer plant is produced and supplied to the fertilizer plant as a by-product of our refinery. As such, the nitrogen fertilizer business benefits from high natural gas prices, as fertilizer prices increase with natural gas prices, without a directly related change in cost (because pet coke rather than more expensive natural gas is used as a primary raw material).

We generated combined net sales of $1.7 billion, $2.4 billion, $3.0 billion and $2.8 billion and operating income of $111.2 million, $270.8 million, $281.6 million and $162.2 million for the fiscal years ended December 31, 2004, 2005 and 2006 and the twelve months ended March 31, 2007, respectively. Our petroleum business generated $1.6 billion, $2.3 billion, $2.9 billion and $2.6 billion of our combined net sales, respectively, over these periods, with the nitrogen fertilizer business generating substantially all of the remainder. In addition, during these periods, our petroleum business contributed $84.8 million, $199.7 million, $245.6 million and $140.5 million, respectively, of our combined operating income, with substantially all of the remainder contributed by the nitrogen fertilizer business.

Significant Milestones Since the Change of Control in June 2005

Following the acquisition by certain affiliates of The Goldman Sachs Group, Inc. (whom we collectively refer to in this prospectus as the Goldman Sachs Funds) and certain affiliates of Kelso & Company, L.P. (whom we collectively refer to in this prospectus as the Kelso Funds) in June 2005, a new senior management team was formed which has executed several key strategic initiatives that we believe have significantly enhanced our business.

Increased Refinery Throughput and Yields. Management's focus on crude slate optimization (the process of determining the most economic crude oils to be refined), reliability, technical support and operational excellence coupled with prudent expenditures on equipment has significantly improved the operating metrics of the refinery. The refinery's crude throughput rate (the volume per day processed through the refinery) has increased from an average of less than 90,000 bpd to an average of greater than 102,000 bpd in the second quarter of 2006 with peak daily rates in excess of 108,000 bpd of crude. Crude throughputs averaged over 94,500 bpd for 2006, an improvement of more than 3,400 bpd over 2005. Recent operational improvements at the refinery have also allowed us to produce higher volumes of favorably priced distillates (primarily No. 1 diesel fuel and kerosene), premium gasoline and boutique gasoline grades.

Diversified Crude Feedstock Variety. We have expanded the variety of crude grades processed in any given month from a limited few to over a dozen. This has improved our crude purchase cost discount to West Texas Intermediate crude oil, or WTI, from $3.08 per barrel in 2005 to $4.58 per barrel in 2006.

Expanded Direct Rack Sales. We have significantly expanded and intend to continue to expand rack marketing of refined products (petroleum products such as gasoline and diesel fuel) directly to customers rather than origin bulk sales. We presently sell approximately 23% of our produced transportation fuels at enhanced margins in this manner, which has helped improve our net income for 2006 compared to 2005.

Significant Plant Improvement and Capacity Expansion Projects. Management has identified and developed several significant capital projects since June 2005 primarily aimed at (1) expanding refinery and nitrogen fertilizer plant capacity (throughput that the plants are capable of sustaining on a daily basis), (2) enhancing operating reliability and flexibility, (3) complying with more stringent environmental, health and safety standards, and (4) improving our ability to process heavier sour crude feedstock varieties (petroleum products that are processed and blended into refined products). We completed most of these capital projects by April 2007 and expect to complete the remainder prior to the end of 2007. The estimated total cost of these programs is $520 million, the majority of which has already been spent and the remainder of which will be spent by the end of 2007.

Key Market Trends

We have identified several key factors which we believe should favorably contribute to the long-term outlook for the refining and nitrogen fertilizer industries.

For the refining industry, these factors include the following:

- High capital costs, historical excess capacity and environmental regulatory requirements that have limited the construction of new refineries in the United States over the past 30 years.

- Continuing improvement in the supply and demand fundamentals of the global refining industry as projected by the Energy Information Administration of the U.S. Department of Energy, or the EIA.
- Increasing demand for sweet crude oils and higher incremental production of lower cost sour crude that are expected to provide a cost advantage to sour crude processing refiners.
- U.S. fuel specifications, including reduced sulfur content, reduced vapor pressure and the addition of oxygenates such as ethanol, that should benefit refiners who are able to efficiently produce fuels that meet these specifications.
- Limited competitive threat from foreign refiners due to sophisticated U.S. fuel specifications and increasing foreign demand for refined products.
- Refining capacity shortage in the mid-continent region, as certain regional markets in the U.S. are subject to insufficient local refining capacity to meet regional demands. This should result in local refiners earning higher margins on product sales than those who must rely on pipelines and other modes of transportation for supply.

For the nitrogen fertilizer industry, these factors include the following:

- The impact of a growing world population combined with an expanded use of corn for the production of ethanol both of which are expected to drive worldwide grain demand and farm production, thereby increasing demand for nitrogen-based fertilizers.
- High natural gas prices in North America that contribute to higher production costs for natural gas-based U.S. ammonia producers should result in elevated nitrogen fertilizer prices, as natural gas price trends generally correlate with nitrogen fertilizer price trends (based on data provided by Blue Johnson & Associates).

However, both of our industries are cyclical and volatile and have experienced downturns in the past. See “Risk Factors.”

Our Competitive Strengths

Regional Advantage and Strategic Asset Location. Our refinery is one of only seven refineries located in the Coffeyville supply area within the mid-continent region, where demand for refined products exceeded refining production by approximately 22% in 2006. We estimate that this favorable supply/demand imbalance combined with our lower pipeline transportation cost as compared to the U.S. Gulf Coast refiners has allowed us to generate refining margins, as measured by the 2-1-1 crack spread, that have exceeded U.S. Gulf Coast refining margins by approximately $1.63 per barrel on average for the last four years. The 2-1-1 crack spread is a general industry standard that approximates the per barrel refining margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel.

In addition, the nitrogen fertilizer business is geographically advantaged to supply products to markets in Kansas, Missouri, Nebraska, Iowa, Illinois and Texas without incurring intermediate transfer, storage, barge or pipeline freight charges. Because the nitrogen fertilizer business does not incur these costs, this geographic advantage provides it with a distribution cost benefit over U.S. Gulf Coast ammonia and UAN importers, assuming in each case freight rates and pipeline tariffs for U.S. Gulf Coast importers as recently in effect.

Access to and Ability to Process Multiple Crude Oils. Since June 2005 we have significantly expanded the variety of crude grades processed in any given month. While our proximity to the Cushing crude oil trading hub minimizes the likelihood of an interruption to our supply, we intend to further diversify our sources of crude oil. Among other initiatives in this regard, we have secured shipper rights on the newly built Spearhead pipeline, which connects Chicago to the Cushing hub and provides us with access to incremental oil supplies from Canada. We also own and operate a crude gathering system located in northern Oklahoma and central Kansas, which allows us to acquire quality crudes at a discount to WTI.

High Quality, Modern Asset Base with Solid Track Record. Our refinery's complexity allows us to optimize the yields (the percentage of refined product that is produced from crude and other feedstocks) of higher value transportation fuels (gasoline and distillate), which currently account for approximately 94% of our liquid production output. Complexity is a measure of a refinery's ability to process lower quality crude in an economic manner; greater complexity makes a refinery more profitable. From 1995 through April 30, 2007, we have invested approximately $586 million to modernize our oil refinery and to meet more stringent U.S. environmental, health and safety requirements. As a result, we have achieved significant increases in our refinery crude throughput rate from an average of less than 90,000 bpd prior to June 2005 to an average of over 102,000 bpd in the second quarter of 2006 and over 94,500 bpd for 2006 with peak daily rates in excess of 108,000 bpd. In addition, we have substantially completed our scheduled 2007 refinery turnaround and expect that plant capacity will reach approximately 115,000 bpd by the end of 2007. The fertilizer plant, completed in 2000, is the newest fertilizer facility in North America and, since 2003, has demonstrated a consistent record of operating near full capacity. This plant underwent a scheduled turnaround in 2006, and the plant's spare gasifier was recently expanded to increase its production capacity.

Near Term Internal Expansion Opportunities. With the completion of approximately $520 million of significant capital improvements, we expect to significantly enhance the profitability of our refinery during periods of high crack spreads while enabling the refinery to operate more profitably at lower crack spreads than is currently possible.

Unique Coke Gasification Fertilizer Plant. The nitrogen fertilizer plant is the only one of its kind in North America utilizing a coke gasification process to produce ammonia. The coke gasification process allows the plant to produce ammonia at a lower cost than natural gas-based fertilizer plants because it uses significantly less natural gas than its competitors. We estimate that the facility's production cost advantage over U.S. Gulf Coast ammonia producers is sustainable at natural gas prices as low as $2.50 per million Btu. The nitrogen fertilizer business has a secure raw material supply with an average of more than 80% of the pet coke required by the fertilizer plant historically supplied by our refinery. After this offering, we will continue to supply pet coke to the nitrogen fertilizer business pursuant to a 20-year intercompany agreement. The nitrogen fertilizer business is also considering a $40 million fertilizer plant expansion, which we estimate could increase the nitrogen fertilizer plant's capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year.

Experienced Management Team. In conjunction with the acquisition of our business by Coffeyville Acquisition LLC in June 2005, a new senior management team was formed that combined selected members of existing management with experienced new members. Our senior management team averages over 27 years of refining and fertilizer industry experience and, in coordination with our broader management team, has increased our operating income and stockholder value since the acquisition of Coffeyville Resources. Mr. John J. Lipinski, our Chief Executive Officer, has 35 years of experience in the refining and chemicals industries, and prior to joining us in connection with the acquisition of Coffeyville Resources in June 2005, was in charge of a 550,000 bpd refining system and a multi-plant fertilizer system. Mr. Stanley A. Riemann, our Chief Operating Officer, has over 32 years of experience, and prior to joining us in March 2004, was in charge of one of the largest fertilizer manufacturing systems in the United States. Mr. James T. Rens, our Chief Financial Officer, has over 15 years experience in the energy and fertilizer industries, and prior to joining us in March 2004, was the chief financial officer of two fertilizer manufacturing companies.

Our Business Strategy

The primary business objectives for our refinery business are to increase value for our stockholders and to maintain our position as an independent refiner and marketer of refined fuels in our markets by maximizing the throughput and efficiency of our petroleum refining assets. In addition, management's business objectives on behalf of the nitrogen fertilizer limited partnership are to increase value for our stockholders and maximize the production and efficiency of the nitrogen fertilizer facilities. We intend to accomplish these objectives through the following strategies:

- Pursuing organic expansion opportunities;
- Increasing the profitability of our existing assets;
- Seeking both strategic and accretive acquisitions; and
- Pursuing opportunities to maximize the value of the nitrogen fertilizer limited partnership.

Nitrogen Fertilizer Limited Partnership

Prior to the consummation of this offering, we will transfer our nitrogen fertilizer business to a newly formed limited partnership, or the Partnership. The Partnership will have two general partners: a managing general partner, which we will sell at fair market value at such time to a newly formed entity owned by the Goldman Sachs Funds, the Kelso Funds and our senior management, and a second general partner, controlled by us.

We will initially own all of the interests in the Partnership (other than the managing general partner interest and associated IDRs described below) and will initially be entitled to all cash that is distributed by the Partnership. The managing general partner will not be entitled to participate in Partnership distributions except in respect of associated incentive distribution rights, or IDRs, which entitle the managing general partner to receive increasing percentages of the Partnership's quarterly distributions if the Partnership increases its distributions above $0.4313 per unit. The Partnership will not make any distributions with respect to the IDRs until the aggregate adjusted operating surplus (as defined) generated by the Partnership during the period from its formation through June 30, 2009 has been distributed in respect of the interests which we hold and/or the Partnership's common and subordinated units (none of which are yet outstanding but which would be issued if the Partnership issues equity in the future). In addition, there will be no distributions paid on the managing general partner's IDRs for so long as the Partnership or its subsidiaries are guarantors under our Credit Facility.

As a holder of 30,333,333 special units (which we may sell or be required to sell), we will be entitled initially to receive a quarterly distribution of $0.4313 per unit (or $52 million per year in the aggregate) from the Partnership to the extent the Partnership has sufficient available cash before any distributions are made in respect of the incentive distribution rights. The amount of cash we receive will be limited (1) if the Partnership issues common units in a public or private offering, in which event all or a portion of our interests in the Partnership will become subordinated units and the balance, if any, will become common units, and (2) at such time as the managing general partner begins to receive distributions with respect to its IDRs.

The Partnership will be primarily managed by the managing general partner, but will be operated by our senior management pursuant to a management services agreement to be entered into among us, the managing general partner and the Partnership. We will pay all of our senior management's compensation, and the Partnership will reimburse us for the time our senior management spends working for the Partnership. In addition, we will have approval rights regarding the appointment, termination and compensation of the chief executive officer and chief financial officer of the managing general partner, will designate one member of the board of directors of the managing general partner and will have approval rights regarding specified major business decisions by the managing general partner.

We have considered various strategic alternatives with respect to the nitrogen fertilizer business, including an initial public or private offering of limited partnership interests of the Partnership. We have observed that entities structured as master limited partnerships have over recent history demonstrated significantly greater relative market valuation levels compared to corporations in the refining and marketing sector when measured as a ratio of enterprise value to EBITDA. Following completion of this offering, any public or private offering by the Partnership would be made solely at the discretion of the Partnership's managing general partner, subject to our specified approval rights, and would be subject to market conditions and negotiation of terms acceptable to the Partnership's managing general partner. In connection with the Partnership's initial public or private offering, if any, the Partnership may require us to include a sale of a portion of our interests in the Partnership. If the Partnership becomes a public company, we may consider a secondary offering of interests which we own. We cannot assure you that any such transaction will be consummated or that master limited partnership valuations will continue to be greater relative to market valuation levels for companies in the refining and marketing sector. For more detailed information about the Partnership, see "The Nitrogen Fertilizer Limited Partnership."

Cash Flow Swap

In conjunction with the acquisition of our business by Coffeyville Acquisition LLC, on June 16, 2005, Coffeyville Acquisition LLC entered into a series of commodity derivative arrangements, or the Cash Flow Swap, with J. Aron & Company, or J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. Pursuant to the Cash Flow Swap, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three New York Mercantile Exchange, or NYMEX, swap agreements whereby if crack spreads fall below the fixed level, J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. The Cash Flow Swap was assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. We entered into these swap agreements for the following reasons:

- Debt was used as part of the acquisition financing in June 2005 which required the introduction of a financial risk management tool that would mitigate a portion of the inherent commodity price based volatility in our cash flow and preserve our ability to service debt; and
- Given the size of the capital expenditure program contemplated by us at the time of the June 2005 acquisition, we considered it necessary to enter into a derivative arrangement to reduce the volatility of our cash flow and to ensure an appropriate return on the incremental invested capital.

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current generally accepted accounting principles in the United States, or GAAP. As a result, our periodic statements of operations reflect material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements. Given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes "Net income adjusted for unrealized gain or loss from Cash Flow Swap" as a key indicator of our business performance and believes that this non-GAAP measure is a useful measure for investors in analyzing our business. For a discussion of the calculation and use of this measure, see footnote 4 to our Summary Consolidated Financial Information.

Our History

Prior to March 3, 2004, our refinery assets and the nitrogen fertilizer plant were operated as a small component of Farmland Industries, Inc., or Farmland, an agricultural cooperative. Farmland filed for bankruptcy protection on May 31, 2002. Coffeyville Resources, LLC, a subsidiary of Coffeyville Group Holdings, LLC, won the bankruptcy court auction for Farmland's petroleum business and a nitrogen fertilizer plant and completed the purchase of these assets on March 3, 2004. On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, all of the subsidiaries of Coffeyville Group Holdings, LLC were acquired by Coffeyville Acquisition LLC, an entity principally owned by the Goldman Sachs Funds and the Kelso Funds.

Prior to this offering, Coffeyville Acquisition LLC directly or indirectly owned all of our subsidiaries. We were formed as a wholly owned subsidiary of Coffeyville Acquisition LLC in order to complete this offering.

- Prior to the consummation of this offering, Coffeyville Acquisition LLC will transfer half of its interests in each of Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc. and CVR Energy to Coffeyville Acquisition II LLC. Coffeyville Acquisition LLC will be owned by the Kelso Funds and our senior management and Coffeyville Acquisition II LLC will be owned by the Goldman Sachs Funds and our senior management.
- We will then merge a newly formed direct subsidiary of ours with Coffeyville Refining & Marketing, Inc. and merge a separate newly formed direct subsidiary of ours with Coffeyville Nitrogen Fertilizers, Inc. which will make Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc. direct wholly owned subsidiaries of ours. These transactions will result in a structure with CVR Energy below Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC and above the two operating subsidiaries, so that CVR Energy will become the parent of the two operating subsidiaries. CVR Energy has not commenced operations and has no assets or liabilities. In addition, there are no contingent liabilities and commitments attributable to CVR Energy. The mergers of the two operating subsidiaries with subsidiaries of CVR Energy provide a tax free means to put an appropriate organizational structure in place to go public and give the Company the flexibility to simplify its structure in a tax efficient manner in the future if necessary.
- In addition, we will transfer our nitrogen fertilizer business into a new limited partnership and we will sell all of the interests of the managing general partner of this partnership to a new entity owned by our controlling stockholders and senior management at fair market value at such time.

We refer to these pre-IPO reorganization transactions in the prospectus as the “Transactions.”

Risks Relating to Our Business

We face certain risk factors that could materially affect our business, results of operations or financial condition. Our petroleum business is primarily affected by the relationship, or margin, between refined product prices and the prices for crude oil; future volatility in refining industry margins may cause volatility or a decline in our results of operations. Disruption of our ability to obtain an adequate supply of crude oil could reduce our liquidity and increase our costs.

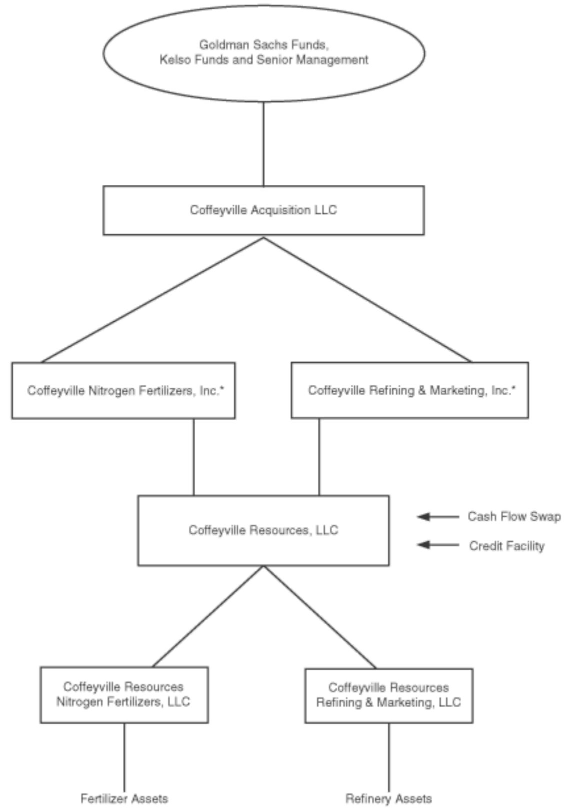
In addition, our refinery faces operating hazards and interruptions, including unscheduled maintenance or downtime. The nitrogen fertilizer plant has high fixed costs, and if natural gas prices fall below a certain level, our nitrogen fertilizer business may not generate sufficient revenue to operate profitably. In addition, our operations involve environmental risks that may require us to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.

The transfer of our nitrogen fertilizer business to the Partnership also involves numerous risks that could materially affect our business. The managing general partner of the Partnership will be a new entity owned by our controlling stockholders and senior management, and will control the operations of the Partnership (subject to our specified approval rights). The managing general partner will own incentive distribution rights which, over time, will entitle it to receive increasing percentages of quarterly distributions from the Partnership if the Partnership increases its quarterly distributions over a set amount. We will not be entitled to cash distributed in respect of the incentive distribution rights. If in the future the managing general partner decides to sell interests in the Partnership, we and you, as a stockholder of CVR Energy, will no longer have access to the cash flows of the Partnership to which the purchasers of these interests will be entitled, and at least 40% (and potentially all) of our interests will be subordinated to the interests of the new investors. In addition, the managing general partner of the Partnership will have a fiduciary duty to favor the interests of its owners, and these interests may differ from our interests and the interests of our stockholders. The members of our senior management will also face conflicts of interest because they will serve as executive officers of both our company as well as of the managing general partner of the Partnership.

For more information about these and other risks relating to our company, see “Risk Factors” beginning on page 23 and “Cautionary Note Regarding Forward-Looking Statements” beginning on page 52. You should carefully consider these risk factors together with all other information included in this prospectus.

Organizational Structure

The following chart illustrates our organizational structure before the completion of this offering:



* Mr. John J. Lipinski, our chief executive officer, owns approximately 0.31% of Coffeyville Refining & Marketing, Inc. and approximately 0.64% of Coffeyville Nitrogen Fertilizers, Inc. It is expected that these interests will be exchanged for shares of our common stock (with an equivalent value) prior to the consummation of this offering.

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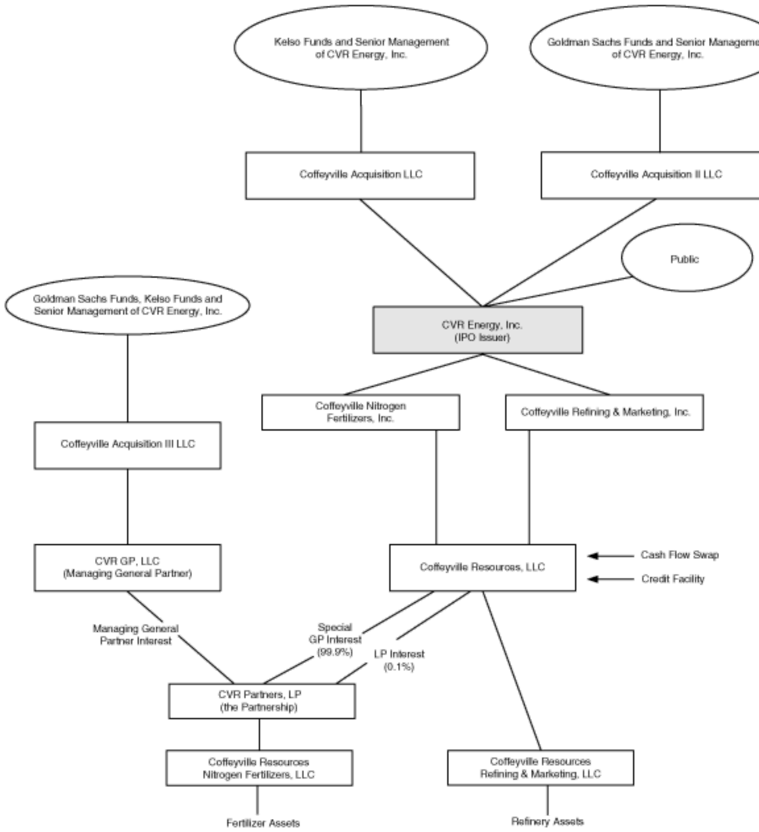
The following chart illustrates our organizational structure and the organizational structure of the Partnership upon completion of this offering:



The Offering

Issuer	CVR Energy, Inc.
Common stock offered by us	15,500,000 shares.
Option to purchase additional shares of common stock from the selling stockholders	2,325,000 shares.
Common stock outstanding immediately after the offering	81,641,591 shares.
Use of proceeds	We estimate that the net proceeds to us in this offering, after deducting the underwriters' discount and the estimated expenses of the offering, will be $282.35 million. We intend to use the net proceeds from this offering for debt repayment of $280 million and the remainder for general corporate purposes. We will not receive any proceeds from the purchase by the underwriters of up to 2,325,000 shares from the selling stockholders in connection with any exercise by the underwriters of their option. See "Use of Proceeds."
Proposed New York Stock Exchange symbol	"CVI."
Risk Factors	See "Risk Factors" beginning on page 23 of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

The number of shares of common stock to be outstanding after the offering:

- gives effect to a 658,619.93 for 1 split of our common stock;
- excludes 10,300 shares of common stock issuable upon the exercise of stock options to be granted to two directors pursuant to our long-term incentive plan on the date of this prospectus;
- excludes 17,500 shares of non-vested restricted stock to be awarded to two directors pursuant to our long-term incentive plan on the date of this prospectus;
- includes 27,150 shares of common stock to be awarded to our employees in connection with this offering; and
- assumes no exercise by the underwriters of their option to purchase up to 2,325,000 shares of common stock from the selling stockholders.

CVR Energy, Inc. was incorporated in Delaware in September 2006. Our principal executive offices are located at 2277 Plaza Drive, Suite 500 Sugar Land, Texas 77479, and our telephone number is (281) 207-3200. Our website address is www.coffeyvillegroup.com. Information contained on our website is not a part of this prospectus.

Prior to this offering, the Kelso Funds and the Goldman Sachs Funds beneficially owned substantially all of our capital stock. For further information on these entities and their relationships with us, see "Certain Relationships and Related Party Transactions" and "The Nitrogen Fertilizer Limited Partnership."

Depending on market conditions at the time of pricing of this offering and other considerations, we may sell fewer or more shares than the number set forth on the cover page of this prospectus.

Summary Consolidated Financial Information

The summary consolidated financial information presented below under the caption Statement of Operations Data for the 62-day period ended March 2, 2004, for the 304-day period ended December 31, 2004, for the 174-day period ended June 23, 2005, for the 233-day period ended December 31, 2005 and for the year ended December 31, 2006, and the summary consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2005 and 2006, has been derived from our consolidated financial statements included elsewhere in this prospectus, which consolidated financial statements have been audited by KPMG LLP, independent registered public accounting firm. The summary consolidated financial information presented below under the caption Statement of Operations Data for the year ended December 31, 2003 and the summary consolidated balance sheet data as of December 31, 2003 and 2004 are derived from our audited consolidated financial statements that are not included in this prospectus. The summary unaudited interim consolidated financial information presented below under the caption Statement of Operations Data for the three-month period ended March 31, 2006 and the three-month period ended March 31, 2007, and the summary consolidated financial information presented below under the caption Balance Sheet Data as of March 31, 2007, have been derived from our unaudited interim consolidated financial statements, which are included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. In the opinion of management, the interim data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of results for these periods. Operating results for the three-month period ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ended December 31, 2007. We have also included herein certain industry data.

The summary unaudited pro forma consolidated statement of operations data and other financial data for the fiscal year ended December 31, 2006 and for the three months ended March 31, 2007 give pro forma effect to the refinancing of the Credit Facility which occurred on December 28, 2006, the transfer of our nitrogen fertilizer business to the Partnership, which we will consolidate in our financial statements, the sale of the managing general partner interest in the Partnership, this offering, the use of proceeds from this offering, the Transactions, the termination fee payable in connection with the termination of the management agreements with Goldman, Sachs & Co. and Kelso and Company, L.P. in conjunction with this offering and the issuance of shares of our common stock to Mr. John J. Lipinski in exchange for his shares in two of our subsidiaries in the manner described under “Unaudited Pro Forma Consolidated Financial Statements,” as if these transactions had occurred on January 1, 2006. The summary unaudited as adjusted consolidated financial information presented under the caption Balance Sheet Data as of March 31, 2007 gives effect to the transactions described above (other than the refinancing of the Credit Facility) and the payment of a dividend to Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC as if they occurred on March 31, 2007. The summary unaudited pro forma information does not purport to represent what our results of operations would have been if these transactions had occurred as of the date indicated or what these results will be for future periods.

Prior to March 3, 2004, our assets were operated as a component of Farmland Industries, Inc. Farmland filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on May 31, 2002. On March 3, 2004, Coffeyville Resources, LLC completed the purchase of the former Petroleum Division and one facility within the eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division of Farmland (which we refer to collectively as Original Predecessor) from Farmland in a sales process under Chapter 11 of the U.S. Bankruptcy Code. See note 1 to our consolidated financial statements included elsewhere in this prospectus. We refer to this acquisition as the Initial Acquisition. As a result of certain adjustments made in connection with the Initial Acquisition, a new basis of accounting was established on the date of the Initial Acquisition and the results of operations for the 304 days ended December 31, 2004 are not comparable to prior periods.

During Original Predecessor periods, Farmland allocated certain general corporate expenses and interest expense to Original Predecessor. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity. Further, the historical results are not necessarily indicative of the results to be expected in future periods.

We calculate earnings per share for Successor on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering. All information in this prospectus assumes that in conjunction with the initial public offering, Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc. will merge with two of our direct wholly owned subsidiaries, we will effect a 658,619.93 for 1 stock split, we will issue 252,448 shares of our common stock to our chief executive officer in exchange for his shares in two of our subsidiaries, we will issue 27,150 shares of our common stock to our employees, we will issue 17,500 shares of non-vested restricted stock to two of our directors and we will issue 15,500,000 shares of common stock in this offering. No effect has been given to any shares that might be sold in this offering pursuant to the exercise by the underwriters of their option.

We paid dividends for the period ended December 31, 2006 in excess of the earnings for such period. Accordingly, the earnings per share for Successor's December 31, 2006 year end and pro forma December 31, 2006 year end is calculated on a pro forma basis to give effect to the increase in the number of shares which, when multiplied by the offering price, would be sufficient to replace the capital in excess of earnings withdrawn. The weighted average number of shares outstanding for the pro forma December 31, 2006 year end also accounts for the additional $10.6 million dividend to be paid to Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. Therefore, the earnings per share calculation for these periods is based upon an assumed number of shares outstanding at the time of the initial public offering increased for the additional calculated shares for the excess earnings withdrawn.

We have omitted earnings per share data for Immediate Predecessor because we operated under a different capital structure than what we will operate under at the time of this offering and, therefore, the information is not meaningful.

We have omitted per share data for Original Predecessor because, under Farmland's cooperative structure, earnings of Original Predecessor were distributed as patronage dividends to members and associate members based on the level of business conducted with Original Predecessor as opposed to a common stockholder's proportionate share of underlying equity in Original Predecessor.

Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualifying patronage refunds and Farmland did not allocate income taxes to its divisions. As a result, Original Predecessor periods do not reflect any provision for income taxes.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. See note 1 to our consolidated financial statements included elsewhere in this prospectus. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition. Since the assets and liabilities of Successor and Immediate Predecessor were each presented on a new basis of accounting, the financial information for Successor, Immediate Predecessor and Original Predecessor is not comparable.

Financial data for the 2005 fiscal year is presented as the 174 days ended June 23, 2005 and the 233 days ended December 31, 2005. Successor had no financial statement activity during the period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil, and gasoline option agreements entered into with a related party as of May 16, 2005.

The historical data presented below has been derived from financial statements that have been prepared using GAAP and the pro forma data presented below has been derived from the "Unaudited Pro Forma Consolidated Financial Statements" included elsewhere in this prospectus. This data should be read in conjunction with the financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	Successor		Pro Forma
	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
	(in millions, except as otherwise indicated)		
Statement of Operations Data:			
Net sales	$ 669.7	$ 390.5	$ 390.5
Cost of product sold (exclusive of depreciation and amortization)	539.5	303.7	303.7
Direct operating expenses (exclusive of depreciation and amortization)	44.3	113.4	113.4
Selling, general and administrative expenses (exclusive of depreciation and amortization)	8.5	13.2	13.2
Depreciation and amortization	12.0	14.2	14.2
Operating income (loss)	$ 65.4	$ (54.0)	$ (54.0)
Other income (expense)	0.6	0.5	0.4
Interest (expense)	(12.2)	(11.9)	(6.0)
Loss on derivatives	(17.6)	(137.0)	(137.0)
Income (loss) before income taxes and minority interest in subsidiaries	$ 36.2	$ (202.4)	$ (196.6)
Income tax (expense) benefit	(14.1)	47.3	45.0
Minority interest in (income) loss of subsidiaries	—	0.7	0.7
Net income (loss)(1)	$ 22.1	$ (154.4)	$ (150.9)
Pro forma earnings (loss) per share, basic	0.27	(1.89)	(1.85)
Pro forma earnings (loss) per share, diluted	0.27	(1.89)	(1.85)
Pro forma weighted average shares, basic	81,641,591	81,641,591	81,641,591
Pro forma weighted average shares, diluted	81,659,091	81,641,591	81,641,591
Segment Financial Data:			
Operating income (loss)			
Petroleum	$ 41.6	$ (63.5)	$ (63.5)
Nitrogen fertilizer	24.0	9.3	9.3
Other	(0.2)	0.2	0.2
Operating income (loss)	$ 65.4	$ (54.0)	$ (54.0)
Depreciation and amortization			
Petroleum	$ 7.8	$ 9.8	$ 9.8
Nitrogen fertilizer	4.2	4.4	4.4
Other	—	—	—
Depreciation and amortization(2)	$ 12.0	$ 14.2	$ 14.2
Other Financial Data:			
Net income (loss) adjusted for unrealized gain or loss from Cash Flow Swap(3)	$ 36.9	$ (82.4)	$ (78.9)
Cash flows provided by operating activities	8.0	43.6	
Cash flows (used in) investing activities	(29.3)	(107.4)	
Cash flows provided by financing activities	9.6	29.5	
Capital expenditures for property, plant and equipment	29.3	107.4	

	Successor	
	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
	(unaudited)	(unaudited)
	(in millions, except as otherwise indicated)	
Key Operating Statistics:		
Petroleum Business		
Production (barrels per day)(4)	98,454	53,689
Crude oil throughput barrels per day(4)	85,276	47,267
Refining margin per barrel(5)	$ 11.19	$ 12.69
NYMEX 2-1-1 crack spread(6)	$ 9.05	$ 12.15
Direct operating expenses exclusive of depreciation and amortization per barrel(7)	$ 4.00	$ 22.73
Gross profit (loss) per barrel(7)	$ 6.18	$ (12.34)
Nitrogen Fertilizer Business		
Production Volume:		
Ammonia (tons in thousands)	102.7	86.2
UAN (tons in thousands)	160.4	165.7
On-stream factors(8):		
Gasification	98.6%	91.8%
Ammonia	94.1%	86.3%
UAN	92.8%	89.4%

	Original Predecessor		Immediate Predecessor		Successor	Successor	Pro Forma
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2006 (unaudited)
	(in millions, except as otherwise indicated)						
Statement of Operations Data:							
Net sales	$ 1,262.2	$ 261.1	$ 1,479.9	$ 980.7	$ 1,454.3	$ 3,037.6	$ 3,037.6
Cost of product sold (exclusive of depreciation and amortization)	1,061.9	221.4	1,244.2	768.0	1,168.1	2,443.4	2,443.4
Direct operating expenses (exclusive of depreciation and amortization)	133.1	23.4	117.0	80.9	85.3	199.0	199.0
Selling, general and administrative expenses (exclusive of depreciation and amortization)	23.6	4.7	16.3	18.4	18.4	62.6	73.5
Depreciation and amortization	3.3	0.4	2.4	1.1	24.0	51.0	51.0
Impairment, losses in joint ventures, and other charges(9)	10.9	—	—	—	—	—	—
Operating income	$ 29.4	$ 11.2	$ 100.0	$ 112.3	$ 158.5	$ 281.6	$ 270.7
Other income (expense)(10)	(0.5)	—	(6.9)	(8.4)	0.4	(20.8)	(20.8)
Interest (expense)	(1.3)	—	(10.1)	(7.8)	(25.0)	(43.9)	(32.1)
Gain (loss) on derivatives	0.3	—	0.5	(7.6)	(316.1)	94.5	94.5
Income (loss) before income taxes	$ 27.9	$ 11.2	$ 83.5	$ 88.5	$ (182.2)	$ 311.4	$ 312.3
Income tax (expense) benefit	—	—	(33.8)	(36.1)	63.0	(119.8)	(128.4)
Net income (loss)(1)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)	$ 191.6	$ 183.9
Pro forma earnings per share, basic						$ 2.27	$ 2.15
Pro forma earnings per share, diluted						2.26	2.15
Pro forma weighted average shares, basic						84,563,025	85,478,437
Pro forma weighted average shares, diluted						84,580,525	85,495,937
Segment Financial Data:							
Operating income (loss)							
Petroleum	$ 21.5	$ 7.7	$ 77.1	$ 76.7	$ 123.0	$ 245.6	238.3
Nitrogen fertilizer	7.8	3.5	22.9	35.3	35.7	36.8	33.2
Other	0.1	—	—	0.3	(0.2)	(0.8)	(0.8)
Operating income (loss)	$ 29.4	$ 11.2	$ 100.0	$ 112.3	$ 158.5	$ 281.6	270.7
Depreciation and amortization							
Petroleum	$ 2.1	$ 0.3	$ 1.5	$ 0.8	$ 15.6	$ 33.0	33.0
Nitrogen fertilizer	1.2	0.1	0.9	0.3	8.4	17.1	17.1
Other	—	—	—	—	—	0.9	0.9
Depreciation and amortization(2)	$ 3.3	$ 0.4	$ 2.4	$ 1.1	$ 24.0	$ 51.0	$ 51.0
Other Financial Data:							
Net income adjusted for unrealized gain or loss from Cash Flow Swap(3)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ 23.6	$ 115.4	$ 107.7
Cash flows provided by operating activities	20.3	53.2	89.8	12.7	82.5	186.6	
Cash flows (used in) investing activities	(0.8)	—	(130.8)	(12.3)	(730.3)	(240.2)	
Cash flows provided by (used in) financing activities	(19.5)	(53.2)	93.6	(52.4)	712.5	30.8	
Capital expenditures for property, plant and equipment	0.8	—	14.2	12.3	45.2	240.2	

	Original Predecessor		Immediate Predecessor		Successor	
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006
	(in millions, except as otherwise indicated)					
Key Operating Statistics:						
Petroleum Business						
Production (barrels per day)(4)(11)	95,701	106,645	102,046	99,171	107,177	108,031
Crude oil throughput (barrels per day)(4)(11)	85,501	92,596	90,418	88,012	93,908	94,524
Refining margin per barrel(5)	$ 3.89	$ 4.23	$ 5.92	$ 9.28	$ 11.55	$ 13.27
NYMEX 2-1-1 crack spread(6)	$ 5.53	$ 6.80	$ 7.55	$ 9.60	$ 13.47	$ 10.84
Direct operating expenses exclusive of depreciation and amortization per barrel(7)	$ 2.57	$ 2.60	$ 2.66	$ 3.44	$ 3.13	$ 3.92
Gross profit per barrel(7)	$ 1.25	$ 1.57	$ 3.20	$ 5.79	$ 7.55	$ 8.39
Nitrogen Fertilizer Business						
Production Volume:						
Ammonia (tons in thousands)(11)	335.7	56.4	252.8	193.2	220.0	369.3
UAN (tons in thousands)(11)	510.6	93.4	439.2	309.9	353.4	633.1
On-stream factors(8):						
Gasification	90.1%	93.5%	92.2%	97.4%	98.7%	92.5%
Ammonia	89.6%	80.9%	79.7%	95.0%	98.3%	89.3%
UAN	81.6%	88.7%	82.2%	93.9%	94.8%	88.9%

	Original Predecessor	Immediate Predecessor	Successor	Successor	Successor	
					Actual	As Adjusted
	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	March 31, 2007 (unaudited)	March 31, 2007(15) (unaudited)
	(in millions)					
Balance Sheet Data:						
Cash and cash equivalents	$ —	$ 52.7	$ 64.7	$ 41.9	$ 7.6	$ 2.9
Working capital(12)	150.5	106.6	108.0	112.3	(169.8)	(178.9)
Total assets	199.0	229.2	1,221.5	1,449.5	1,469.4	1,458.2
Liabilities subject to compromise(13)	105.2	—	—	—	—	—
Total debt, including current portion	—	148.9	499.4	775.0	804.5	524.5
Minority interest in subsidiaries(14)	—	—	—	4.3	3.7	10.6
Management units subject to redemption	—	—	3.7	7.0	7.1	—
Divisional/members equity	58.2	14.1	115.8	76.4	(77.4)	—
Stockholders' equity	—	—	—	—	—	192.2

(1) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance due to their unusual or infrequent nature:

	Original Predecessor		Immediate Predecessor		Successor	Successor	Pro Forma	Successor		Pro Forma
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2006 (unaudited)	Three Months Ended March 31, 2006	2007 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
					(in millions)					
Impairment of property, plant and equipment(a)	$ 9.6	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Loss on extinguishment of debt(b)	—	—	7.2	8.1	—	23.4	—	—	—	—
Inventory fair market value adjustment(c)	—	—	3.0	—	16.6	—	—	—	—	—
Funded letter of credit expense and interest rate swap not included in interest expense(d)	—	—	—	—	2.3	—	—	0.5	—	—
Major scheduled turnaround expense(e)	—	—	1.8	—	—	6.6	6.6	—	66.0	66.0
Loss on termination of swap(f)	—	—	—	—	25.0	—	—	—	—	—
Unrealized (gain) loss from Cash Flow Swap	—	—	—	—	235.9	(126.8)	(126.8)	24.5	119.7	119.7

(a) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of our refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition.

(b) Represents the write-off of $7.2 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on May 10, 2004, the write-off of $8.1 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on June 23, 2005 and the write-off of $23.4 million in connection with the refinancing of our senior secured credit facility on December 28, 2006.

(c) Consists of the additional cost of product sold expense due to the step up to estimated fair value of certain inventories on hand at March 3, 2004 and June 24, 2005, as a result of the allocation of the purchase price of the Initial Acquisition and the Subsequent Acquisition to inventory.

(d) Consists of fees which are expensed to Selling, general and administrative expenses in connection with the funded letter of credit facility of $150.0 million issued in support of the Cash Flow Swap. We consider these fees to be equivalent to interest expense and the fees are treated as such in the calculation of EBITDA in the Credit Facility.

(e) Represents expenses associated with a major scheduled turnaround at the nitrogen fertilizer plant and our refinery.

(f) Represents the expense associated with the expiration of the crude oil, heating oil and gasoline option agreements entered into by Coffeyville Acquisition LLC in May 2005.

(2) Depreciation and amortization is comprised of the following components as excluded from cost of products sold, direct operating expense and selling, general and administrative expense:

	Original Predecessor		Immediate Predecessor		Successor			
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
			(in millions)				(unaudited)	
Depreciation and amortization included in cost of product sold	—	—	0.2	0.1	1.1	2.2	0.5	0.6
Depreciation and amortization included in direct operating expense	3.3	0.4	2.0	0.9	22.7	47.7	11.4	13.5
Depreciation and amortization included in selling, general and administrative expense	—	—	0.2	0.1	0.2	1.1	0.1	0.1
Total depreciation and amortization	3.3	0.4	2.4	1.1	24.0	51.0	12.0	14.2

(3) Net income adjusted for unrealized gain or loss from Cash Flow Swap results from adjusting for the derivative transaction that was executed in conjunction with the Subsequent Acquisition. On June 16, 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap with J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. The Cash Flow Swap was subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Under these agreements, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three NYMEX swap agreements whereby if crack spreads fall below the fixed level, J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. See "Description of Our Indebtedness and the Cash Flow Swap."

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current GAAP. As a result, our periodic statements of operations reflect in each period material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements which is accounted for as a liability on our balance sheet. As the crack spreads increase we are required to record an increase in this liability account with a corresponding expense entry to be made to our statement of operations. Conversely, as crack spreads decline we are required to record a decrease in the swap related liability and post a corresponding income entry to our statement of operations. Because of this inverse relationship between the economic outlook for our underlying business (as represented by crack spread levels) and the income impact of the unrecognized gains and losses, and given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes Net income adjusted for unrealized gain or loss from Cash Flow Swap as a key indicator of our business performance. In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, management and our board of directors considers our U.S. GAAP net income results as well as Net income adjusted for unrealized gain or loss from Cash Flow Swap. We believe that Net income adjusted for unrealized gain or loss from Cash Flow Swap enhances the understanding of our results of operations by highlighting income attributable to our ongoing operating performance exclusive of charges and income resulting from mark to market adjustments that are not necessarily indicative of the performance of our underlying business and our industry. The adjustment has been made for the unrealized loss from Cash Flow Swap net of its related tax benefit.

Net income adjusted for unrealized gain or loss from Cash Flow Swap is not a recognized term under GAAP and should not be substituted for net income as a measure of our performance but instead should be utilized as a supplemental measure of financial performance or liquidity in evaluating our business. Because Net income adjusted for unrealized gain or loss from Cash Flow Swap excludes mark to market adjustments, the measure does not reflect the fair market value of our Cash Flow Swap in our net income. As a result, the measure does not include potential cash payments that may be required to be made on the Cash Flow Swap in the future. Also, our presentation of this non-GAAP measure may not be comparable to similarly titled measures of other companies.

The following is a reconciliation of Net income adjusted for unrealized gain or loss from Cash Flow Swap to Net income:

	Original Predecessor		Immediate Predecessor		Successor	Successor	Pro Forma	Successor		Pro Forma
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2006 (unaudited)	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
					(in millions)					
Net income (loss) adjusted for unrealized loss from Cash Flow Swap	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ 23.6	$ 115.4	$ 107.7	$ 36.9	$ (82.4)	$ (78.9)
Plus:										
Unrealized gain (loss) from Cash Flow Swap, net of tax benefit	—	—	—	—	(142.8)	76.2	76.2	(14.8)	(72.0)	(72.0)
Net income (loss)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)	$ 191.6	$ 183.9	$ 22.1	$ (154.4)	$ (150.9)

(4) Barrels per day is calculated by dividing the volume in the period by the number of calendar days in the period. Barrels per day as shown here is impacted by plant down-time and other plant disruptions and does not represent the capacity of the facility's continuous operations.

(5) Refining margin is a measurement calculated as the difference between net sales and cost of products sold (exclusive of deprecation and amortization) which we use as a general indication of the amount above our cost of products sold at which we are able to sell refined products. Each of the components used to calculate refining margin (net sales and cost of products sold exclusive of deprecation and amortization) can be taken directly from our statement of operations. Refining margin per barrel is a measurement calculated by dividing the refining margin by our refinery's crude oil throughput volumes for the respective periods presented. We use refining margin as the most direct and comparable metric to a crack spread which is an observable market indication of industry profitability.

Refining margin is a non-GAAP measure and should not be substituted for gross profit or operating income. Our calculations of refining margin and refining margin per barrel may differ from similar calculations of other companies in our industry, thereby limiting their usefulness as comparative measures. The table included in footnote 7 reconciles refining margin to gross profit for the periods presented.

(6) This information is industry data and is not derived from our audited financial statements or unaudited interim financial statements.

(7) Direct operating expenses (exclusive of depreciation and amortization) per throughput barrel is calculated by dividing direct operating expenses (exclusive of depreciation and amortization) by total crude oil throughput volumes for the respective periods presented. Direct operating expenses (exclusive of depreciation and amortization) includes costs associated with the actual operations of the refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance and labor and environmental compliance costs but does not include deprecation or amortization. We use direct operating expenses (exclusive of depreciation and amortization) as a measure of operating efficiency within the plant and as a control metric for expenditures.

Direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel is a non-GAAP measure. Our calculations of direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel may differ from similar calculations of other companies in our industry, thereby limiting its usefulness as a comparative measure. The following table reflects direct operating expenses (exclusive of depreciation and amortization) and the related calculation of direct operating expenses per refinery throughput barrel.

	Original Predecessor		Immediate Predecessor		Successor			
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
	(in millions, except as otherwise indicated)							
Petroleum Business:								
Net sales	$ 1,161.3	$ 241.6	$ 1,390.8	$ 903.8	$ 1,363.4	$ 2,880.4	$ 619.6	$ 352.5
Cost of product sold (exclusive of depreciation and amortization)	1,040.0	217.4	1,228.1	761.7	1,156.2	2,422.7	533.7	298.5
Direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	135.3	30.7	96.7
Depreciation and amortization	2.1	0.3	1.5	0.8	15.6	33.0	7.8	9.8
Gross profit (loss)	$ 39.1	$ 9.0	$ 88.0	$ 88.7	$ 135.4	$ 289.4	$ 47.4	$ (52.5)
Plus direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	135.3	30.7	96.7
Plus depreciation and amortization	2.1	0.3	1.5	0.8	15.6	33.0	7.8	9.8
Refining margin	$ 121.3	$ 24.2	$ 162.7	$ 142.1	$ 207.2	$ 457.7	$ 85.9	$ 54.0
Refining margin per refinery throughput barrel	$ 3.89	$ 4.23	$ 5.92	$ 9.28	$ 11.55	$ 13.27	$ 11.19	$ 12.69
Gross profit (loss) per refinery throughput barrel	$ 1.25	$ 1.57	$ 3.20	$ 5.79	$ 7.55	$ 8.39	$ 6.18	$ (12.34)
Direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel	$ 2.57	$ 2.60	$ 2.66	$ 3.44	$ 3.13	$ 3.92	$ 4.00	$ 22.73

(8) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period.

(9) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of the refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition. In addition, we recorded a charge of $1.3 million for the rejection of existing contracts while operating under Chapter 11 of the U.S. Bankruptcy Code.

(10) During the 304 days ended December 31, 2004, the 174 days ended June 23, 2005 and the year ended December 31, 2006, we recognized a loss of $7.2 million, $8.1 million and $23.4 million, respectively, on early extinguishment of debt.

(11) Operational information reflected for the 233-day Successor period ended December 31, 2005 includes only 191 days of operational activity. Successor was formed on May 13, 2005 but had no financial statement activity during the 42-day period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil and gasoline option agreements entered into with J. Aron as of May 16, 2005 which expired unexercised on June 16, 2005.

(12) Excludes liabilities subject to compromise due to Original Predecessor's bankruptcy of $105.2 million as of December 31, 2003 in calculating Original Predecessor's working capital.

(13) While operating under Chapter 11 of the U.S. Bankruptcy Code, Original Predecessor's financial statements were prepared in accordance with SOP 90-7 "Financial Reporting by Entities in Reorganization under Bankruptcy Code." SOP 90-7 requires that pre-petition liabilities be segregated in the Balance Sheet.

(14) Minority interest reflects (a) on December 31, 2006 and March 31, 2007, respectively, common stock in two of our subsidiaries owned by John J. Lipinski (which will be exchanged for shares of our common stock with an equivalent value prior to the consummation of this offering) and (b) on March 31, 2007, as adjusted, the managing general partner interest in the Partnership held by our controlling stockholders and senior management.

(15) A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share would (decrease) increase total debt and would increase (decrease) stockholders' equity by approximately $14.5 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. In addition, depending on market conditions at the time of pricing of this offering, we may sell fewer or more shares than the number set forth on the cover page of this prospectus. The pro forma information presented above is illustrative only and following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of the offering determined at pricing.

About This Prospectus

Certain Definitions

In this prospectus,

- Original Predecessor refers to the former Petroleum Division and one facility within the eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division of Farmland which Coffeyville Resources, LLC acquired on March 3, 2004 in a sales process under Chapter 11 of the U.S. Bankruptcy Code;
- Initial Acquisition refers to the acquisition of Original Predecessor on March 3, 2004 by Coffeyville Resources, LLC;
- Immediate Predecessor refers to Coffeyville Group Holdings, LLC and its subsidiaries, including Coffeyville Resources, LLC;
- Subsequent Acquisition refers to the acquisition of Immediate Predecessor on June 24, 2005 by Coffeyville Acquisition LLC; and
- Successor refers to Coffeyville Acquisition LLC and its consolidated subsidiaries.

In addition, references in this prospectus to the "nitrogen fertilizer business" refer to our nitrogen fertilizer business which, prior to the consummation of this offering, we are transferring to a newly formed limited partnership. The managing general partner of the limited partnership will be a new entity owned by our controlling stockholders and senior management. We will initially own all of the interests in the limited partnership (other than the managing general partner interest and associated IDRs). See "The Nitrogen Fertilizer Limited Partnership."

Industry and Market Data

The data included in this prospectus regarding the oil refining industry and the nitrogen fertilizer industry, including trends in the market and our position and the position of our competitors within these industries, are based on our estimates, which have been derived from management's knowledge and experience in the areas in which the relevant businesses operate, and information obtained from customers, distributors, suppliers, trade and business organizations, internal research, publicly available information, industry publications and surveys and other contacts in the areas in which the relevant businesses operate. We have also cited information compiled by industry publications, governmental agencies and publicly available sources. Although we believe that these sources are generally reliable, we have not independently verified data from these sources or obtained third party verification of this data. Estimates of market size and relative positions in a market are difficult to develop and inherently uncertain. Accordingly, investors should not place undue weight on the industry and market share data presented in this prospectus.

Trademarks, Trade Names and Service Marks

This prospectus includes trademarks, including COFFEYVILLE RESOURCES™ and CVR Energy™, and we have applied for federal registration of these trademarks. This prospectus also contains trademarks, service marks, copyrights and trade names of other companies.

RISK FACTORS

You should carefully consider each of the following risks and all of the information set forth in this prospectus before deciding to invest in our common stock. If any of the following risks and uncertainties develops into actual events, our business, financial condition or results of operations could be materially adversely affected. In that case, the price of our common stock could decline and you could lose part or all of your investment.

Risks Related to Our Petroleum Business

Volatile margins in the refining industry may cause volatility or a decline in our future results of operations and decrease our cash flow.

Our petroleum business' financial results are primarily affected by the relationship, or margin, between refined product prices and the prices for crude oil and other feedstocks. Future volatility in refining industry margins may cause volatility or a decline in our results of operations, since the margin between refined product prices and feedstock prices may decrease below the amount needed for us to generate net cash flow sufficient for our needs. Although an increase or decrease in the price for crude oil generally results in a similar increase or decrease in prices for refined products, there is normally a time lag in the realization of the similar increase or decrease in prices for refined products. The effect of changes in crude oil prices on our results of operations therefore depends in part on how quickly and how fully refined product prices adjust to reflect these changes. A substantial or prolonged increase in crude oil prices without a corresponding increase in refined product prices, or a substantial or prolonged decrease in refined product prices without a corresponding decrease in crude oil prices, could have a significant negative impact on our earnings, results of operations and cash flows.

If we are required to obtain our crude oil supply without the benefit of our credit intermediation agreement, our exposure to the risks associated with volatile crude prices may increase and our liquidity may be reduced.

We currently obtain the majority of our crude oil supply through a crude oil credit intermediation agreement with J. Aron, which minimizes the amount of in transit inventory and mitigates crude pricing risks by ensuring pricing takes place extremely close to the time when the crude is refined and the yielded products are sold. In the event this agreement is terminated or is not renewed prior to expiration we may be unable to obtain similar services from another party at the same or better terms as our existing agreement. The current credit intermediation agreement expires on December 31, 2007. Further, if we were required to obtain our crude oil supply without the benefit of an intermediation agreement, our exposure to crude pricing risks may increase, even despite any hedging activity in which we may engage, and our liquidity would be negatively impacted due to the increased inventory and the negative impact of market volatility.

Disruption of our ability to obtain an adequate supply of crude oil could reduce our liquidity and increase our costs.

Our refinery requires approximately 80,000 bpd of crude oil in addition to the light sweet crude oil we gather locally in Kansas and northern Oklahoma. We obtain a significant amount of our non-gathered crude oil, approximately 20% to 30% on average, from Latin America and South America. If these supplies become unavailable to us, we may need to seek supplies from the Middle East, West Africa, Canada and the North Sea. We are subject to the political, geographic, and economic risks attendant to doing business with suppliers located in those regions. Disruption of production in any of such regions for any reason could have a material impact on other regions and our business. In the event that one or more of our traditional suppliers becomes unavailable to us, we may be unable to obtain an adequate supply of crude oil, or we may only be able to obtain our crude oil supply at unfavorable prices. As a result, we may experience a reduction in our liquidity and our results of operations could be materially adversely affected.

The key event of 2005 in our industry was the hurricane season which produced a record number of named storms, including hurricanes Katrina and Rita. The location and intensity of these storms caused extreme amounts of damage to both crude and natural gas production as well as extensive disruption to many U.S. Gulf Coast refinery operations although we believe that substantially most of this refining capacity has been restored. These events caused both price spikes in the commodity markets as well as substantial increases in crack spreads. Severe weather, including hurricanes along the U.S. Gulf Coast, could interrupt our supply of crude oil. Supplies of crude oil to our refinery are periodically shipped from U.S. Gulf Coast production or terminal facilities, including through the Seaway Pipeline from the U.S. Gulf Coast to Cushing, Oklahoma. U.S. Gulf Coast facilities could be subject to damage or production interruption from hurricanes or other severe weather in the future which could interrupt or materially adversely affect our crude oil supply. If our supply of crude oil is interrupted, our business, financial condition and results of operations could be materially adversely impacted.

Our profitability is linked to the light/heavy and sweet/sour crude oil price spreads. In 2005 and 2006 the light/heavy crude oil price spread increased significantly. A decrease in either of the spreads would negatively impact our profitability.

Our profitability is linked to the price spreads between light and heavy crude oil and sweet and sour crude oil within our plant capabilities. We prefer to refine heavier sour crude oils because they have historically provided wider refining margins than light sweet crude. Accordingly, any tightening of the light/heavy or sweet/sour spreads could reduce our profitability. During 2005 and 2006, relatively high demand for lighter sweet crude due to increasing demand for more highly refined fuels resulted in an attractive light/heavy crude oil price spread and an improved sweet/sour spread compared to 2004. Countries with less complex refining capacity than the United States and Europe continue to require large volumes of light sweet crude in order to meet their demand for transportation fuels. Crude oil prices may not remain at current levels and the light/heavy or sweet/sour spread may decline, which could result in a decline in profitability or operating losses.

Our refinery faces operating hazards and interruptions, including unscheduled maintenance or downtime. The limits on insurance coverage could expose us to potentially significant liability costs to the extent these hazards or interruptions are not fully covered. Insurance companies that currently insure companies in the energy industry may cease to do so or may substantially increase premiums.

Our operations, located primarily in a single location, are subject to significant operating hazards and interruptions. If our refinery experiences a major accident or fire, is damaged by severe weather or other natural disaster, or is otherwise forced to curtail its operations or shut down, we could incur significant losses which could have a material adverse impact on our financial results. In addition, a major accident, fire or other event could damage our refinery or the environment or result in injuries or loss of life. If our refinery experiences a major accident or fire or other event or an interruption in supply or operations, our business could be materially adversely affected if the damage or liability exceeds the amounts of business interruption, property, terrorism and other insurance that we maintain against these risks. As required under our existing credit facilities, we maintain property insurance capped at $1.25 billion which is subject to annual renewal. In the event of a business interruption we would not be entitled to recover our losses until the interruption exceeds 45 days in the aggregate. We are fully exposed to losses in excess of this cap or that occur in the 45 days of our deductible period. These losses may be material.

The energy industry is highly capital intensive, and the entire or partial loss of individual facilities can result in significant costs to both industry participants, such as us, and their insurance carriers. In recent years, several large energy industry claims have resulted in significant increases in the level of premium costs and deductible periods for participants in the energy industry. For example, during 2005, hurricanes Katrina and Rita caused significant damage to several petroleum refineries along the U.S. Gulf Coast, in addition to numerous oil and gas production facilities and pipelines in that region. As a result of large energy industry claims, insurance companies that have historically participated in underwriting energy-related facilities may discontinue that practice, or demand significantly higher premiums or deductibles to cover these facilities. If significant changes in the number or financial solvency of insurance underwriters for the energy industry occur, we may be unable to obtain and maintain adequate insurance at reasonable cost or we may need to significantly increase our retained exposures.

Our refinery consists of a number of processing units, many of which have been in operation for a number of years. One or more of the units may require unscheduled down time for unanticipated maintenance or repairs on a more frequent basis than our scheduled turnaround of every three to four years for each unit, or our planned turnarounds may last longer than anticipated. Scheduled and unscheduled maintenance could reduce our net income during the period of time that any of our units is not operating.

The new and redesigned equipment in our facilities may not perform according to expectations, which may cause unexpected maintenance and downtime and could have a negative effect on our future results of operations and financial condition.

We have recently upgraded all of the units in our refinery by installing new equipment and redesigning older equipment to improve refinery capacity. The installation and redesign of key equipment involves significant risks and uncertainties, including the following:

- our upgraded equipment may not perform at expected throughput levels;
- the yield and product quality of new equipment may differ from design; and
- redesign or modification of the equipment may be required to correct equipment that does not perform as expected, which could require facility shutdowns until the equipment has been redesigned or modified.

Any of these risks could lead to lower revenues or higher costs or otherwise have a negative impact on our future results of operations and financial condition.

If our access to the pipelines on which we rely for the supply of our feedstock and the distribution of our products is interrupted, our inventory and costs may increase and we may be unable to efficiently distribute our products.

If one of the pipelines on which we rely for supply of our crude oil becomes inoperative, we would be required to obtain crude oil for our refinery through an alternative pipeline or from additional tanker trucks, which could increase our costs and result in lower production levels and profitability. Similarly, if a major refined fuels pipeline becomes inoperative, we would be required to keep refined fuels in inventory or supply refined fuels to our customers through an alternative pipeline or by additional tanker trucks from the refinery, which could increase our costs and result in a decline in profitability.

Our petroleum business' financial results are seasonal and generally lower in the first and fourth quarters of the year, which may cause volatility in the price of our common stock.

Demand for gasoline products is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and road construction work. As a result, our results of operations for the first and fourth calendar quarters are generally lower than for those for the second and third quarters, which may cause volatility in the price of our common stock. Further, reduced agricultural work during the winter months somewhat depresses demand for diesel fuel in the winter months. In addition to the overall seasonality of our business, unseasonably cool weather in the summer months and/or unseasonably warm weather in the winter months in the markets in which we sell our petroleum products could have the effect of reducing demand for gasoline and diesel fuel which could result in lower prices and reduce operating margins.

We face significant competition, both within and outside of our industry. Competitors who produce their own supply of feedstocks, have extensive retail outlets, make alternative fuels or have greater financial resources than we do may have a competitive advantage over us.

The refining industry is highly competitive with respect to both feedstock supply and refined product markets. We may be unable to compete effectively with our competitors within and outside of our industry, which could result in reduced profitability. We compete with numerous other companies for available supplies of crude oil and other feedstocks and for outlets for our refined products. We are not engaged in the petroleum exploration and production business and therefore we do not produce any of our crude oil feedstocks. We do not have a retail business and therefore are dependent upon others for outlets for our refined products. We do not have any long-term arrangements for much of our output. Many of our competitors in the United States as a whole, and one of our regional competitors, obtain significant portions of their feedstocks from company-owned production and have extensive retail outlets. Competitors that have their own production or extensive retail outlets with brand-name recognition are at times able to offset losses from refining operations with profits from producing or retailing operations, and may be better positioned to withstand periods of depressed refining margins or feedstock shortages. A number of our competitors also have materially greater financial and other resources than us, providing them the ability to add incremental capacity in environments of high crack spreads. These competitors have a greater ability to bear the economic risks inherent in all phases of the refining industry. An expansion or upgrade of our competitors’ facilities, price volatility, international political and economic developments and other factors are likely to continue to play an important role in refining industry economics and may add additional competitive pressure on us. In addition, we compete with other industries that provide alternative means to satisfy the energy and fuel requirements of our industrial, commercial and individual consumers. The more successful these alternatives become as a result of governmental regulations, technological advances, consumer demand, improved pricing or otherwise, the greater the impact on pricing and demand for our products and our profitability. There are presently significant governmental and consumer pressures to increase the use of alternative fuels in the United States.

Environmental laws and regulations will require us to make substantial capital expenditures in the future.

Current or future federal, state and local environmental laws and regulations could cause us to expend substantial amounts to install controls or make operational changes to comply with environmental requirements. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit our ability to market and sell our products to end users. Any such future environmental laws or governmental regulations could have a material impact on the results of our operations.

In March 2004, we entered into a Consent Decree with the United States Environmental Protection Agency, or the EPA, and the Kansas Department of Health and Environment, or the KDHE, to address certain allegations of Clean Air Act violations by Farmland at the Coffeyville oil refinery in order to reduce environmental risks and liabilities going forward. Pursuant to the Consent Decree, in the short-term, we have increased the use of catalyst additives to the fluid catalytic cracking unit at the facility to reduce emissions of sulfur dioxide, or SO_2. We will begin adding catalyst to reduce oxides of nitrogen, or NOx, in 2007. A catalyst is a substance that alters, accelerates or instigates chemical changes, but is neither produced, consumed nor altered in the process. In the long term, we will install controls to minimize both SO_2 and NOx emissions, which under the terms of the Consent Decree require that final controls be in place by January 1, 2011. In addition, pursuant to the Consent Decree, we assumed certain cleanup obligations at our Coffeyville refinery and Phillipsburg terminal, and we agreed to retrofit some heaters at the refinery with Ultra Low NOx burners. All heater retrofits have been performed and we are currently verifying that the heaters meet the Ultra Low NOx standards required by the Consent Decree. The Ultra Low NOx heater technology is in widespread use throughout the industry. There are other permitting, monitoring, recordkeeping and reporting requirements associated with the Consent Decree, and we are required to provide periodic reports on our compliance with the terms and conditions of the Consent Decree. The overall costs of complying with the Consent Decree over the next four years are expected to be approximately $41 million. To date, we have met all deadlines and requirements of the Consent Decree and we have not had to pay any stipulated penalties, which are required to be paid for failure to comply with various terms and conditions of the Consent Decree. Availability of equipment and technology performance, as well as EPA interpretations of provisions of the Consent Decree that differ from ours, could have a material adverse effect on our ability to meet the requirements imposed by the Consent Decree.

We will incur capital expenditures over the next several years in order to comply with regulations under the Clean Air Act establishing stringent low sulfur content specifications for our petroleum products, including the Tier II gasoline standards, as well as regulations with respect to on- and off-road diesel fuel, which are designed to reduce air emissions from the use of these products. In February 2004, the EPA granted us a “hardship waiver,” which will require us to meet final low sulfur Tier II gasoline standards by January 1, 2011. Compliance with the Tier II gasoline standards and on-road diesel standards required us to spend approximately $133 million during 2006 and we estimate that compliance will require us to spend approximately $116 million in 2007 and approximately $46 million between 2008 and 2010. Changes in these laws or interpretations thereof could result in significantly greater expenditures.

Changes in our credit profile may affect our relationship with our suppliers, which could have a material adverse effect on our liquidity.

Changes in our credit profile may affect the way crude oil suppliers view our ability to make payments and may induce them to shorten the payment terms of their invoices. Given the large dollar amounts and volume of our feedstock purchases, a change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers.

We may have additional capital needs for which our internally generated cash flows and other sources of liquidity may not be adequate.

If we cannot generate cash flow or otherwise secure sufficient liquidity to support our short-term and long-term capital requirements, we may be unable to comply with certain environmental standards or pursue our business strategies, in which case our operations may not perform as well as we currently expect. We have substantial short-term and long-term capital needs, including capital expenditures we are required to make to comply with Tier II gasoline standards, on-road diesel regulations, off-road diesel regulations and the Consent Decree. Our short-term working capital needs are primarily crude oil purchase requirements, which fluctuate with the pricing and sourcing of crude oil. We also have significant long-term needs for cash. We currently estimate that mandatory capital and turnaround expenditures, excluding the non-recurring capital expenditures required to comply with Tier II gasoline standards, on-road diesel regulations, off-road diesel regulations and the Consent Decree described above, will average approximately $55 million per year over the next five years.

Risks Related to the Nitrogen Fertilizer Business

The nitrogen fertilizer plant has high fixed costs. If natural gas prices fall below a certain level, the nitrogen fertilizer business may not generate sufficient revenue to operate profitably or cover its costs.

The nitrogen fertilizer plant has high fixed costs as discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Results — Nitrogen Fertilizer Business.” As a result, downtime or low productivity due to reduced demand, weather interruptions, equipment failures, low prices for fertilizer products or other causes can result in significant operating losses. Unlike its competitors, whose primary costs are related to the purchase of natural gas and whose fixed costs are minimal, the nitrogen fertilizer business has high fixed costs not dependent on the price of natural gas. A decline in natural gas prices generally has the effect of reducing the base sale price for fertilizer products while other fixed costs remain substantially the same. Any decline in the price of fertilizer products could have a material negative impact on our profitability and results of operations.

The nitrogen fertilizer business is cyclical, which exposes us to potentially significant fluctuations in our financial condition and results of operations, which could result in volatility in the price of our common stock.

A significant portion of nitrogen fertilizer product sales consists of sales of agricultural commodity products, exposing us to fluctuations in supply and demand in the agricultural industry. These fluctuations historically have had and could in the future have significant effects on prices across all nitrogen fertilizer products and, in turn, the nitrogen fertilizer business' results of operations and financial condition, which could result in significant volatility in the price of our common stock. The prices of nitrogen fertilizer products depend on a number of factors, including general economic conditions, cyclical trends in end-user markets, supply and demand imbalances, and weather conditions, which have a greater relevance because of the seasonal nature of fertilizer application. Changes in supply result from capacity additions or reductions and from changes in inventory levels. Demand for fertilizer products is dependent, in part, on demand for crop nutrients by the global agricultural industry. Periods of high demand, high capacity utilization, and increasing operating margins have tended to result in new plant investment and increased production until supply exceeds demand, followed by periods of declining prices and declining capacity utilization until the cycle is repeated.

Fertilizer products are global commodities, and the nitrogen fertilizer business faces intense competition from other nitrogen fertilizer producers.

The nitrogen fertilizer business is subject to intense price competition from both U.S. and foreign sources, including competitors operating in the Persian Gulf, Asia-Pacific, the Caribbean and the former Soviet Union. Fertilizers are global commodities, with little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and availability of the product. The nitrogen fertilizer business competes with a number of U.S. producers and producers in other countries, including state-owned and government-subsidized entities. The United States and the European Commission each have trade regulatory measures in effect which are designed to address this type of unfair trade. Changes in these measures could have an adverse impact on the sales and profitability of the particular products involved. Some competitors have greater total resources and are less dependent on earnings from fertilizer sales, which makes them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. In addition, recent consolidation in the fertilizer industry has increased the resources of several competitors. In light of this industry consolidation, our competitive position could suffer to the extent the nitrogen fertilizer business is not able to expand its own resources either through investments in new or existing operations or through acquisitions, joint ventures or partnerships. An inability to compete successfully could result in the loss of customers, which could adversely affect our sales and profitability.

Adverse weather conditions during peak fertilizer application periods may have a negative effect upon our results of operations and financial condition, as the nitrogen fertilizer business' agricultural customers are geographically concentrated.

Sales of fertilizer products by the nitrogen fertilizer business to agricultural customers are concentrated in the Great Plains and Midwest states and are seasonal in nature. For example, the nitrogen fertilizer business generates greater net sales and operating income in the spring.

Accordingly, an adverse weather pattern affecting agriculture in these regions or during this season could have a negative effect on fertilizer demand, which could, in turn, result in a decline in our net sales, lower margins and otherwise negatively affect our financial condition and results of operations. Our quarterly results may vary significantly from one year to the next due primarily to weather-related shifts in planting schedules and purchase patterns, as well as the relationship between natural gas and nitrogen fertilizer product prices.

Our margins and results of operations may be adversely affected by the supply and price levels of pet coke and other essential raw materials.

Pet coke is a key raw material used by the nitrogen fertilizer business in the manufacture of nitrogen fertilizer products. Increases in the price of pet coke could result in a decrease in our profit margins or results of operations. Our profitability is directly affected by the price and availability of pet coke obtained from our oil refinery and purchased from third parties. The nitrogen fertilizer business obtains the majority of the pet coke it needs from our adjacent oil refinery, and procures the remainder on the open market. The nitrogen fertilizer business is therefore sensitive to fluctuations in the price of pet coke on the open market. Pet coke prices could significantly increase in the future. In addition, the BOC air separation plant that provides oxygen, nitrogen, and compressed dry air to the nitrogen fertilizer plant's gasifier has experienced numerous short-term interruptions (one to five minute), thereby causing interruptions in the gasifier operations. The operations of the nitrogen fertilizer business require a reliable supply of raw materials. A disruption of its reliable supply could prevent it from producing its products at current levels and its reputation, customer relationships and results of operations could be materially harmed.

The nitrogen fertilizer business may not be able to maintain an adequate supply of pet coke and other essential raw materials. In addition, the nitrogen fertilizer business could experience production delays or cost increases if alternative sources of supply prove to be more expensive or difficult to obtain. If raw material costs were to increase, or if the fertilizer plant were to experience an extended interruption in the supply of raw materials, including pet coke, to its production facilities, the nitrogen fertilizer business could lose sale opportunities, damage its relationships with or lose customers, suffer lower margins, and experience other negative effects to its business, results of operations and financial condition. In addition, if natural gas prices in the United States were to decline to a level that prompts those U.S. producers who have permanently or temporarily closed production facilities to resume fertilizer production, this would likely contribute to a global supply/demand imbalance that could negatively affect our margins, results of operations and financial condition.

Ammonia can be very volatile. If we are held liable for accidents involving ammonia that cause severe damage to property and/or injury to the environment and human health, our financial condition and the price of our common stock could decline. In addition, the costs of transporting ammonia could increase significantly in the future.

The nitrogen fertilizer business manufactures, processes, stores, handles, distributes and transports ammonia, which is very volatile. Accidents, releases or mishandling involving ammonia could cause severe damage or injury to property, the environment and human health, as well as a possible disruption of supplies and markets. Such an event could result in civil lawsuits and regulatory enforcement proceedings, both of which could lead to significant liabilities. Any damage to persons, equipment or property or other disruption of the ability of the nitrogen fertilizer business to produce or distribute its products could result in a significant decrease in operating revenues and significant additional cost to replace or repair and insure its assets, which could negatively affect our operating results and financial condition. In addition, the nitrogen fertilizer business may incur significant losses or costs relating to the operation of railcars used for the purpose of carrying various products, including ammonia. Due to the dangerous and potentially toxic nature of the cargo, in particular ammonia on board railcars, a railcar accident may result in uncontrolled or catastrophic circumstances, including fires, explosions, and pollution. These circumstances may result in severe damage and/or injury to property, the environment and human health. In the event of pollution, we may be strictly liable. If we are strictly liable, we could be held responsible even if we are not at fault and we complied with the laws and regulations in effect at the time. Litigation arising from accidents involving ammonia may result in our being named as a defendant in lawsuits asserting claims for large amounts of damages, which could have a material adverse effect on our financial condition and the price of our common stock.

Given the risks inherent in transporting ammonia, the costs of transporting ammonia could increase significantly in the future. Ammonia is most typically transported by railcar. A number of initiatives are underway in the railroad and chemicals industries which may result in changes to railcar design in order to minimize railway accidents involving hazardous materials. If any such design changes are implemented, or if accidents involving hazardous freight increases the insurance and other costs of railcars, freight costs of the nitrogen fertilizer business could significantly increase.

Environmental laws and regulations could require the nitrogen fertilizer business to make substantial capital expenditures in the future.

The nitrogen fertilizer business manufactures, processes, stores, handles, distributes and transports fertilizer products, including ammonia, that are subject to federal, state and local environmental laws and regulations. Presently existing or future environmental laws and regulations could cause the nitrogen fertilizer business to expend substantial amounts to install controls or make operational changes to comply with changes in environmental requirements. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit the ability of the nitrogen fertilizer business to market and sell its products to end users. Any such future environmental laws or governmental regulations may have a significant impact on our results of operations.

The nitrogen fertilizer operations are dependent on a few third-party suppliers. Failure by key third-party suppliers of oxygen, nitrogen and electricity to perform in accordance with their contractual obligations may have a negative effect upon our results of operations and financial condition.

The nitrogen fertilizer operations depend in large part on the performance of third-party suppliers, including The BOC Group, for the supply of oxygen and nitrogen, and the City of Coffeyville for the supply of electricity. The contract with The BOC Group extends through 2020 and the electricity contract extends through 2019. Should either of those two suppliers fail to perform in accordance with the existing contractual arrangements, the gasification operation would be forced to a halt. Alternative sources of supply of oxygen, nitrogen or electricity could be difficult to obtain. Any shutdown of operations at the nitrogen fertilizer business could have a material negative effect upon our results of operations and financial condition.

Risks Related to Our Entire Business

Our operations involve environmental risks that may require us to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.

Our results of operations may be affected by increased costs resulting from compliance with the extensive federal, state and local environmental laws and regulations to which our facilities are subject and from contamination of our facilities as a result of accidental spills, discharges or other historical releases of petroleum or hazardous substances.

Our operations are subject to a variety of federal, state and local environmental laws and regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, product specifications and the generation, treatment, storage, transportation, disposal and remediation of solid and hazardous waste and materials. Environmental laws and regulations that affect the operations, processes and margins for our refined products are extensive and have become progressively more stringent. Violations of these laws and regulations or permit conditions can result in substantial penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations and/or facility shutdowns.

In addition, new environmental laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of laws and regulations or other developments could require us to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. These expenditures or costs for environmental compliance could have a material adverse effect on our financial condition and results of operations.

All of our facilities operate under a number of federal and state permits, licenses and approvals with limits, terms and conditions containing a significant number of prescriptive and performance standards in order to operate. Our facilities are also required to meet compliance with prescriptive and performance standards specific to refining and chemical facilities as well as to general manufacturing facilities. All of these permits, licenses and standards require a significant amount of monitoring, record keeping and reporting requirements in order to demonstrate compliance with the underlying permit, license or standard. Inspections by federal and state governmental agencies may uncover incomplete or unknown documentation of compliance status that may result in the imposition of fines, penalties and injunctive relief that could have a material adverse effect on our ability to operate our facilities. Additionally, due to the nature of our manufacturing processes there may be times when we are unable to meet the standards and terms and conditions of these permits, licenses and standards that may not receive enforcement discretion from the governmental agencies, which may lead to the imposition of fines and penalties or operating restrictions that may have a material adverse effect on our ability to operate our facilities and accordingly our financial performance.

Our business is inherently subject to accidental spills, discharges or other releases of petroleum or hazardous substances into the environment. Past or future spills related to any of our operations, including our refinery, pipelines, product terminals, fertilizer plant or transportation of products or hazardous substances from those facilities, may give rise to liability (including strict liability, or liability without fault, and potential cleanup responsibility) to governmental entities or private parties under federal, state or local environmental laws, as well as under common law. For example, we could be held strictly liable under the Comprehensive Environmental Responsibility, Compensation and Liability Act, or CERCLA, for past or future spills without regard to fault or whether our actions were in compliance with the law at the time of the spills. Pursuant to CERCLA and similar state statutes, we could be held liable for contamination associated with facilities we currently own or operate, facilities we formerly owned or operated and facilities to which we transported or arranged for the transportation of wastes or by-products containing hazardous substances for treatment, storage, or disposal. The potential penalties and clean-up costs for past or future releases or spills, liability to third parties for damage to their property or exposure to hazardous substances, or the need to address newly discovered information or conditions that may require response actions could be significant and could have a material adverse effect on our business, financial condition and results of operations.

Two of our facilities, including our Coffeyville oil refinery and the Phillipsburg terminal (which operated as a refinery until 1991), have environmental contamination. We have assumed Farmland's responsibilities under certain Resource Conservation and Recovery Act, or RCRA, corrective action orders related to contamination at or that originated from the Coffeyville refinery (which includes portions of the fertilizer plant) and the Phillipsburg terminal. If significant unforeseen liabilities that have been undetected to date by our extensive soil and groundwater investigation and sampling programs arise in the areas where we have assumed liability for the corrective action, that liability could have a material adverse effect on our results of operations and financial condition and may not be covered by insurance.

In addition, we may face liability for alleged personal injury or property damage due to exposure to chemicals or other hazardous substances located at or released from our facilities. We may also face liability for personal injury, property damage, natural resource damage or for cleanup costs for the alleged migration of contamination or other hazardous substances from our facilities to adjacent and other nearby properties.

We may face future liability for the off-site disposal of hazardous wastes. Pursuant to CERCLA, companies that dispose of, or arrange for the disposal of, hazardous substances at off-site locations can be held jointly and severally liable for the costs of investigation and remediation of contamination at those off-site locations, regardless of fault. We could become involved in litigation or other proceedings involving off-site waste disposal and the damages or costs in any such proceedings could be material.

We have a limited operating history as a stand-alone company.

Our limited historical financial performance as a stand-alone company makes it difficult for you to evaluate our business and results of operations to date and to assess our future prospects and viability. Our brief operating history has resulted in strong period-over-period revenue and profitability growth rates that may not continue in the future. We have been operating during a recent period of significant growth in the profitability of the refined products industry which may not continue or could reverse. As a result, our results of operations may be lower than we currently expect and the price of our common stock may be volatile.

Because we are transferring our nitrogen fertilizer business to a newly formed limited partnership, we may be required in the future to share increasing portions of the fertilizer business cash flows with third parties and we may in the future be required to deconsolidate the fertilizer business from our consolidated financial statements, our historical financial statements do not reflect the new limited partnership structure and therefore our past financial performance may not be an accurate indicator of future performance.

Prior to the consummation of this offering, we will transfer our nitrogen fertilizer business to a newly formed limited partnership, whose managing general partner will be a new entity owned by our controlling stockholders and senior management. Although we will initially consolidate the Partnership in our financial statements, over time an increasing portion of the cash flow of the nitrogen fertilizer business will be distributed to our managing general partner if the Partnership increases its quarterly distributions above specified target distribution levels. In addition, if the Partnership consummates a public or private offering of limited partner interests to third parties, the new limited partners will also be entitled to receive cash distributions from the Partnership. This may require us to deconsolidate. Our historical financial statements do not reflect this new limited partnership structure and therefore our past financial performance may not be an accurate indicator of future performance. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Nitrogen Fertilizer Limited Partnership.”

Our commodity derivative activities could result in losses and may result in period-to-period earnings volatility.

The nature of our operations results in exposure to fluctuations in commodity prices. If we do not effectively manage our derivative activities, we could incur significant losses. We monitor our exposure and, when appropriate, utilize derivative financial instruments and physical delivery contracts to mitigate the potential impact from changes in commodity prices. If commodity prices change from levels specified in our various derivative agreements, a fixed price contract or an option price structure could limit us from receiving the full benefit of commodity price changes. In addition, by entering into these derivative activities, we may suffer financial loss if we do not produce oil to fulfill our obligations. In the event we are required to pay a margin call on a derivative contract, we may be unable to benefit fully from an increase in the value of the commodities we sell. In addition, we may be required to make a margin payment before we are able to realize a gain on a sale resulting in a reduction in cash flow, particularly if prices decline by the time we are able to sell.

In June 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap, which is not subject to margin calls, in the form of three swap agreements for the period from July 1, 2005 to June 30, 2010 with J. Aron in connection with the Subsequent Acquisition. These agreements were subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Pursuant to the Cash Flow Swap, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. In addition, under the terms of the existing credit facilities, management has limited discretion to change the amount of hedged volumes under the Cash Flow Swap therefore affecting our exposure to market volatility. Because this derivative is based on NYMEX prices while our revenue is based on prices in the Coffeyville supply area, the contracts cannot completely eliminate all risk of price volatility. If the price of products on NYMEX is different from the value contracted in the swap, then we will receive from or owe to the counterparty the difference on each unit of product that is contracted in the swap. In addition, as a result of the accounting treatment of these contracts, unrealized gains and losses are charged to our earnings based on the increase or decrease in the market value of the unsettled position and the inclusion of such derivative gains or losses in earnings may produce significant period-to-period earnings volatility that is not necessarily reflective of our underlying operating performance. The positions under the Cash Flow Swap resulted in unrealized gains (losses) of $126.8 million and ($119.7 million) for the year ended December 31, 2006 and the three months ended March 31, 2007, respectively. As of March 31, 2007, a $1.00 change in quoted prices for the crack spreads utilized in the Cash Flow Swap would result in a $61.3 million change to the fair value of derivative commodity position and the same change to net income. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Cash Flow Swap.”

Both the petroleum and nitrogen fertilizer businesses depend on significant customers, and the loss of one or several significant customers may have a material adverse impact on our results of operations and financial condition.

The petroleum and nitrogen fertilizer businesses both have a high concentration of customers. Our four largest customers in the petroleum business represented 58.7%, 44.4% and 35.0% of our petroleum sales for the years ended December 31, 2005 and 2006 and the three months ended March 31, 2007, respectively. Further, in the aggregate the top five ammonia customers of the nitrogen fertilizer business represented 55.2%, 51.9% and 70.3% of its ammonia sales for the years ended December 31, 2005 and 2006 and the three months ended March 31, 2007, respectively, and the top five UAN customers of the nitrogen fertilizer business represented 43.1%, 30.0% and 43.5% of its UAN sales, respectively, for the same periods. Several significant petroleum, ammonia and UAN customers each account for more than 10% of sales of petroleum, ammonia and UAN, respectively. Given the nature of our business, and consistent with industry practice, we do not have long-term minimum purchase contracts with any of our customers. The loss of one or several of these significant customers, or a significant reduction in purchase volume by any of them, could have a material adverse effect on our results of operations and financial condition.

The petroleum and nitrogen fertilizer businesses may not be able to successfully implement their business strategies, which include completion of significant capital programs.

One of the business strategies of the petroleum and nitrogen fertilizer businesses is to implement a number of capital expenditure projects designed to increase productivity, efficiency and profitability. Many factors may prevent or hinder implementation of some or all of these projects, including compliance with or liability under environmental regulations, a downturn in refining margins, technical or mechanical problems, lack of availability of capital and other factors. Costs and delays have increased significantly during the past two years and the large number of capital projects underway in the industry has led to shortages in skilled craftsmen, engineering services and equipment manufacturing. Failure to successfully implement these profit-enhancing strategies may materially adversely affect our business prospects and competitive position. In addition, we expect to execute turnarounds at our refinery every three to four years, which involve numerous risks and uncertainties. These risks include delays and incurrence of additional and unforeseen costs. The next scheduled refinery turnaround will be in 2010. In addition, development and implementation of business strategies for the Partnership will be primarily the responsibility of the managing general partner of the Partnership.

The acquisition strategy of our petroleum business and the nitrogen fertilizer business involves significant risks.

Both our petroleum business and the nitrogen fertilizer business will consider pursuing strategic and accretive acquisitions in order to continue to grow and increase profitability. However, acquisitions involve numerous risks and uncertainties, including intense competition for suitable acquisition targets; the potential unavailability of financial resources necessary to consummate acquisitions in the future; difficulties in identifying suitable acquisition targets or in completing any transactions identified on sufficiently favorable terms; and the need to obtain regulatory or other governmental approvals that may be necessary to complete acquisitions. In addition, any future acquisitions may entail significant transaction costs and risks associated with entry into new markets. In addition, even when acquisitions are completed, integration of acquired entities can involve significant difficulties, such as

- unforeseen difficulties in the acquired operations and disruption of the ongoing operations of our petroleum business and the nitrogen fertilizer business;
- failure to achieve cost savings or other financial or operating objectives with respect to an acquisition;
- strain on the operational and managerial controls and procedures of our petroleum business and the nitrogen fertilizer business, and the need to modify systems or to add management resources;
- difficulties in the integration and retention of customers or personnel and the integration and effective deployment of operations or technologies;
- amortization of acquired assets, which would reduce future reported earnings;
- possible adverse short-term effects on our cash flows or operating results;
- diversion of management’s attention from the ongoing operations of our petroleum business and the nitrogen fertilizer business; and
- assumption of unknown material liabilities or regulatory non-compliance issues.

Failure to manage these acquisition growth risks could have a material adverse effect on the financial condition and/or operating results of our petroleum business and/or the nitrogen fertilizer business.

We are a holding company and depend upon our subsidiaries for our cash flow.

We are a holding company. Our subsidiaries conduct all of our operations and own substantially all of our assets. Consequently, our cash flow and our ability to meet our obligations or to pay dividends or make other distributions in the future will depend upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of dividends, tax sharing payments or otherwise. In addition, Coffeyville Resources, LLC, our indirect subsidiary and the primary obligor under our existing credit facilities, is a holding company and its ability to meet its debt service obligations depends on the cash flow of its subsidiaries. The ability of our subsidiaries to make any payments to us will depend on their earnings, the terms of their indebtedness, including the terms of our Credit Facility, tax considerations and legal restrictions. In particular, our Credit Facility currently imposes significant limitations on the ability of our subsidiaries to make distributions to us and consequently our ability to pay dividends to our stockholders. Distributions that we receive from the Partnership will be primarily reinvested in our business rather than distributed to our stockholders. See also "— Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — Our rights to receive distributions from the Partnership may be limited over time" and "— Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — The Partnership may not have sufficient available cash to enable it to make quarterly distributions to us following establishment of cash reserves and payment of fees and expenses."

Our significant indebtedness may affect our ability to operate our business, and may have a material adverse effect on our financial condition and results of operation.

As of March 31, 2007, we had $775.0 million in term loans and $150.0 million in funded letters of credit outstanding under our Credit Facility and availability of $114.1 million under our revolving credit facility. We and our subsidiaries may be able to incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness, the risks described below could increase. Our high level of indebtedness could have important consequences, such as:

- limiting our ability to obtain additional financing to fund our working capital, acquisitions, expenditures, debt service requirements or for other purposes;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service debt;
- limiting our ability to compete with other companies who are not as highly leveraged;
- placing restrictive financial and operating covenants in the agreements governing our and our subsidiaries' long-term indebtedness and bank loans, including, in the case of certain indebtedness of subsidiaries, certain covenants that restrict the ability of subsidiaries to pay dividends or make other distributions to us;
- exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our subsidiaries' debt instruments that could have a material adverse effect on our business, financial condition and operating results;
- increasing our vulnerability to a downturn in general economic conditions or in pricing of our products; and
- limiting our ability to react to changing market conditions in our industry and in our customers' industries.

In addition, borrowings under our Credit Facility bear interest at variable rates. If market interest rates increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. Our interest expense for the year ended December 31, 2006 was $32.1 million on a pro forma basis. Each $^{1}/_{8}$% increase or decrease in the applicable interest rates under our Credit Facility would correspondingly change our interest expense by approximately $625,000 per year.

In addition to our debt service obligations, our operations require substantial investments on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets, properties and systems software, as well as to provide capacity for the growth of our business, depends on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors. In addition, we are and will be subject to covenants contained in agreements governing our present and future indebtedness. These covenants include and will likely include restrictions on certain payments, the granting of liens, the incurrence of additional indebtedness, dividend restrictions affecting subsidiaries, asset sales, transactions with affiliates and mergers and consolidations. Any failure to comply with these covenants could result in a default under our Credit Facility. Upon a default, unless waived, the lenders under our Credit Facility would have all remedies available to a secured lender, and could elect to terminate their commitments, cease making further loans, institute foreclosure proceedings against our or our subsidiaries' assets, and force us and our subsidiaries into bankruptcy or liquidation. In addition, any defaults under the Credit Facility or any other debt could trigger cross defaults under other or future credit agreements. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements.

If the Partnership seeks to consummate a public or private offering, we may be required to use our commercially reasonable efforts to amend our Credit Facility to remove the Partnership as a guarantor. Any such amendment could result in increased fees to us or other onerous terms in our Credit Facility. In addition, we may not be able to obtain such an amendment on terms acceptable to us or at all.

If the managing general partner elects to pursue a public or private offering of limited partner interests in the Partnership, we expect that any such transaction would require amendments to our Credit Facility, as well as the Cash Flow Swap, in order to remove the Partnership and its subsidiaries as obligors under such instruments. Any such amendments could result in significant changes to the Credit Facility's pricing, mandatory repayment provisions, covenants and other terms and could result in increased interest costs and require payment by us of additional fees. We have agreed to use our commercially reasonable efforts to obtain such amendments if the managing general partner elects to cause the Partnership to pursue a public or private offering and gives us at least 90 days written notice. However, we may not be able to obtain any such amendment on terms acceptable to us or at all. If we are not able to amend our Credit Facility on terms satisfactory to us, we may need to refinance it with another facility. We will not be considered to have used our "commercially reasonable efforts" to obtain such amendments if we do not effect the requested modifications due to (i) payment of fees to the lenders or the swap counterparty, (ii) the costs of this type of amendment, (iii) an increase in applicable margins or spreads or (iv) changes to the terms required by the lenders including covenants, events of default and repayment and prepayment provisions; provided that (i), (ii), (iii) and (iv) in the aggregate are not likely to have a material adverse effect on us.

If we lose any of our key personnel, we may be unable to effectively manage our business or continue our growth.

Our future performance depends to a significant degree upon the continued contributions of our senior management team and key technical personnel. The loss or unavailability to us of any member of our senior management team or a key technical employee could negatively affect our ability to operate our business and pursue our strategy. We face competition for these professionals from our competitors, our customers and other companies operating in our industry. To the extent that the services of members of our senior management team and key technical personnel would be unavailable to us for any reason, we would be required to hire other personnel to manage and operate our company and to develop our products and strategy. We may not be able to locate or employ such qualified personnel on acceptable terms or at all.

A substantial portion of our workforce is unionized and we are subject to the risk of labor disputes and adverse employee relations, which may disrupt our business and increase our costs.

As of March 31, 2007, approximately 39% of our employees, all of whom work in our petroleum business, were represented by labor unions under collective bargaining agreements expiring in 2009.

We may not be able to renegotiate our collective bargaining agreements when they expire on satisfactory terms or at all. A failure to do so may increase our costs. In addition, our existing labor agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any work stoppage could negatively affect our results of operations and financial condition.

The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, and the corporate governance standards of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act. These requirements may place a strain on our management, systems and resources. The Exchange Act will require that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act will require that we maintain effective disclosure controls and procedures and internal controls over financial reporting. Due to our limited operating history as a stand-alone company, our disclosure controls and procedures and internal controls may not meet all of the standards applicable to public companies. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. This may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and the price of our common stock.

We will be exposed to risks relating to evaluations of controls required by Section 404 of the Sarbanes-Oxley Act.

We are in the process of evaluating our internal controls systems to allow management to report on, and our independent auditors to audit, our internal controls over financial reporting. We will be performing the system and process evaluation and testing (and any necessary remediation) required to comply with the management certification and auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and will be required to comply with Section 404 in our annual report for the year ended December 31, 2008 (subject to any change in applicable SEC rules). Furthermore, upon completion of this process, we may identify control deficiencies of varying degrees of severity under applicable U.S. Securities and Exchange Commission, or SEC, and Public Company Accounting Oversight Board, or PCAOB, rules and regulations that remain unremediated. As a public company, we will be required to report, among other things, control deficiencies that constitute a "material weakness" or changes in internal controls that, or that are reasonably likely to, materially affect internal controls over financial reporting. A "material weakness" is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

If we fail to implement the requirements of Section 404 in a timely manner, we might be subject to sanctions or investigation by regulatory authorities such as the SEC or the PCAOB. If we do not implement improvements to our disclosure controls and procedures or to our internal controls in a timely manner, our independent registered public accounting firm may not be able to certify as to the effectiveness of our internal controls over financial reporting pursuant to an audit of our internal controls over financial reporting. This may subject us to adverse regulatory consequences or a loss of confidence in the reliability of our financial statements. We could also suffer a loss of confidence in the reliability of our financial statements if our independent registered public accounting firm reports a material weakness in our internal controls, if we do not develop and maintain effective controls and procedures or if we are otherwise unable to deliver timely and reliable financial information. Any loss of confidence in the reliability of our financial statements or other negative reaction to our failure to develop timely or adequate disclosure controls and procedures or internal controls could result in a decline in the price of our common stock. In addition, if we fail to remedy any material weakness, our financial statements may be inaccurate, we may face restricted access to the capital markets and our stock price may be adversely affected.

We are a "controlled company" within the meaning of the New York Stock Exchange rules and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements.

A company of which more than 50% of the voting power is held by an individual, a group or another company is a "controlled company" within the meaning of the New York Stock Exchange rules and may elect not to comply with certain corporate governance requirements of the New York Stock Exchange, including:

- the requirement that a majority of our board of directors consist of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

Following this offering, we will rely on some or all of these exemptions as a controlled company. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the New York Stock Exchange.

New regulations concerning the transportation of hazardous chemicals, risks of terrorism, the security of chemical manufacturing facilities and increased insurance costs could result in higher operating costs.

The costs of complying with regulations relating to the transportation of hazardous chemicals and security associated with the refining and nitrogen fertilizer facilities may have a negative impact on our operating results and may cause the price of our common stock to decline. Targets such as refining and chemical manufacturing facilities may be at greater risk of future terrorist attacks than other targets in the United States. As a result, the petroleum and chemical industries have responded to the issues that arose due to the terrorist attacks on September 11, 2001 by starting new initiatives relating to the security of petroleum and chemical industry facilities and the transportation of hazardous chemicals in the United States. Simultaneously, local, state and federal governments have begun a regulatory process that could lead to new regulations impacting the security of refinery and chemical plant locations and the transportation of petroleum and hazardous chemicals. Our business or our customers' businesses could be materially adversely affected because of the cost of complying with new regulations.

If we are not able to successfully defend against third-party claims of intellectual property infringement, our business may be adversely affected.

There are currently no claims pending against us relating to the infringement of any third-party intellectual property rights; however, in the future we may face claims of infringement that could interfere with our ability to use technology that is material to our business operations. Any litigation of this type, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources, either of which could negatively affect our business, profitability or growth prospects. In the event a claim of infringement against us is successful, we may be required to pay royalties or license fees for past or continued use of the infringing technology, or we may be prohibited from using the infringing technology altogether. If we are prohibited from using any technology as a result of such a claim, we may not be able to obtain licenses to alternative technology adequate to substitute for the technology we can no longer use, or licenses for such alternative technology may only be available on terms that are not commercially reasonable or acceptable to us. In addition, any substitution of new technology for currently licensed technology may require us to make substantial changes to our manufacturing processes or equipment or to our products, and may have a material adverse effect on our business, profitability or growth prospects.

If licensed technology is no longer available, the refinery and nitrogen fertilizer businesses may be adversely affected.

The refinery and nitrogen fertilizer businesses have licensed, and may license in the future, a combination of patent, trade secret and other intellectual property rights of third parties for use in their business. If any of these license agreements were to be terminated, licenses to alternative technology may not be available, or may only be available on terms that are not commercially reasonable or acceptable. In addition, any substitution of new technology for currently-licensed technology may require substantial changes to manufacturing processes or equipment and may have a material adverse effect on our business, profitability or growth prospects.

Risks Related to this Offering

There is no existing market for our common stock, and we do not know if one will develop to provide you with adequate liquidity. If our stock price fluctuates after this offering, you could lose a significant part of your investment.

Prior to this offering, there has not been a public market for our common stock. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for the shares will be determined by negotiations between us, the selling stockholders and the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price paid by you in this offering. The market price of our common stock may be influenced by many factors including:

- the failure of securities analysts to cover our common stock after this offering or changes in financial estimates by analysts;
- announcements by us or our competitors of significant contracts or acquisitions;
- variations in quarterly results of operations;
- loss of a large customer or supplier;
- general economic conditions;
- terrorist acts;
- future sales of our common stock; and
- investor perceptions of us and the industries in which our products are used.

As a result of these factors, investors in our common stock may not be able to resell their shares at or above the initial offering price. In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance.

Following the completion of this offering, the Goldman Sachs Funds and the Kelso Funds will continue to control us and may have conflicts of interest with other stockholders. Conflicts of interest may arise because our principal stockholders or their affiliates have continuing agreements and business relationships with us.

Upon completion of this offering, the Goldman Sachs Funds will control 39.9% of our outstanding common stock, or 38.5% if the underwriters exercise their option in full, and the Kelso Funds will control 39.3% of our outstanding common stock, or 37.9% if the underwriters exercise their option in full. As a result, the Goldman Sachs Funds and the Kelso Funds will continue to be able to control the election of our directors, determine our corporate and management policies and determine, without the consent of our other stockholders, the outcome of any corporate transaction or other matter submitted to our stockholders for approval, including potential mergers or acquisitions, asset sales and other significant corporate transactions. The Goldman Sachs Funds and the Kelso Funds will also have sufficient voting power to amend our organizational documents.

Conflicts of interest may arise between our principal stockholders and us. Affiliates of some of our principal stockholders engage in transactions with our company. We obtain the majority of our crude oil supply through a crude oil credit intermediation agreement with J. Aron, a subsidiary of The Goldman Sachs Group, Inc. and an affiliate of the Goldman Sachs Funds, and Coffeyville Resources, LLC currently has outstanding commodity derivative contracts (swap agreements) with J. Aron for the period from July 1, 2005 to June 30, 2010. See "Certain Relationships and Related Party Transactions." Further, the Goldman Sachs Funds and the Kelso Funds are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us and they may either directly, or through affiliates, also maintain business relationships with companies that may directly compete with us. In general, the Goldman Sachs Funds and the Kelso Funds or their affiliates could pursue business interests or exercise their voting power as stockholders in ways that are detrimental to us, but beneficial to themselves or to other companies in which they invest or with whom they have a material relationship. Conflicts of interest could also arise with respect to business opportunities that could be advantageous to the Goldman Sachs Funds and the Kelso Funds and they may pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. Under the terms of our certificate of incorporation, the Goldman Sachs Funds and the Kelso Funds will have no obligation to offer us corporate opportunities. See "Description of Capital Stock — Corporate Opportunities."

Other conflicts of interest may arise between our principal stockholders and us because the Goldman Sachs Funds and the Kelso Funds will control the managing general partner of the Partnership which will hold the nitrogen fertilizer business. The managing general partner will manage the operations of the Partnership (subject to our rights to participate in the appointment, termination and compensation of the chief executive officer and chief financial officer of the managing general partner and our other specified approval rights) and will also hold incentive distribution rights which, over time, entitle the managing general partner to receive increasing percentages of the Partnership's quarterly distributions if the Partnership increases the amount of distributions. Although the managing general partner will have a fiduciary duty to manage the Partnership in a manner beneficial to the Partnership and us (as a holder of special units in the Partnership), the fiduciary duty is limited by the terms of the partnership agreement and the directors and officers of the managing general partner also will have a fiduciary duty to manage the managing general partner in a manner beneficial to the owners of the managing general partner. The interests of the owners of the managing general partner may differ significantly from, or conflict with, our interests and the interests of our stockholders. As a result of these conflicts, the managing general partner of the Partnership may favor its own interests and/or the interests of its owners over our interests and the interests of our stockholders (and the interests of the Partnership). In particular, because the managing general partner owns the incentive distribution rights, it may be incentivized to maximize future cash flows by taking current actions which may be in its best interests over the long term. See "— Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — Our rights to receive distributions from the Partnership may be limited over time" and "— Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — The managing general partner of the Partnership will have a fiduciary duty to favor the interests of its owners, and these interests may differ from, or conflict with, our interests and the interests of our stockholders." In addition, if the value of the managing general partner interest were to increase over time, this increase in value and any realization of such value upon a sale of the managing general partner interest would benefit the owners of the managing general partner, which are the Goldman Sachs Funds and the Kelso Funds, as well as our senior management, rather than our company and our stockholders. Such increase in value could be significant if the Partnership performs well. See "The Nitrogen Fertilizer Limited Partnership."

Further, decisions made by the Goldman Sachs Funds and the Kelso Funds with respect to their shares of common stock could trigger cash payments to be made by us to certain members of our senior management under our phantom unit appreciation plans. Phantom points granted under the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) and phantom points that we intend to grant under the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II) represent a contractual right to receive a cash payment when payment is made in respect of certain profits interests in Coffeyville Acquisition LLC and, after the consummation of the Transactions, Coffeyville Acquisition II LLC. If either the Goldman Sachs Funds or the Kelso Funds sell any or all of the shares of common stock of CVR Energy which they beneficially own through Coffeyville Acquisition LLC or Coffeyville Acquisition II LLC, as applicable, we would be obligated to make cash payments under the phantom unit appreciation plans. This could negatively affect our cash reserves, which could negatively affect our results of operations and financial condition. We estimate that any such cash payments should not exceed $55 million, assuming all of the shares of our common stock held by Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC were sold at $20.00 per share, which is the assumed initial public offering price in this offering.

Since June 24, 2005, we have made one cash distribution to the Goldman Sachs Funds and the Kelso Funds. This distribution, in the aggregate amount of $244.7 million, was made in December 2006. In addition, the Goldman Sachs Funds and the Kelso Funds have received and continue to receive advisory and other fees pursuant to separate consulting and advisory agreements between Coffeyville Acquisition LLC and each of Goldman, Sachs & Co. and Kelso & Company, L.P. In addition, prior to the consummation of this offering, we intend to make a distribution to the Goldman Sachs Funds and the Kelso Funds in an aggregate amount of approximately $10.3 million, which we expect that they will contribute to Coffeyville Acquisition III LLC in connection with the purchase of the managing general partner of the Partnership from us.

As a result of these relationships, including their ownership of the managing general partner of the Partnership, the interests of the Goldman Sachs Funds and the Kelso Funds may not coincide with the interests of our company or other holders of our common stock. So long as the Goldman Sachs Funds and the Kelso Funds continue to control a significant amount of the outstanding shares of our common stock, the Goldman Sachs Funds and the Kelso Funds will continue to be able to strongly influence or effectively control our decisions, including potential mergers or acquisitions, asset sales and other significant corporate transactions. In addition, so long as the Goldman Sachs Funds and the Kelso Funds continue to control the managing general partner of the Partnership, they will be able to effectively control actions taken by the Partnership (subject to our specified approval rights), which may not be in our interests or the interest of our stockholders. See "Certain Relationships and Related Party Transactions."

You will incur immediate and substantial dilution.

The initial public offering price of our common stock is substantially higher than the adjusted net tangible book value per share of our outstanding common stock. As a result, if you purchase shares in this offering, you will incur immediate and substantial dilution in the amount of $18.68 per share. See "Dilution."

Shares eligible for future sale may cause the price of our common stock to decline.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. This could also impair our ability to raise additional capital through the sale of our equity securities. Under our amended and restated certificate of incorporation, we are authorized to issue up to 350,000,000 shares of common stock, of which 81,641,591 shares of common stock will be outstanding following this offering. Of these shares, the 15,500,000 shares of common stock sold in this offering will be freely transferable without restriction or further registration under the Securities Act by persons other than “affiliates,” as that term is defined in Rule 144 under the Securities Act. Our selling stockholders, directors and executive officers will enter into lock-up agreements, pursuant to which they are expected to agree, subject to certain exceptions, not to sell or transfer, directly or indirectly, any shares of our common stock for a period of 180 days from the date of this prospectus, subject to extension in certain circumstances. See “Shares Eligible for Future Sale.”

Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business

Because we will not control or serve as the managing general partner of the Partnership, the managing general partner may operate the Partnership in a manner with which we disagree or which is not in our interest.

CVR GP, LLC, or Fertilizer GP, a new entity owned by our controlling stockholders and senior management, will be the managing general partner of the Partnership which will hold the nitrogen fertilizer business. The managing general partner will be authorized to manage the operations of the nitrogen fertilizer business (subject to our specified approval rights), and we will not control the managing general partner. Although our senior management will also serve as the senior management of Fertilizer GP, in accordance with a management services agreement between us, Fertilizer GP and the Partnership, our senior management will operate the Partnership under the direction of the managing general partner’s board of directors and Fertilizer GP has the right to select different management at any time (subject to our approval right in relation to the chief executive officer and chief financial officer of the managing general partner). Accordingly, the managing general partner may operate the Partnership in a manner with which we disagree or which is not in the interests of our company and our stockholders.

Our interest in the Partnership will consist of special units. The substantial majority of these units will be general partner interests that will give us defined rights to participate in the management and governance of the Partnership. These rights will include the right to approve the appointment, termination of employment and compensation of the chief executive officer and chief financial officer of Fertilizer GP, not to be exercised unreasonably, and to approve specified major business transactions such as significant mergers and asset sales. We will also have the right to appoint a director to Fertilizer GP’s board of directors and the right to appoint an additional director to Fertilizer GP’s board of directors if the Partnership does not make distributions of at least the set minimum quarterly distribution, or MQD, for four consecutive quarters. However, our special GP units will be converted into limited partner interests, and we will lose the rights listed above, if we fail to hold at least 15% of the units in the Partnership. See “The Nitrogen Fertilizer Limited Partnership.”

Our rights to receive distributions from the Partnership may be limited over time.

As a holder of 30,333,333 special units (which may convert into common and/or subordinated units, and which we may sell from time to time), we will be entitled to receive a quarterly distribution of $0.4313 per unit (or $13.1 million per quarter in the aggregate, assuming we do not sell any of our units) from the Partnership to the extent the Partnership has sufficient available cash after establishment of cash reserves and payment of fees and expenses before any distributions are made in respect of the incentive distribution rights. The Partnership will be required to distribute all of its cash on hand at the end of each quarter, less reserves established by the managing general partner in its discretion. In addition, the managing general partner, Fertilizer GP, will have no right to receive distributions in respect of its incentive distribution rights (i) until the Partnership has distributed all aggregate adjusted operating surplus generated by the Partnership during the period from its formation through June 30, 2009 and (ii) for so long as the Partnership or its subsidiaries are guarantors under our Credit Facility.

However, distributions of amounts greater than the aggregate adjusted operating surplus generated through June 30, 2009 will be allocated between us and Fertilizer GP (and the holders of any other interests in the Partnership), and in the future the allocation will grant Fertilizer GP a greater percentage of the Partnership's cash distributions as more cash becomes available for distribution. In particular, if quarterly distributions exceed the target of $0.4313 per unit, Fertilizer GP will be entitled to increasing percentages of the distributions, up to 48% of the distributions above the highest target level, in respect of its incentive distribution rights. Therefore, we will receive a smaller percentage of quarterly cash distributions from the Partnership if the Partnership increases its quarterly distributions above the set amount per unit. This could incentivise Fertilizer GP, as managing general partner, to cause the Partnership to make capital expenditures for maintenance, which reduces operating surplus, rather than for improvement or expansion, which does not, and accordingly effect the amount of cash available for distribution. Fertilizer GP could also be incentivized to cause the Partnership to make capital expenditures for maintenance prior to June 30, 2009 that it would otherwise make at a later date in order to reduce operating surplus generated prior to such date. In addition, Fertilizer GP's discretion in determining the level of cash reserves may materially adversely affect the Partnership's ability to make cash distributions to us.

Moreover, if the Partnership issues common units in a public or private offering, at least 40% (and potentially all) of our special units will become subordinated units. We will not be entitled to any distributions on our subordinated units until the common units issued in the public or private offering and our common units (which the balance of our special units will become) have received the minimum quarterly distribution of $0.375 per unit (which may be reduced without our consent in connection with the public or private offering, or could be increased with our consent), plus any accrued and unpaid arrearages in the minimum quarterly distribution from prior quarters. The managing general partner, and not us, has authority to decide whether or not to pursue such an offering. As a result, our right to distributions will diminish if the managing general partner decides to pursue such an offering. See "The Nitrogen Fertilizer Limited Partnership — Cash Distributions by the Partnership — Distributions from Operating Surplus."

The managing general partner of the Partnership will have a fiduciary duty to favor the interests of its owners, and these interests may differ from, or conflict with, our interests and the interests of our stockholders.

The managing general partner of the Partnership, Fertilizer GP, will be responsible for the management of the Partnership. Although Fertilizer GP will have a fiduciary duty to manage the Partnership in a manner beneficial to the Partnership and holders of interests in the Partnership (including us, in our capacity as holder of special units), the fiduciary duty is specifically limited by the express terms of the partnership agreement and the directors and officers of Fertilizer GP also will have a fiduciary duty to manage Fertilizer GP in a manner beneficial to the owners of Fertilizer GP. The interests of the owners of Fertilizer GP may differ from, or conflict with, our interests and the interests of our stockholders. In resolving these conflicts, Fertilizer GP may favor its own interests and/or the interests of its owners over our interests and the interests of our stockholders (and the interests of the Partnership). In addition, while our directors and officers will have a fiduciary duty to make decisions in our interests and the interests of our stockholders, we are also a general partner of the Partnership and, therefore, in such capacity, will have a fiduciary duty to exercise rights as general partner in a manner beneficial to the Partnership and its unit holders, subject to the limitations contained in the partnership agreement. As a result of these conflicts, our directors and officers may feel obligated to take actions that benefit the Partnership as opposed to us and our stockholders.

The potential conflicts of interest include, among others, the following:

- Fertilizer GP, as managing general partner of the Partnership, will hold all of the incentive distribution rights in the Partnership. Incentive distribution rights will give Fertilizer GP a right to increasing percentages of the Partnership's quarterly distributions after the Partnership has distributed all aggregate adjusted operating surplus generated by the Partnership during the period from its formation through June 30, 2009, assuming the Partnership and its subsidiaries are released from their guaranty of our Credit Facility. Fertilizer GP may have an incentive to manage the Partnership in a manner which increases these future cash flows rather than in a manner which increases current cash flows.

- The initial directors and executive officers of Fertilizer GP will also serve as directors and executive officers of CVR Energy. The executive officers who work for both us and Fertilizer GP, including our chief executive officer, chief operating officer, chief financial officer and general counsel, will divide their time between our business and the business of the Partnership. These executive officers will face conflicts of interests from time to time in making decisions which may benefit either our company or the Partnership. However, when making decisions on behalf of the Partnership, they will be acting in their capacity as directors and officers of the managing general partner and not us.
- The owners of Fertilizer GP, who are also our controlling stockholders and senior management, will be permitted to compete with us or the Partnership or to own businesses that compete with us or the Partnership. In addition, the owners of Fertilizer GP will not be required to share business opportunities with us, and our owners will not be required to share business opportunities with the Partnership or Fertilizer GP.
- Neither the partnership agreement nor any other agreement will require the owners of Fertilizer GP to pursue a business strategy that favors us or the Partnership. The owners of Fertilizer GP will have fiduciary duties to make decisions in their own best interests, which may be contrary to our interests and the interests of the Partnership. In addition, Fertilizer GP will be allowed to take into account the interests of parties other than us, such as its owners, in resolving conflicts of interest, which will have the effect of limiting its fiduciary duty to us.
- The partnership agreement will limit the liability and reduce the fiduciary duties of Fertilizer GP, while also restricting the remedies available to the unit holders of the Partnership, including us, for actions that, without these limitations, might constitute breaches of fiduciary duty. Delaware partnership law permits such contractual reductions of fiduciary duty. As a result of our ownership interest in the Partnership, we may consent to some actions that might otherwise constitute a breach of fiduciary or other duties applicable under state law.
- Fertilizer GP will determine the amount and timing of asset purchases and sales, capital expenditures, borrowings, repayment of indebtedness, issuances of additional partnership units and cash reserves maintained by the Partnership (subject to our specified approval rights as holder of special GP rights), each of which can affect the amount of cash that is available for distribution to us in our capacity as a holder of special units and the amount of cash paid to Fertilizer GP in respect of its IDRs.
- In some instances Fertilizer GP may cause the Partnership to borrow funds in order to permit the payment of cash distributions, where the purpose or effect of the borrowing is to make incentive distributions which benefit Fertilizer GP. Fertilizer GP will also be able to determine the amount and timing of any capital expenditures and whether a capital expenditure is for maintenance, which reduces operating surplus, or improvement, which does not. Such determinations can affect the amount of cash that is available for distribution and the manner in which the cash is distributed.
- Fertilizer GP may exercise its rights to call and purchase all of the Partnership's equity securities of any class if at any time it and its affiliates (excluding us) own more than 80% of the outstanding securities of such class.
- Fertilizer GP will control the enforcement of obligations owed to the Partnership by it and its affiliates. In addition, Fertilizer GP will decide whether to retain separate counsel or others to perform services for the Partnership.

The partnership agreement limits the fiduciary duties of the managing general partner and restricts the remedies available to us for actions taken by the managing general partner that might otherwise constitute breaches of fiduciary duty.

The partnership agreement contains provisions that reduce the standards to which Fertilizer GP, as the managing general partner, would otherwise be held by state fiduciary duty law. For example:

- The partnership agreement permits Fertilizer GP to make a number of decisions in its individual capacity, as opposed to its capacity as a general partner. This entitles Fertilizer GP to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us or our affiliates.
- The partnership agreement provides that Fertilizer GP will not have any liability to the Partnership or to us for decisions made in its capacity as managing general partner so long as it acted in good faith, meaning it believed that the decisions were in the best interests of the Partnership.
- The partnership agreement provides that Fertilizer GP and its officers and directors will not be liable for monetary damages to the Partnership for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that Fertilizer GP or those persons acted in bad faith or engaged in fraud or willful misconduct.
- The partnership agreement generally provides that affiliate transactions and resolutions of conflicts of interest not approved by the conflicts committee of the board of directors of Fertilizer GP and not involving a vote of unit holders must be on terms no less favorable to the Partnership than those generally provided to or available from unrelated third parties or be “fair and reasonable” to the Partnership and that, in determining whether a transaction or resolution is “fair and reasonable,” Fertilizer GP may consider the totality of the relationship between the parties involved, including other transactions that may be particularly advantageous or beneficial to the Partnership.

The Partnership will have a preferential right to pursue corporate opportunities before we can pursue them.

We will enter into an agreement with the Partnership in order to clarify and structure the division of corporate opportunities between us and the Partnership. Under this agreement, we have agreed not to engage in the production, transportation or distribution, on a wholesale basis, of fertilizers in the contiguous United States, subject to limited exceptions (fertilizer restricted business). In addition, the Partnership has agreed not to engage in the ownership or operation within the United States of any refinery with processing capacity greater than 20,000 barrels per day whose primary business is producing transportation fuels or the ownership or operation outside the United States of any refinery (refinery restricted business).

With respect to any business opportunity other than those covered by a fertilizer restricted business or a refinery restricted business, we have agreed that the Partnership will have a preferential right to pursue such opportunities before we may pursue them. If the managing general partner of the Partnership elects not to pursue the business opportunity, then we will be free to pursue such opportunity. This provision will continue so long as we continue to own 50% of the outstanding units of the Partnership. See “The Nitrogen Fertilizer Limited Partnership — Other Intercompany Agreements — Omnibus Agreement.”

If the Partnership completes a public offering or private placement of limited partner interests, our voting power in the Partnership would be reduced and our rights to distributions from the Partnership could be materially adversely affected.

Fertilizer GP may, in its sole discretion, elect to pursue one or more public or private offerings of limited partner interests in the Partnership. Fertilizer GP will have the sole authority to determine the timing, size (subject to our approval rights for any initial offering in excess of $200 million, exclusive of the underwriters' option to purchase additional limited partner interests, if any), and underwriters or initial purchasers, if any, for such offerings, if any. Any public or private offering of limited partner interests could materially adversely affect us in several ways. For example, if such an offering occurs, our percentage interest in the Partnership would be diluted. Some of our voting rights in the Partnership could thus become less valuable, since we would not be able to take specified actions without support of other unit holders. For example, since the vote of 80% of unit holders is required to remove the managing general partner in specified circumstances, if the managing general partner sells more than 20% of the units to a third party we would not have the right, unilaterally, to remove the general partner under the specified circumstances.

In addition, if the Partnership completes an offering of limited partner interests, the distributions that we receive from the Partnership would decrease because the Partnership's distributions will have to be shared with the new limited partners, and the new limited partners' right to distributions will be superior to ours because at least 40% (and potentially all) of our units will become subordinated units. Pursuant to the terms of the partnership agreement, the new limited partners and Fertilizer GP will have superior priority to distributions in some circumstances. Subordinated units will not be entitled to receive distributions unless and until all common units have received the minimum quarterly distribution, plus any accrued and unpaid arrearages in the MQD from prior quarters. In addition, upon a liquidation of the partnership, common unit holders will have a preference over subordinated unit holders in certain circumstances.

If the Partnership does not consummate an initial offering within two years after the consummation of this offering, Fertilizer GP can require us to purchase its managing general partner interest in the Partnership. We may not have requisite funds to do so.

If the Partnership does not consummate an initial private or public offering within two years after the consummation of this offering, Fertilizer GP can require us to purchase the managing general partner interest. This put right expires on the earlier of (1) the fifth anniversary of the date of this offering and (2) the closing of the Partnership's initial offering. The purchase price will be the fair market value of the managing general partner interest, as determined by an independent investment banking firm selected by us and Fertilizer GP. Fertilizer GP will determine in its discretion whether the Partnership will consummate an initial offering.

If Fertilizer GP elects to require us to purchase the managing general partner interest, we may not have available cash resources to pay the purchase price. In addition, any purchase of the managing general partner interest would divert our capital resources from other intended uses, including capital expenditures and growth capital. In addition, the instruments governing our indebtedness may limit our ability to acquire, or prohibit us from acquiring, the managing general partner interest.

Fertilizer GP can require us to be a selling stockholder in the Partnership's initial offering at an undesirable time or price.

Under the contribution, conveyance and assumption agreement, if Fertilizer GP elects to cause the Partnership to undertake an initial private or public offering, we have agreed that Fertilizer GP may structure the initial offering to include (1) a secondary offering of interests by us or (2) a primary offering of interests by the Partnership where the use of proceeds is to redeem an equal number of interests from us (with a per-unit redemption price equal to the price at which a unit is purchased from the Partnership, net of sales commissions or underwriting discounts) (a "special GP offering"), provided that in either case the number of units associated with the special GP offering is reasonably expected by Fertilizer GP to generate up to $100 million in net proceeds to us. If Fertilizer GP elects to cause the Partnership to undertake an initial private or public offering, it may require us to sell (including by redemption) a portion, which could be a substantial portion, of our special units in the Partnership at a time or price we would not otherwise have chosen. Additionally, the gain on any such sale or redemption of our interests would be taxable to us and such taxable gain could be significant.

Our rights to remove Fertilizer GP as managing general partner of the Partnership are extremely limited.

For the first five years after formation of the Partnership, Fertilizer GP may only be removed as managing general partner if at least 80% of the outstanding units of the Partnership vote for removal and there is a final, non-appealable judicial determination that Fertilizer GP, as an entity, has materially breached a material provision of the partnership agreement or is liable for actual fraud or willful misconduct in its capacity as a general partner of the Partnership. Consequently, we will be unable to remove Fertilizer GP unless a court has made a final, non-appealable judicial determination in those limited circumstances as described above. Additionally, if there are other holders of partnership interests in the Partnership, these holders may have to vote for removal of Fertilizer GP as well if we desire to remove Fertilizer GP but do not hold at least 80% of the outstanding units of the Partnership at that time.

After five years from the formation of the Partnership, Fertilizer GP may be removed with or without cause by a vote of the holders of at least 80% of the outstanding units of the Partnership, including any units owned by Fertilizer GP and its affiliates, voting together as a single class. Therefore, we may need to gain the support of other unit holders in the Partnership if we desire to remove Fertilizer GP as managing general partner, if we do not hold at least 80% of the outstanding units of the Partnership.

In addition to removal, we will have a right to purchase Fertilizer GP's general partner interest in the Partnership, and therefore remove the Fertilizer GP as managing general partner, if the Partnership has not made an initial private offering or an initial public offering of limited partner interests by the fifth anniversary of the Partnership's formation.

If the managing general partner is removed without cause, it will have the right to convert its managing general partner interest, including the IDRs, into units or to receive cash based on the fair market value of the interest at the time. If the managing general partner is removed for cause, a successor managing general partner will have the option to purchase the managing general partner interest, including the IDRs, of the departing managing general partner for a cash payment equal to the fair market value of the managing general partner interest. Under all other circumstances, the departing managing general partner will have the option to require the successor managing general partner to purchase the managing general partner interest of the departing managing general partner for its fair market value. See "The Nitrogen Fertilizer Limited Partnership — Other Provisions of the Partnership Agreement — Removal of the Managing General Partner."

The Partnership may not have sufficient available cash to enable it to make quarterly distributions to us following establishment of cash reserves and payment of fees and expenses.

The Partnership may not have sufficient available cash each quarter to make distributions to us and other unit holders, if any. In particular:

- The Partnership's managing general partner has broad discretion to establish reserves for the prudent conduct of the Partnership's business. The establishment of those reserves could result in a reduction of the Partnership's distributions.
- The amount of distributions made by the Partnership and the decision to make any distribution is determined by the Partnership's managing general partner, which we do not control.

- Under Section 17-607 of the Delaware Limited Partnership Act, the Partnership may not make a distribution to its unit holders if the distribution would cause its liabilities to exceed the fair value of its assets.
- Although the partnership agreement requires the Partnership to distribute its available cash, the partnership agreement may be amended.
- If the Partnership enters into its own credit facility in the future, the credit facility may limit the distributions which the Partnership can make. In addition, the credit facility will likely contain financial tests and covenants that the Partnership must satisfy; any failure to comply with these tests and covenants could result in the lenders prohibiting distributions by the Partnership.
- The actual amount of cash available for distribution will depend on factors such as the level of capital expenditures made by the Partnership, the cost of acquisitions, if any, fluctuations in the Partnership's working capital needs, the amount of fees and expenses incurred by the Partnership, and the Partnership's ability to make working capital and other borrowings to make distributions to unit holders.
- If the Partnership consummates one or more public or private offerings, because at least 40% (and potentially all) of our interest may be subordinated to common units (if any), we would be harmed if the MQD could not be paid on all units.

We have included in this prospectus unaudited pro forma information for 2006 which indicates the amount of cash which the Partnership would have had available for distribution during 2006. This pro forma information is based on numerous estimates and assumptions which we believe to be reasonable, but the Partnership's financial performance had it been in existence during 2006 could have been different from the pro forma results, perhaps materially. In particular, the pro forma data assumes a specific amount of debt and interest expense for the Partnership during 2006, but the Partnership may not be able to enter into a credit facility on terms acceptable to it or at all. Similarly, the pro forma data assumes a specific amount of selling, general and administrative expense for the Partnership, but it is difficult to estimate the actual costs that the Partnership would have incurred as a stand-alone business. Accordingly, investors should review the unaudited pro forma information, including the footnotes, together with the other information included in this prospectus, including "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The actual results of the Partnership may differ, possibly materially, from those presented in the pro forma information.

If we were deemed an investment company under the Investment Company Act of 1940, applicable restrictions would make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business. We may in the future be required to sell some or all of our Partnership interests in order to avoid being deemed an investment company, and such sales could result in gains taxable to the company.

In order not to be regulated as an investment company under the Investment Company Act of 1940, as amended, or the 1940 Act, unless we can qualify for an exemption, we must ensure that we are engaged primarily in a business other than investing, reinvesting, owning, holding or trading in securities (as defined in the 1940 Act) and that we do not own or acquire "investment securities" having a value exceeding 40% of the value of our total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We believe that we are not currently an investment company because our general partner interests in the Partnership should not be considered to be securities under the 1940 Act and, in any event, both our refinery business and the fertilizer business are operated through majority-owned subsidiaries. In addition, even if our general partner interests in the Partnership were considered securities or investment securities, they do not currently have a value exceeding 40% of the fair market value of our total assets on an unconsolidated basis.

However, there is a risk that we could be deemed an investment company if the SEC or a court determines that our general partner interests in the Partnership are securities or investment securities under the 1940 Act and if our Partnership interests constituted more than 40% of the value of our total assets. Currently, our interests in the Partnership constitute less than 40% of our total assets on an unconsolidated basis, but they could constitute a higher percentage of the fair market value of our total assets in the future if the value of our Partnership interests increases, the value of our other assets decreases, or some combination thereof occurs.

We intend to conduct our operations so that we will not be deemed an investment company. However, if we were deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business and the price of our common stock. In order to avoid registration as an investment company under the 1940 Act, we may have to sell some or all of our interests in the Partnership at a time or price we would not otherwise have chosen. The gain on such sale would be taxable to us. We may also choose to seek to acquire additional assets that may not be deemed investment securities, although such assets may not be available at favorable prices. Under the 1940 Act, we may have only up to one year to take any such actions.

Use of the limited partnership structure involves tax risks. For example, if the Partnership is treated as a corporation for U.S. income tax purposes, this would substantially reduce the cash it has available to make distributions.

The anticipated benefit of the limited partnership structure depends largely on its treatment as a partnership for federal income tax purposes. The Partnership has not requested, and does not plan to request, a ruling from the Internal Revenue Service on this or any other matter affecting the Partnership. In the taxable year of an initial public offering of the Partnership, if any, and in each taxable year thereafter, current law would require the Partnership to derive at least 90% of its annual gross income from specific activities to continue to be treated as a partnership for federal income tax purposes. The Partnership may not find it possible, however, to meet this income requirement, or may inadvertently fail to meet this income requirement. In addition, a change in current law could cause the Partnership to be treated as a corporation for federal income tax purposes without regard to its sources of income or otherwise subject it to entity-level taxation.

If the Partnership were to be treated as a corporation for federal income tax purposes, it would pay federal income tax on its income at the corporate tax rate, which is currently a maximum of 35%, and would pay state income taxes at varying rates. Because such a tax would be imposed upon the Partnership as a corporation, the cash available for distribution by the Partnership to its partners, including us, would be substantially reduced. In addition, distributions by the Partnership to us would also be taxable to us (subject to the 70% or 80% dividends received deduction, as applicable, depending on the degree of ownership we have in the Partnership) and we would not be able to use our share of any tax losses of the Partnership to reduce taxes otherwise payable by us. Thus, treatment of the Partnership as a corporation could result in a material reduction in our anticipated cash flow and the after-tax return to us.

In addition, because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. For example, beginning in 2008, the Partnership will be required to pay Texas franchise tax at a maximum effective rate of 0.7% of the Partnership’s gross income apportioned to Texas in the prior year. Imposition of such a tax on the Partnership by Texas and, if applicable, by any other state will reduce the cash available for distribution by the Partnership.

In addition, the sale of the managing general partner interest of the Partnership to a newly formed entity controlled by the Goldman Sachs Funds and the Kelso Funds will be made at the fair market value of the general partner interest as of the date of transfer, as determined by an independent third party valuation. Any gain on this sale by us will be subject to tax. Although we believe that the sale price as so determined represents the fair market value of the managing general partner interest, the value of the managing general partner interest may increase over time, possibly significantly, if the Partnership performs well, and in hindsight the sale price might be challenged or viewed as insufficient by the Internal Revenue Service or another taxing authority. If the Internal Revenue Service or another taxing authority successfully asserted that the fair market value at the time of sale of the managing general partner interest exceeded the sale price, we would have additional deemed taxable income, which could reduce our cash flow and adversely affect our financial results. We may also realize taxable gain in connection with the note issued by the Partnership to us upon our contribution of the fertilizer assets to the Partnership.

Additionally, when the Partnership issues units or engages in certain other transactions, the Partnership will determine the fair market value of its assets and allocate any unrealized gain or loss attributable to those assets to the capital accounts of the existing partners. As a result of this revaluation and the Partnership's adoption of the remedial allocation method under Section 704(c) of the Internal Revenue Code (i) new unitholders will be allocated deductions as if the tax basis of the Partnership's property were equal to the fair market value thereof at the time of the offering, and (ii) we will be allocated "reverse Section 704(c) allocations" of income or loss over time consistent with our allocation of unrealized gain or loss.

The tax allocations provided by the Partnership's partnership agreement and other tax positions the Partnership may take are complex and under certain circumstances uncertain under relevant tax laws. Furthermore, the allocations depend on valuations which may be subject to challenge by the IRS. The IRS may adopt positions with respect to tax allocations or otherwise that differ from the positions the Partnership takes. It may be necessary to resort to administrative or court proceedings to sustain the positions the Partnership takes and a court may disagree with some or all of those positions.

Control of Fertilizer GP may be transferred to an unrelated third party without our consent. The new owners of Fertilizer GP may have no interest in CVR Energy and may take actions that are not in our interest.

Fertilizer GP is currently controlled by the Goldman Sachs Funds and the Kelso Funds. Following this offering, the Goldman Sachs Funds and the Kelso Funds will also collectively own 79.2% of our common stock. However, there is no restriction in the partnership agreement on the ability of the owners of Fertilizer GP to transfer their equity interest in Fertilizer GP to an unrelated third party without our consent. If such a transfer occurred, the new equity owners of Fertilizer GP would then be in a position to replace the board of directors of Fertilizer GP (other than the one director appointed by us) and the officers of Fertilizer GP with their own choices and to influence the decisions taken by the board of directors and executive officers of Fertilizer GP. These new equity owners, directors and executive officers may take actions, subject to the specified approval rights we have as holder of special GP rights, which are not in our interests or the interests of our stockholders. In particular, the new owners may have no economic interest in us (unlike the current owners of Fertilizer GP), which may make it more likely that they would take actions to benefit Fertilizer GP and its managing general partner interest over us and our interests in the Partnership.

The Partnership may never seek to or be able to consummate an initial public offering or one or more private placements. This could negatively impact the value and liquidity of our investment in the Partnership, which could impact the value of our common stock.

The Partnership may never seek to or be able to consummate an initial public offering or an initial private offering. Any public or private offering of interests by the Partnership would be made at the discretion of the managing general partner of the Partnership and would be subject to market conditions and to achievement of a valuation which the Partnership found acceptable. An initial public offering would be subject to SEC review of a registration statement, compliance with applicable securities laws and the Partnership's ability to list Partnership units on a national securities exchange. Similarly, any private placement to a third party would depend on the Partnership's ability to reach agreement on price and enter into satisfactory documentation with a third party. Any such transaction would also require third party approvals, including consent of our lenders under our Credit Facility and the swap counterparty under our Cash Flow Swap. The Partnership may never consummate any of such transactions on terms favorable to us, or at all. If no offering by the Partnership is ever made, it could impact the value, and certainly the liquidity, of our investment in the Partnership.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words "believe," "expect," "anticipate," "intend," "estimate" and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include statements about our business strategy, our industry, our future profitability, our expected capital expenditures and the impact of such expenditures on our performance, the costs of operating as a public company, our capital programs and environmental expenditures. These statements involve known and unknown risks, uncertainties and other factors, including the factors described under "Risk Factors," that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. Such risks and uncertainties include, among other things:

- volatile margins in the refining industry;
- exposure to the risks associated with volatile crude prices;
- disruption of our ability to obtain an adequate supply of crude oil;
- decreases in the light/heavy and/or the sweet/sour crude oil price spreads;
- refinery operating hazards and interruptions, including unscheduled maintenance or downtime, and the availability of adequate insurance coverage;
- the failure of our new and redesigned equipment in our facilities to perform according to expectations;
- interruption of the pipelines supplying feedstock and in the distribution of our products;
- the seasonal nature of our petroleum business;
- competition in the petroleum and nitrogen fertilizer businesses;
- capital expenditures required by environmental laws and regulations;
- changes in our credit profile;
- the availability of adequate cash and other sources of liquidity for our capital needs;
- a decline in the price of natural gas;
- the cyclical nature of the nitrogen fertilizer business;
- adverse weather conditions;
- the supply and price levels of essential raw materials;
- the volatile nature of ammonia, potential liability for accidents involving ammonia that cause severe damage to property and/or injury to the environment and human health and potential increased costs relating to transport of ammonia;
- the dependence of the nitrogen fertilizer operations on a few third-party suppliers;
- liabilities arising from current or future environmental contamination;
- our limited operating history as a stand-alone company;
- our commodity derivative activities;
- our dependence on significant customers;
- our potential inability to successfully implement our business strategies, including the completion of significant capital programs;

- the success of our acquisition strategies;
- our significant indebtedness;
- the dependence on our subsidiaries for cash to meet our debt obligations;
- whether we will be able to amend our Credit Facility on acceptable terms if the Partnership seeks to consummate a public or private offering;
- the potential loss of key personnel;
- labor disputes and adverse employee relations;
- potential increases in costs and distraction of management resulting from the requirements of being a public company;
- risks relating to evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act;
- the operation of our company as a “controlled company”;
- new regulations concerning the transportation of hazardous chemicals, risks of terrorism and the security of chemical manufacturing facilities;
- successfully defending against third-party claims of intellectual property infringement;
- our ability to continue to license the technology used in our operations;
- the Partnership’s ability to make distributions equal to the minimum quarterly distribution or any distributions at all;
- the possibility that Partnership distributions to us will decrease if the Partnership issues additional equity interests and that our rights to receive distributions will be subordinated to the rights of third party investors;
- the possibility that we will be required to deconsolidate the Partnership from our financial statements in the future;
- the Partnership’s preferential right to pursue certain business opportunities before we pursue them;
- reduction of our voting power in the Partnership if the Partnership completes a public offering or private placement;
- whether we will be required to purchase the managing general partner interest in the Partnership, and whether we will have the requisite funds to do so;
- the possibility that we will be required to sell a portion of our interests in the Partnership in the Partnership’s initial offering at an undesirable time or price;
- the ability of the Partnership to manage the nitrogen fertilizer business in a manner adverse to our interests;
- the conflicts of interest faced by our senior management, which operates both our company and the Partnership, and our controlling stockholders, who control our company and the managing general partner of the Partnership;
- limitations on the fiduciary duties owed by the managing general partner which are included in the partnership agreement;
- whether we are ever deemed to be an investment company under the 1940 Act or will need to take actions to sell interests in the Partnership or buy assets to refrain from being deemed an investment company;

- changes in the treatment of the Partnership as a partnership for U.S. income tax purposes;
- transfer of control of the managing general partner of the Partnership to a third party that may have no economic interest in us; and
- the risk that the Partnership will not consummate a public offering or private placement.

You should not place undue reliance on our forward-looking statements. Although forward-looking statements reflect our good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise.

USE OF PROCEEDS

We expect to receive $282.35 million of net proceeds from the sale of shares by us in this offering, after deducting underwriting discounts and commissions and the estimated expenses of the offering, based on an assumed initial public offering price of $20.00 per share. We expect to use the net proceeds of this offering to repay $280 million of the term loans under our Credit Facility and the remainder for general corporate purposes. We may use the excess amount to repay amounts outstanding under our revolving loan facility. In addition, we may use the excess amount to pay a portion of the $10 million termination fee payable to Goldman, Sachs & Co and Kelso & Company L.P. in connection with the termination of the management agreements in conjunction with this offering. We will not receive any proceeds from the purchase by the underwriters of up to 2,325,000 shares from the selling stockholders in connection with any exercise of their option.

Our subsidiary, Coffeyville Resources, LLC, entered into the Credit Facility on December 28, 2006. The term loans under the Credit Facility mature on December 28, 2013 and the revolving loans under the Credit Facility mature on December 28, 2012. The term loans under the Credit Facility bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus 2.00%, or, at the borrower's election, (b) LIBOR plus 3.00%, subject, in either case, to adjustment upon achievement of certain ratings conditions. Borrowings under the revolving loans facility (including revolving letters of credit) bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus 2.00%, or, at the borrower's election, (b) LIBOR plus 3.00%, subject, in either case, to adjustment upon achievement of certain ratings conditions. At March 31, 2007, the interest rate on the term loans under the Credit Facility was 8.36%. At March 31, 2007, $775.0 million and $29.5 million (or $42.0 million as of May 31, 2007) was outstanding under the term loans and the revolving loans, respectively, under the Credit Facility. The $775 million in net proceeds from the term loans under the Credit Facility received in December 2006 were used to repay the term loans and revolving loans under our then existing first lien credit facility, repay all amounts outstanding under our then existing second lien credit facility, pay related fees and expenses, and pay a dividend to existing members of Coffeyville Acquisition LLC in the amount of $250 million. The Credit Facility entered into in December 2006 amended and restated the then existing first lien credit facility and second lien credit facility which were originally entered into in June 2005 and which were utilized at that time in conjunction with the Subsequent Acquisition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt."

A $1.00 increase (or decrease) in the assumed initial public offering price of $20.00 per share would increase (decrease) the net proceeds to us from this offering by $14.5 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Under the terms of our Credit Facility, this offering will be deemed a "Qualified IPO" if the offering generates at least $250 million of gross proceeds and we use the proceeds of the offering, together with cash on hand, to repay at least $275 million of term loans under the Credit Facility. Assuming that the initial public offering price is at least $20 per share and that the total number of shares does not decrease, we expect this offering to constitute a Qualified IPO. However, it is possible that due to market conditions or otherwise this offering may fail to meet the criteria of a Qualified IPO under the Credit Facility. If this offering is not a Qualified IPO, the interest margin on LIBOR loans will increase from 3.00% to 3.25%; if this offering is a Qualified IPO, the interest margin on LIBOR loans may in the future decrease from 3.00% to 2.75% (if we have credit ratings of B2/B) or 2.50% (if we have credit ratings of B1/B+). Interest on base rate loans will similarly be adjusted. In addition, if the offering is a Qualified IPO, (1) we will be allowed to borrow an additional $225 million under the Credit Facility after June 30, 2008 to finance capital enhancement projects if we are in pro forma compliance with the financial covenants in the Credit Facility and the rating agencies confirm our ratings, (2) we will be allowed to pay an additional $35 million of dividends each year, if our corporate family ratings are at least B2 from Moody's and B from S&P, (3) we will not be subject to any capital expenditures limitations commencing with fiscal 2009 if our total leverage ratio is less than or equal to 1.25:1 for any quarter commencing with the quarter ended December 31, 2008, and (4) at any time after March 31, 2008 we will be allowed to reduce the Cash Flow Swap to not less than 35,000 barrels a day for fiscal 2008 and terminate the Cash Flow Swap for any year commencing with fiscal 2009, so long as our total leverage ratio is less than or equal to 1.25:1 and we have a corporate family rating of at least B2 from Moody's and B from S&P.

An affiliate of Goldman, Sachs & Co. is the sole lender under the term loan facility and, accordingly, will receive all of the net proceeds of this offering that we use to repay term loans under the Credit Facility. Affiliates of Goldman, Sachs & Co., Deutsche Bank Securities Inc., Credit Suisse Securities (USA) LLC and Citibank Capital Markets Inc. are lenders under the revolving loan facility. To the extent that we use net proceeds of this offering to repay revolving loans, affiliates of these underwriters will receive substantially all of such net proceeds. If the underwriters exercise their option to buy additional shares from the selling stockholders, an affiliate of Goldman, Sachs & Co. will receive a portion of the net proceeds received by the selling stockholders. See "Principal and Selling Stockholders," "Description of Indebtedness and the Cash Flow Swap" and "Underwriting."

DIVIDEND POLICY

Following the completion of this offering, we do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain future earnings from our refinery business, if any, together with any cash distributions we receive from the Partnership, to finance operations and the expansion of our business. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements and other factors that the board deems relevant. In addition, the covenants contained in Coffeyville Resources, LLC's Credit Facility limit the ability of our subsidiaries to pay dividends to us, which limits our ability to pay dividends to our stockholders, including any amounts received from the Partnership in the form of quarterly distributions. Our ability to pay dividends also may be limited by covenants contained in the instruments governing future indebtedness that we or our subsidiaries may incur in the future. See "Description of Our Indebtedness and the Cash Flow Swap."

In addition, the partnership agreement which will govern the Partnership will include restrictions on the Partnership's ability to make distributions to us. If the Partnership issues limited partner interests to third party investors, these investors will have rights to receive distributions which, in some cases, will be senior to our rights to receive distributions. In addition, the managing general partner of the Partnership will have incentive distribution rights which, over time, will give it rights to receive distributions. These provisions will limit the amount of distributions which the Partnership can make to us which will, in turn, limit our ability to make distributions to our stockholders. In addition, since the Partnership will make its distributions to Coffeyville Resources, LLC, a subsidiary of ours, the Credit Facility will limit the ability of Coffeyville Resources to distribute these distributions to us. In addition, the Partnership may also enter into its own credit facility or other contracts that limit its ability to make distributions to us.

On December 28, 2006, the directors of Coffeyville Acquisition LLC approved a special dividend of $250 million to its members, including $244.7 million to companies related to the Goldman Sachs Funds and the Kelso Funds and $3.4 million to certain members of our management and a director who had previously made capital contributions to Coffeyville Acquisition LLC. See "Certain Relationships and Related Party Transactions — Investments in Coffeyville Acquisition LLC."

In connection with this offering, the directors of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, respectively, will approve a special dividend of $10.6 million to their members, including approximately $5.2 million to the Goldman Sachs Funds, approximately $5.1 million to the Kelso Funds and approximately $0.3 million to certain members of our management, a director and an unrelated member. The common unit holders receiving this special dividend will contribute $10.6 million collectively to Coffeyville Acquisition III LLC, which will use such amounts to purchase the managing general partner.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of March 31, 2007:

- on an actual basis for Coffeyville Acquisition LLC; and

- as adjusted to give effect to the sale by us of 15,500,000 shares in this offering at an assumed initial offering price of $20.00 per share, the use of proceeds from this offering, the Transactions, the transfer of the nitrogen fertilizer business to the Partnership, the sale of the managing general partner interest in the Partnership to a new entity owned by our controlling stockholders and senior management, the termination fee payable in connection with the termination of the management agreements in conjunction with this offering, the issuance of shares of our common stock to our chief executive officer in exchange for shares in two of our subsidiaries and the payment of a dividend to Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC.

You should read this table in conjunction with “Use of Proceeds,” “Unaudited Pro Forma Consolidated Financial Statements,” “Selected Historical Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the consolidated financial statements and related notes included elsewhere in this prospectus.

	As of March 31, 2007	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 7,608	$ 2,941
Debt (including current portion):		
Revolving Credit Facility(1)	29,500	29,500
Term loan facility	775,000	495,000
Total debt	804,500	524,500
Minority interest in subsidiaries(2)	3,650	10,600
Management voting common units subject to redemption, 201,063 units(3)	7,102	—
Members’ equity(3):		
Members’ voting common equity, 22,614,937 units	(80,901)	—
Operating override units, 992,122 units	2,148	—
Value override units, 1,984,231 units	1,311	—
Total members’ equity	(77,442)	—
Stockholders’ equity(3):		
Common stock, $0.01 par value per share, 350,000,000 shares authorized; 81,641,591 shares issued and outstanding as adjusted(4)	—	816
Preferred stock, $0.01 par value; 50,000,000 shares authorized; no shares issued and outstanding as adjusted	—	—
Additional paid-in capital(3)	—	191,415
Total stockholders’ equity	—	192,231
Total capitalization	$ 737,810	$ 727,331

(1) As of March 31, 2007, we had availability of $114.1 million under the revolving credit facility. As of May 31, 2007, we had outstanding $42.0 million of revolver borrowings and availability of $101.6 million under the revolving credit facility.

(2) The as adjusted column gives effect to (i) the exchange of our chief executive officer's shares in two of our subsidiaries for shares of our common stock and (ii) the sale of the managing general partner interest in the Partnership.

(3) On an actual basis, the Members' equity reflects the unit ownership at Coffeyville Acquisition LLC which is structured as a partnership for tax purposes. Upon completion of this offering, the reporting entity will be CVR Energy, Inc., a corporation. The ownership at Coffeyville Acquisition LLC and, after the consummation of the Transactions, Coffeyville Acquisition II LLC will not be reported, and as such, the components of Members' equity do not appear in the "As Adjusted" column. Upon completion of this offering, common stock in CVR Energy, Inc. will be issued and reflected in Common stock in the "As Adjusted" column. Members' equity and Management's voting common units subject to redemption will be eliminated and replaced with Stockholders' equity to reflect the new corporate structure. Any difference in the total value of equity upon completion of this offering and the par value of the common stock issued will be reflected in Additional paid-in capital.

(4) The number of shares of common stock to be outstanding after the offering:

- gives effect to a 658,619.93 for 1 split of our common stock;
- gives effect to the issuance of 252,448 shares of our common stock to our chief executive officer in exchange for his shares in two of our subsidiaries;
- gives effect to the issuance of 15,500,000 shares of our common stock in this offering;
- excludes 10,300 shares of common stock issuable upon the exercise of stock options to be granted to two directors pursuant to our long-term incentive plan on the date of this prospectus;
- excludes 17,500 shares of non-vested restricted stock to be awarded to two directors pursuant to our long-term incentive plan on the date of this prospectus;
- includes 27,150 shares of common stock to be awarded to our employees in connection with this offering; and
- assumes no exercise by the underwriters of their option to purchase up to 2,325,000 shares of common stock from the selling stockholders.

A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share would (decrease) increase total debt and would increase (decrease) each of additional paid-in capital and total stockholders' equity by approximately $14.5 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. In addition, depending on market conditions at the time of pricing of this offering, we may sell fewer or more shares than the number set forth on the cover page of this prospectus. The adjusted information presented above is illustrative only and following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of the offering determined at pricing.

DILUTION

Purchasers of common stock offered by this prospectus will suffer immediate and substantial dilution in net tangible book value per share. Our pro forma net tangible book value as of March 31, 2007, excluding the net proceeds of this offering, was approximately $(174.5) million, or approximately $(2.64) per share of common stock. Pro forma net tangible book value per share represents the amount of tangible assets less total liabilities (excluding the net proceeds of this offering), divided by the pro forma number of shares of common stock outstanding (excluding the 15,500,000 shares of common stock issued in this offering).

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the pro forma net tangible book value per share of our common stock immediately after this offering. After giving effect to the sale of 15,500,000 shares of common stock in this offering at an assumed initial public offering price of $20.00 per share, and after deduction of the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of March 31, 2007 would have been approximately $107.9 million, or $1.32 per share. This represents an immediate increase in net tangible book value of $3.96 per share of common stock to our existing stockholder and an immediate pro forma dilution of $18.68 per share to purchasers of common stock in this offering. The following table illustrates this dilution on a per share basis.

Assumed initial public offering price per share		$ 20.00
Pro forma net tangible book value per share as of March 31, 2007, excluding the net proceeds of this offering	$ (2.64)	
Pro forma increase per share attributable to new investors	$ 3.96	
Net tangible book value per share after the offering		$ 1.32
Dilution per share to new investors		$ 18.68

A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share would increase (decrease) our pro forma net tangible book value by $14.5 million, the pro forma net tangible book value per share by $0.18 and the dilution per share to new investors by $0.18, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and estimated offering expenses payable by us. Depending on market conditions at the time of pricing of this offering and other considerations, we may sell fewer or more shares than the number set forth on the cover page of this prospectus.

The following table sets forth as of March 31, 2007 the number of shares of common stock purchased or to be purchased from us, total consideration paid or to be paid and the average price per share paid by our existing stockholders and by new investors, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us at an assumed initial public offering price of $20.00 per share.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders(1)	66,141,591	81%	$ 258,160,000	45%	$ 3.90
New investors	15,500,000	19	310,000,000	55	20.00
Total	81,641,591	100.0%	$ 568,160,000	100.0%	$ 6.96

(1) Total consideration and average price per share paid by the existing stockholders do not give effect to the $250.0 million distribution made to certain of the existing stockholders in December 2006 using proceeds from the Credit Facility and the $10.6 million dividend we intend to distribute to existing stockholders in connection with the Transactions. If the table were adjusted to give

effect to these payments, existing stockholders total consideration for their shares would be $2,440,000 with an average share price of ($0.04).

A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share would increase (decrease) total consideration paid by new investors and total consideration paid by all shareholders by $15.5 million, assuming the number of shares offered by us, as set forth on the cover page of the prospectus, remains the same, and before deducting the underwriting discounts and estimated offering expenses payable by us.

The number of shares held by existing stockholders will be reduced to the extent the underwriters exercise their option to purchase additional shares. If the underwriters exercise their option in full, existing stockholders will own a total of 63,816,591 shares, or approximately 78% of our total outstanding shares, which will increase the average price paid by the existing stockholders to $4.05 (or, after giving effect to the December 2006 distribution and the cash dividends contemplated in connection with the Transactions, decrease the average price paid by existing stockholders per share to ($0.04)).

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

CVR Energy, Inc. was incorporated in Delaware in September 2006. CVR Energy has assumed that concurrent with this offering, a newly formed direct subsidiary of CVR Energy will merge with Coffeyville Refining & Marketing, Inc. and a separate newly formed direct subsidiary of CVR Energy will merge with Coffeyville Nitrogen Fertilizers, Inc. which will make Coffeyville Refining & Marketing and Coffeyville Nitrogen Fertilizers directly owned subsidiaries of CVR Energy. CVR Energy currently has no assets, liabilities, revenues, or financial activity of its own. It was organized in connection with and in order to consummate this offering. This pre-IPO reorganization transaction will have no financial impact on our results of operations.

In addition, prior to the consummation of this offering, we intend to transfer our nitrogen fertilizer business to a newly created limited partnership in exchange for a managing general partner interest and a special general partner interest. We intend to sell the managing general partner interest to an entity owned by our controlling stockholders and senior management at fair market value prior to the consummation of this offering.

In conjunction with our ownership of the special general partner interest, we will initially own all of the interests in the Partnership (other than the managing general partner interest and associated IDRs) and will initially be entitled to all cash that is distributed by the Partnership. The managing general partner will not be entitled to participate in Partnership distributions except in respect of associated IDRs, which entitle the managing general partner to receive increasing percentages of the Partnership's quarterly distributions if the Partnership increases its distributions above an amount specified in the partnership agreement. The Partnership will not make any distributions with respect to the IDRs until the aggregate adjusted operating surplus, as defined in the partnership agreement, generated by the Partnership during the period from its formation through June 30, 2009 has been distributed in respect of the special general partner interests, which we will hold, and/or the Partnership's common and subordinated interests (none of which are yet outstanding, but which would be issued if the Partnership issues equity in the future). In addition, there will be no distributions paid on the managing general partner's IDRs for so long as the Partnership or its subsidiaries are guarantors under our Credit Facility.

The Partnership will be primarily managed by the managing general partner, but will be operated by our senior management pursuant to a management services agreement to be entered into among us, the managing general partner, and the Partnership. In addition, we will have approval rights regarding the appointment, termination, and compensation of the chief executive officer and chief financial officer of the managing general partner, will designate one member of the board of directors of the managing general partner and will have approval rights regarding specified major business decisions by the managing general partner.

On December 28, 2006, our subsidiary Coffeyville Resources, LLC entered into a Credit Facility which provides financing of up to $1.075 billion. The Credit Facility consists of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap. The Credit Facility refinanced the first lien and second lien credit facilities which had been amended and restated on June 29, 2006.

The unaudited pro forma condensed consolidated statements of operations of CVR Energy, Inc. for the year ended December 31, 2006 and for the three months ended March 31, 2007 have been derived from the audited consolidated statement of operations for the year ended December 31, 2006 and from the unaudited consolidated statement of operations for the three months ended March 31, 2007, respectively. The unaudited pro forma consolidated balance sheet at March 31, 2007 has been derived from the unaudited consolidated balance sheet at March 31, 2007.

The statements of operations for the year ended December 31, 2006 and for the three months ended March 31, 2007 are adjusted to give pro forma effect for the refinancing of the Credit Facility which occurred on December 28, 2006, the transfer of the nitrogen fertilizer business to the Partnership, which we will consolidate in our financial statements, the sale of the managing general partner interest in the Partnership, this offering, the use of proceeds from this offering, the Transactions, the termination fee payable in connection with the termination of the management agreements with Goldman, Sachs & Co. and Kelso & Company, L.P. in conjunction with this offering and the issuance of shares of our common stock to our chief executive officer in exchange for shares in two of our subsidiaries as if these transactions occurred on January 1, 2006. The sale of the managing general partner interest will generate a taxable gain. The unaudited consolidated balance sheet as of March 31, 2007 has been adjusted to give effect to the transfer of our nitrogen fertilizer business to the Partnership, the payment of a dividend to Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC and the sale of the managing general partner interest in the Partnership to the newly formed entity owned by our controlling stockholders and senior management and the related income tax liability due to the recognition of the gain on such sale for income tax purposes, this offering, the use of proceeds from this offering, the Transactions, the termination fee payable in connection with the termination of the management agreements with Goldman, Sachs & Co. and Kelso & Company, L.P. in conjunction with this offering and the issuance of shares of our common stock to our chief executive officer in exchange for shares in two of our subsidiaries as if these transactions had occurred on March 31, 2007.

The unaudited pro forma consolidated financial statements are provided for informational purposes only and do not purport to represent or be indicative of the results that actually would have been obtained had the transactions described above occurred on January 1, 2006 and March 31, 2007, respectively and are not intended to project our consolidated financial condition or results of operations for any future period or at any future date.

The pro forma adjustments are based on available information and certain assumptions that we believe are reasonable. The pro forma adjustments and certain assumptions are described in the accompanying notes. Other information included under this heading has been presented to provide additional analysis.

The unaudited pro forma consolidated financial statements set forth below should be read in conjunction with the historical financial statements, the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus.

CVR Energy, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 31, 2006

	Successor Year Ended December 31, 2006	Pro Forma Adjustments to Give Effect To the Refinancing	Pro Forma Adjustment to Give Effect to the Sale of the GP Interest	Pro Forma Adjustment to Give Effect to Proceeds from the Offering and Payment of the Termination Fee	Pro Forma Year Ended December 31, 2006
Net Sales	$ 3,037,567,362	$ —	$ —	$ —	$ 3,037,567,362
Operating costs and expenses:					
Cost of product sold (exclusive of depreciation and amortization)	2,443,374,743	—	—	—	2,443,374,743
Direct operating expenses (exclusive of depreciation and amortization)	198,979,983	—	—	—	198,979,983
Selling, general and administrative expenses (exclusive of depreciation and amortization)	62,600,121	941,667(a)	—	10,000,000(h)	73,541,788
Depreciation and amortization	51,004,582	—	—	—	51,004,582
Total operating costs and expenses	2,755,959,429	941,667	—	10,000,000	2,766,901,096
Operating income (loss)	281,607,933	(941,667)	—	(10,000,000)	270,666,266
Other income (expense):					
Interest expense	(43,879,644)	(11,860,425)(b)	—	23,643,692(f)	(32,096,376)
Gain on derivatives	94,493,141	—	—	—	94,493,141
Loss on extinguishment of debt	(23,360,306)	—	—	—	(23,360,306)
Other income	2,550,359	—	—	—	2,550,359

	Successor Year Ended December 31, 2006	Pro Forma Adjustments to Give Effect To the Refinancing	Pro Forma Adjustment to Give Effect to the Sale of the GP Interest	Pro Forma Adjustment to Give Effect to Proceeds from the Offering and Payment of the Termination Fee	Pro Forma Year Ended December 31, 2006
Income (loss) before income taxes	311,411,483	(12,802,091)	—	13,643,692	312,253,084
Income tax expense (benefit)	119,840,160	(5,104,834)(c)	4,226,750(e)	9,427,922(g)	128,389,998
Net income (loss)(d)	191,571,323	(7,697,257)	(4,226,750)	4,215,770	183,863,086
Pro forma earnings per share, basic(i)	$ 2.27				$ 2.15
Pro forma earnings per share, diluted(i)	$ 2.26				$ 2.15
Pro forma weighted average shares, basic(i)	84,563,025				85,478,437
Pro forma weighted average shares, diluted(i)	84,580,525				85,495,937

(a) To reflect the additional increase in fees related to the refinancing transaction and the related funded letter of credit in support of the cash flow swaps, which are required under the terms of the senior secured credit facility refinanced on December 28, 2006.

(b) To increase the interest expense for (1) additional interest resulting from the refinancing of the Credit Facility on December 28, 2006 as if it had occurred on January 1, 2006 and (2) amortization of the related deferred financing costs of $11.1 million amortized over the life of the related debt instrument. An assumed average interest rate of 8.36% based on the interest rate in effect on the term loans as of December 28, 2006 was used to calculate interest expense on an average annual balance of $772 million of term debt. Actual interest expense may be higher or lower depending upon fluctuations in interest rates. A 1/8% change in interest rates would have resulted in a $978,504 change in interest expense for the twelve month period.

(c) To reflect the income tax effect of the pro forma pre-tax loss adjustments of $(12,802,091) for the year ended December 31, 2006 using a combined federal and state statutory rate of approximately 39.875%.

(d) Pro forma net earnings includes a $14.1 million loss on extinguishment of debt, net of $9.3 million in taxes, related to refinancing of our senior secured credit facility on December 28, 2006.

(e) To reflect the income tax expense related to the sale of the managing general partner interest in the Partnership using a combined federal and state statutory rate of approximately 39.875%.

(f) To reflect the reduction in interest expense related to the repayment of long-term debt of $280 million from the offering proceeds as if it had occurred on January 1, 2006. An assumed average interest rate of 8.36% based on the interest rate in effect on the term loans as of December 28, 2006 was used to calculate the adjustment to interest expense. Actual interest expense may be higher or lower depending upon fluctuations in interest rates. A 1/8% change in interest rates would have resulted in a $624,980 change in interest expense for the twelve month period.

(g) To reflect the income tax effect of the pro forma pre-tax income adjustments of $13,643,692 for the year ended December 31, 2006, based on an effective tax rate of 69.1%. The effective tax rate was determined by applying a combined federal and state statutory rate of approximately 39.875% to pro forma pre-tax income adjustments of $23,643,692. There was no tax effect on pro forma adjustments of pre-tax loss of $10,000,000 relating to the non-deductible termination fee.

(h) Reflects $10 million termination fee in connection with the termination of the management agreements payable to Goldman, Sachs & Co. and Kelso & Company, L.P. in conjunction with this offering.

(i) To calculate earnings per share on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering. All information in this prospectus assumes that prior to the initial public offering, two newly formed direct wholly owned subsidiaries of ours will merge with Coffeyville Refinery and Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc., we will effect a 658,619.93 for 1 stock split, 252,448 shares of our common stock will be issued to our chief executive officer in exchange for his shares in two of our subsidiaries, 27,150 shares of our common stock will be issued to our employees, 17,500 non-vested restricted shares of our common stock will be issued to two of our directors, and we will issue 15,500,000 shares of common stock in this offering. No effect has been given to any shares that might be sold in this offering pursuant to the exercise by the underwriters of their option to purchase additional shares in the offering. The weighted average shares outstanding also gives effect to the increase in the number of shares which, when multiplied by the initial public offering price, would be sufficient to replace the capital in excess of earnings withdrawn, as a result of our paying dividends in the year ended December 31, 2006 in excess of earnings for such period, or 2,921,434 shares. The weighted average number of shares outstanding for the pro forma column also accounts for the additional $10.6 million dividend that will be paid to Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC.

CVR Energy, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Three Months Ended March 31, 2007

	Historical Successor Three Months Ended March 31, 2007	Pro Forma Adjustments	Pro Forma Three Months Ended March 31, 2007
Net sales	$ 390,482,819	$ —	$ 390,482,819
Operating costs and expenses:			
Cost of product sold (exclusive of depreciation and amortization)	303,670,229	—	303,670,229
Direct operating expenses (exclusive of depreciation and amortization)	113,411,569	—	113,411,569
Selling, general and administrative expenses (exclusive of depreciation and amortization)	13,149,892	—	13,149,892
Depreciation and amortization	14,235,431	—	14,235,931
Total operating costs and expenses	444,467,121	—	444,467,121
Operating loss	(53,984,302)	—	(53,984,302)
Other income (expense):			
Interest expense	(11,856,624)	5,852,000(a)	(6,004,624)
Loss on derivatives	(136,959,221)	—	(136,959,221)
Other income	452,748	—	452,748
Income (loss) before income taxes and minority interest in subsidiaries	(202,347,399)	5,852,000	(196,495,399)
Income tax expense (benefit)	(47,297,700)	2,333,485(b)	(44,964,215)
Minority interest in (income) loss of subsidiaries	675,747	(15,077)(c)	660,670
Net income (loss)	(154,373,952)	3,503,438	(150,870,514)
Pro forma loss per share, basic(d)	$ (1.89)		$ (1.85)
Pro forma loss per share, diluted(d)	$ (1.89)		$ (1.85)
Pro forma weighted average shares, basic(d)	81,641,591		81,641,591
Pro forma weighted average shares, diluted(d)	81,641,591		81,641,591

(a) To reflect the reduction in interest expense related to the payment of long-term debt of $280 million from the offering proceeds. An average interest rate of 8.36% based on the interest rate in effect on the term loans during the first quarter 2007 was used to calculate the pro forma interest expense on an average balance of $495 million of term debt. Actual interest expense may be higher or lower depending upon fluctuations in interest rates. A 1/8% change in interest rates would have resulted in a $154,688 change in interest expense for the three month period.

(b) To reflect the income tax effect of pro forma pre-tax income adjustment of $5,852,000 for the period ended March 31, 2007 using a combined federal and state statutory rate of approximately 39.875%.

(c) To reflect the adjustment to minority loss in subsidiaries for the net impact of the pre-tax income adjustment of $5,852,000 and the related income tax effect of the adjustment.

(d) To calculate earnings per share on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering. All information in this prospectus assumes that prior to the initial public offering, two newly formed direct wholly owned subsidiaries of CVR Energy will merge with Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc., we will effect a 658,619.93 for 1 stock split, 252,448 shares of our common stock will be issued to our chief executive officer in exchange for his shares in two of our subsidiaries, 27,150 shares of our common stock will be issued to our employees, 17,500 non-vested restricted shares of our common stock will be issued to two of our directors, and we will issue 15,500,000 shares of common stock in this offering. No effect has been given to any shares that might be sold in this offering pursuant to the exercise by the underwriters of their option to purchase additional shares in the offering. The 17,500 non-vested restricted shares of our common stock to be issued to two of our directors have been excluded from the calculation of pro forma diluted earnings per share because the inclusion of such shares in the number of weighted shares outstanding would be antidilutive.

CVR Energy, Inc.
Unaudited Pro Forma Consolidated Balance Sheet at March 31, 2007

	Three Months Ended March 31, 2007	Pro Forma Adjustments	Pro Forma Three Months Ended March 31, 2007
ASSETS			
Current assets:			
Cash and cash equivalents	$ 7,607,943	$ (10,600,000)(a)	$ 2,940,662
		10,600,000 (b)	
		310,000,000 (e)	
		(24,667,281)(f)	
		(280,000,000)(g)	
		(10,000,000)(h)	
Accounts receivable, net of allowance for doubtful accounts of $140,109	25,197,308	—	25,197,308
Inventories	184,418,775	—	184,418,775
Prepaid expenses and other current assets	19,229,965	(3,692,934)(f)	15,537,031
Deferred income taxes	3,765,991	—	3,765,991
Income tax receivable	17,210,500	(4,226,750)(c)	12,983,750
Total current assets	257,430,482	(12,586,965)	244,843,517
Property, plant, and equipment, net of accumulated depreciation	1,113,555,099	1,398,519 (d)	1,114,953,618
Intangible assets, net	584,081	—	584,081
Goodwill	83,774,885	—	83,774,885
Deferred financing costs, net	8,652,412	—	8,652,412
Other long-term assets	5,368,712	—	5,368,712
Total assets	$ 1,469,365,671	$ (11,188,446)	$ 1,458,177,225
LIABILITIES AND EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 7,720,986	$ (2,789,518)(g)	$ 4,931,468
Revolving debt	29,500,000		29,500,000
Accounts payable	194,575,263	(710,215)(f)	193,865,048
Personnel accruals	20,220,754	—	20,220,754
Accrued taxes other than income taxes	7,902,013	—	7,902,013
Payable to swap counterparty	131,071,839	—	131,071,839
Deferred revenue	13,879,211	—	13,879,211
Other current liabilities	22,345,237	—	22,345,237
Total current liabilities	427,215,303	(3,499,733)	423,715,570
Long-term liabilities:			
Long-term debt, less current portion	767,279,014	(277,210,482)(g)	490,068,532
Accrued environmental liabilities	5,879,762	—	5,879,762
Deferred income taxes	227,709,397	—	227,709,397
Payable to swap counterparty	107,972,734	—	107,972,734
Total long-term liabilities	1,108,840,907	(277,210,482)	831,630,425
Minority interest in subsidiaries	3,650,441	10,600,000 (b)	10,600,000
		(3,650,441)(d)	
Management voting common units subject to redemption, 201,063 units issued and outstanding in 2006	7,101,545	(92,577)(a)	—
Members' equity:		(7,008,968)(e)	
Voting common units, 22,614,937 units issued and outstanding in 2006	(80,901,264)	(10,412,886)(a)	—
		101,314,150 (e)	
		(10,000,000) (h)	
Management nonvoting override units, 2,976,353 units issued and outstanding in 2006	3,458,739	(94,537)(a)	—
		(3,364,202)(e)	
Total members' equity	$ (77,442,525)	$ 77,442,525	$ —
PRO FORMA STOCKHOLDERS' EQUITY			
Stockholders' equity:			
Common stock. $0.01 par value, 350,000,000 shares authorized: 81,641,591 shares issued and outstanding	—	816,416 (e)	816,416
Additional paid-in capital	—	(4,226,750)(c)	191,414,814
		5,048,960 (d)	
		218,242,604 (e)	
		(27,650,000)(f)	
Retained earnings	—		
Total pro forma stockholders' equity	—	192,231,230	192,231,230
Commitments and contingencies			
Total liabilities and equity	$ 1,469,365,671	$ (11,188,446)	$ 1,458,177,225

(a) Reflects estimated payment of a $10.6 million dividend to Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC.

(b) Reflects gross proceeds of $10.6 million received for the sale of the managing general partner interest in the Partnership, through sale of the managing general partner, to Coffeyville Acquisition III LLC at estimated fair market value as determined after consultation with management and a third party valuation firm.

(c) Reflects the tax liability determined at a combined federal and state statutory rate of approximately 39.875% associated with the estimated gain recognized on the sale of the managing general partner interest at estimated fair market value.

(d) Reflects the exchange of our chief executive officer's shares in two of our subsidiaries for shares of our common stock at fair market value, resulting in an estimated step-up in basis in our property, plant and equipment of approximately $1.4 million.

(e) To reflect the public offering of 15,500,000 shares of common stock at an assumed initial offering price of $20.00 per share resulting in aggregate gross proceeds of $310.0 million, and in conjunction with the offering to reflect the conversion from a partnership structure to a corporate structure of Members' equity and Management voting common units subject to redemption.

(f) To reflect the payment of underwriters' discounts and commissions and estimated offering expenses totaling $27.65 million of which $2,982,719 had been prepaid as of March 31, 2007 and $710,215 has been accrued as of March 31, 2007.

(g) To reflect the repayment of the term debt of $280 million with the net proceeds of this offering.

(h) Reflects payment of a $10 million termination fee in connection with the termination of the management agreements payable to Goldman, Sachs & Co and Kelso & Company L.P. in conjunction with this offering.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the selected historical consolidated financial data presented below in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes included elsewhere in this prospectus.

The selected consolidated financial information presented below under the caption Statement of Operations Data for the 62-day period ended March 2, 2004, for the 304 days ended December 31, 2004, for the 174-day period ended June 23, 2005, for the 233-day period ended December 31, 2005 and for the year ended December 31, 2006 and the selected consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2005 and 2006 has been derived from our audited consolidated financial statements included elsewhere in this prospectus, which financial statements have been audited by KPMG LLP, independent registered public accounting firm. The consolidated financial information presented below under the caption Statement of Operations Data for the years ended December 31, 2002 and 2003, and the consolidated financial information presented below under the caption Balance Sheet Data at December 31, 2002, 2003 and 2004, are derived from our audited consolidated financial statements that are not included in this prospectus. The selected unaudited interim consolidated financial information presented below under the caption Statement of Operations Data presented below for the three month period ended March 31, 2006 and the three month period ended March 31, 2007, and the selected unaudited interim consolidated financial information presented below under the caption Balance Sheet Data as of March 31, 2007, have been derived from our unaudited interim consolidated financial statements, which are included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. In the opinion of management, the interim data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of results for these periods. Operating results for the three month period ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ended December 31, 2007.

Prior to March 3, 2004, our assets were operated as a component of Farmland. Farmland filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on May 31, 2002. On March 3, 2004, Coffeyville Resources, LLC completed the purchase of these assets from Farmland in a sales process under Chapter 11 of the U.S. Bankruptcy Code. See note 1 to our consolidated financial statements included elsewhere in this prospectus. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition and the results of operations for the 304 days ended December 31, 2004 are not comparable to prior periods.

During Original Predecessor periods, Farmland allocated certain general corporate expenses and interest expense to Original Predecessor. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity. Further, the historical results are not necessarily indicative of the results to be expected in future periods.

We calculate earnings per share for Successor on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering. All information in this prospectus assumes that in conjunction with the initial public offering, Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc. will merge with two of our direct wholly owned subsidiaries, we will effect a 658,619.93 for 1 stock split, 252,448 shares of our common stock will be issued to our chief executive officer in exchange for his shares in two of our subsidiaries, 27,150 shares of our common stock will be issued to our employees, 17,500 non-vested restricted shares of our common stock will be issued to two of our directors, and we will issue 15,500,000 shares of common stock in this offering. No effect has been given to any shares that might be sold in this offering by the selling stockholders pursuant to the exercise by the underwriters of their option. The weighted average shares outstanding also gives effect to the increase in number of shares which, when multiplied by the initial public offering price, would be sufficient to replace the capital in excess of earnings withdrawn, as a result of our paying dividends in the year ended December 31, 2006 in excess of earnings for such period, or 2,921,434 shares.

We have omitted earnings per share data for Immediate Predecessor because we operated under a different capital structure than what we will operate under at the time of this offering and, therefore, the information is not meaningful.

We have omitted per share data for Original Predecessor because, under Farmland's cooperative structure, earnings of Original Predecessor were distributed as patronage dividends to members and associate members based on the level of business conducted with Original Predecessor as opposed to a common stockholder's proportionate share of underlying equity in Original Predecessor.

Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualifying patronage refunds and Farmland did not allocate income taxes to its divisions. As a result, Original Predecessor periods do not reflect any provision for income taxes.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. See note 1 to our consolidated financial statements included elsewhere in this prospectus. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition. Since the assets and liabilities of Successor and Immediate Predecessor were each presented on a new basis of accounting, the financial information for Successor, Immediate Predecessor and Original Predecessor is not comparable.

Financial data for the 2005 fiscal year is presented as the 174 days ended June 23, 2005 and the 233 days ended December 31, 2005. Successor had no financial statement activity during the period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil, and gasoline option agreements entered into with a related party as of May 16, 2005.

	Successor	
	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
	(unaudited)	(unaudited)
	(in millions, except as otherwise indicated)	
Statement of Operations Data:		
Net sales	$ 669.7	$ 390.5
Cost of product sold (exclusive of depreciation and amortization)	539.5	303.7
Direct operating expenses (exclusive of depreciation and amortization)	44.3	113.4
Selling, general and administrative expenses (exclusive of depreciation and amortization)	8.5	13.2
Depreciation and amortization	12.0	14.2
Operating income (loss)	$ 65.4	$ (54.0)
Other income	0.6	0.5
Interest (expense)	(12.2)	(11.9)
Loss on derivatives	(17.6)	(137.0)
Income (loss) before income taxes and minority interest in subsidiaries	$ 36.2	$ (202.4)
Income tax (expense) benefit	(14.1)	47.3
Minority interest in (income) loss of subsidiaries	—	0.7
Net income (loss)(1)	$ 22.1	$ (154.4)
Pro forma earnings (loss) per share, basic	0.27	(1.89)
Pro forma earnings (loss) per share, diluted	0.27	(1.89)
Pro forma weighted average shares, basic	81,641,591	81,641,591
Pro forma weighted average shares, diluted	81,659,091	81,641,591
Balance Sheet Data:		
Cash and cash equivalents		$ 7.6
Working capital		(169.8)
Total assets		1,469.4
Total debt, including current portion		804.5
Minority interest in subsidiaries(2)		3.7
Management units subject to redemption		7.1
Divisional/members' equity		(77.4)
Other Financial Data:		
Depreciation and amortization	$ 12.0	$ 14.2
Net income (loss) adjusted for unrealized gain or loss from Cash Flow Swap(3)	36.9	(82.4)
Cash flows provided by operating activities	8.0	43.6
Cash flows (used in) investing activities	(29.3)	(107.4)
Cash flows provided by financing activities	9.6	29.5
Capital expenditures for property, plant and equipment	29.3	107.4
Key Operating Statistics:		
Petroleum Business		
Production (barrels per day)(4)	98,454	53,689
Crude oil throughput (barrels per day)(4)	85,276	47,267
Nitrogen Fertilizer Business		
Production Volume:		
Ammonia (tons in thousands)	102.7	86.2
UAN (tons in thousands)	160.4	165.7

	Original Predecessor			Immediate Predecessor		Successor	
	Year Ended December 31,		62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,	Year Ended December 31,
	2002	2003	2004	2004	2005	2005	2006
	(in millions, except as otherwise indicated)						
Statement of Operations Data:							
Net sales	$ 887.5	$1,262.2	$261.1	$1,479.9	$980.7	$1,454.3	$ 3,037.6
Cost of product sold (exclusive of depreciation and amortization)	765.8	1,061.9	221.4	1,244.2	768.0	1,168.1	2,443.4
Direct operating expenses (exclusive of depreciation and amortization)	149.4	133.1	23.4	117.0	80.9	85.3	199.0
Selling, general and administrative expenses (exclusive of depreciation and amortization)	16.3	23.6	4.7	16.3	18.4	18.4	62.6
Depreciation and amortization	30.8	3.3	0.4	2.4	1.1	24.0	51.0
Impairment, earnings (losses) in joint ventures, and other charges(5)	(375.1)	(10.9)	—	—	—	—	—
Operating income (loss)	$(449.9)	$ 29.4	$ 11.2	$ 100.0	$112.3	$ 158.5	$ 281.6
Other income (expense)(6)	0.1	(0.5)	—	(6.9)	(8.4)	0.4	(20.8)
Interest (expense)	(11.7)	(1.3)	—	(10.1)	(7.8)	(25.0)	(43.9)
Gain (loss) on derivatives	(4.2)	0.3	—	0.5	(7.6)	(316.1)	94.5
Income (loss) before income taxes	$(465.7)	$ 27.9	$ 11.2	$ 83.5	$ 88.5	$ (182.2)	$ 311.4
Income tax (expense) benefit	—	—	—	(33.8)	(36.1)	63.0	(119.8)
Net income (loss)(1)	$(465.7)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)	$ 191.6
Pro forma earnings per share, basic							$ 2.27
Pro forma earnings per share, diluted							2.26
Pro forma weighted average shares, basic							84,563,025
Pro forma weighted average shares, diluted							84,580,525
Historical dividends:							
Preferred per unit(7)				$ 1.50	$ 0.70		
Common per unit(7)				$ 0.48	$ 0.70		
Management common units subject to redemption							$ 3.1
Common units							$ 246.9
Balance Sheet Data:							
Cash and cash equivalents	$ 0.0	$ 0.0		$ 52.7		$ 64.7	$ 41.9
Working capital(8)	122.2	150.5		106.6		108.0	112.3
Total assets	172.3	199.0		229.2		1,221.5	1,449.5
Liabilities subject to compromise(9)	105.2	105.2		—		—	—
Total debt, including current portion	—	—		148.9		499.4	775.0
Minority Interest in subsidiaries(2)	—	—		—		—	4.3
Management units subject to redemption	—	—		—		3.7	7.0
Divisional/members' equity	49.8	58.2		14.1		115.8	76.4
Other Financial Data:							
Depreciation and amortization	$ 30.8	$ 3.3	$ 0.4	$ 2.4	$ 1.1	$ 24.0	$ 51.0
Net income (loss) adjusted for unrealized gain or loss from Cash Flow Swap(3)	(465.7)	27.9	11.2	49.7	52.4	23.6	115.4
Cash flows provided by (used in) operating activities	(1.7)	20.3	53.2	89.8	12.7	82.5	186.6
Cash flows (used in) investing activities	(272.4)	(0.8)	—	(130.8)	(12.3)	(730.3)	(240.2)
Cash flows provided by (used in) financing activities	274.1	(19.5)	(53.2)	93.6	(52.4)	712.5	30.8

	Original Predecessor			Immediate Predecessor		Successor	
	Year Ended December 31,		62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,	Year Ended December 31,
	2002	2003	2004	2004	2005	2005	2006
	(in millions, except as otherwise indicated)						
Capital expenditures for property, plant and equipment	272.4	0.8	—	14.2	12.3	45.2	240.2
Key Operating Statistics:							
Petroleum Business							
Production (barrels per day)(4)(10)	84,343	95,701	106,645	102,046	99,171	107,177	108,031
Crude oil throughput (barrels per day)(4)(10)	74,446	85,501	92,596	90,418	88,012	93,908	94,524
Nitrogen Fertilizer Business							
Production Volume:							
Ammonia (tons in thousands)(4)	265.1	335.7	56.4	252.8	193.2	220.0	369.3
UAN (tons in thousands)(4)	434.6	510.6	93.4	439.2	309.9	353.4	633.1

(1) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance due to their unusual or infrequent nature:

	Original Predecessor			Immediate Predecessor		Successor			
	Year Ended December 31,		62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,	Year Ended December 31,	Three Months Ended March 31,	
	2002	2003	2004	2004	2005	2005	2006	2006	2007
	(in millions)								
Impairment of property, plant and equipment(a)	$375.1	$9.6	$—	$ —	$ —	$ —	$ —	$ —	$ —
Fertilizer lease payments(b)	0.3	—	—	—	—	—	—	—	—
Loss on extinguishment of debt(c)	—	—	—	7.2	8.1	—	23.4	—	—
Inventory fair market value adjustment(d)	—	—	—	3.0	—	16.6	—	—	—
Funded letter of credit expense and interest rate swap not included in interest expense(e)	—	—	—	—	—	2.3	—	0.5	—
Major scheduled turnaround expense(f)	17.0	—	—	1.8	—	—	6.6	—	66.0
Loss on termination of swap(g)	—	—	—	—	—	25.0	—	—	—
Unrealized (gain) loss from Cash Flow Swap	—	—	—	—	—	235.9	(126.8)	24.5	119.7

(a) During the year ended December 31, 2002, we recorded a $375.1 million asset impairment related to the write-down of our refinery and nitrogen fertilizer plant to estimated fair value. During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of our refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition.

(b) Reflects the impact of an operating lease structure utilized by Farmland to finance the nitrogen fertilizer plant which operating lease structure is not currently in use. The cost of this plant under the operating lease was $263.0 million and the rental payment was $0.3 million for the period ended December 31, 2002. In February 2002, Farmland refinanced the operating lease into a secured loan structure, which effectively terminated the lease and all of Farmland's obligations under the lease.

(c) Represents the write-off of $7.2 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on May 10, 2004, the write-off of $8.1 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on June 23, 2005 and the write-off of $23.4 million in connection with the refinancing of our senior secured credit facility on December 28, 2006.

(d) Consists of the additional cost of product sold expense due to the step up to estimated fair value of certain inventories on hand at March 3, 2004 and June 24, 2005, as a result of the allocation of the purchase price of the Initial Acquisition and the Subsequent Acquisition to inventory.

(e) Consists of fees which are expensed to Selling, general and administrative expenses in connection with the funded letter of credit facility of $150.0 million issued in support of the Cash Flow Swap. We consider these fees to be equivalent to interest expense and the fees are treated as such in the calculation of EBITDA in the Credit Facility.

(f) Represents expense associated with a major scheduled turnaround.

(g) Represents the expense associated with the expiration of the crude oil, heating oil and gasoline option agreements entered into by Coffeyville Acquisition LLC in May 2005.

(2) Minority interest reflects common stock in two of our subsidiaries owned by John J. Lipinski (which will be exchanged for shares of our common stock with an equivalent value prior to the consummation of this offering).

(3) Net income adjusted for unrealized gain or loss from Cash Flow Swap results from adjusting for the derivative transaction that was executed in conjunction with the Subsequent Acquisition. On June 16, 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap with J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. The Cash Flow Swap was subsequently assigned by Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Under these agreements, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three NYMEX swap agreements whereby if crack spreads fall below the fixed level, J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. See “Description of Our Indebtedness and the Cash Flow Swap.”

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current GAAP. As a result, our periodic statements of operations reflect material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements, which is accounted for as a liability on our balance sheet. As the crack spreads increase we are required to record an increase in this liability account with a corresponding expense entry to be made to our statement of operations. Conversely, as crack spreads decline we are required to record a decrease in the swap related liability and post a corresponding income entry to our statement of operations. Because of this inverse relationship between the economic outlook for our underlying business (as represented by crack spread levels) and the income impact of the unrecognized gains and losses, and given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes Net income adjusted for gain or loss from Cash Flow Swap as a key indicator of our business performance. In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, management and our Board of Directors considers our U.S. GAAP net income results as well as Net income adjusted for unrealized gain or loss from Cash Flow Swap. We believe that Net income adjusted for unrealized gain or loss from Cash Flow Swap enhances the understanding of our results of operations by highlighting income attributable to our ongoing operating performance exclusive of charges and income resulting from mark to market adjustments that are not necessarily indicative of the performance of our underlying business and our industry. The adjustment has been made for the unrealized loss from Cash Flow Swap net of its related tax benefit.

Net income adjusted for gain or loss from Cash Flow Swap is not a recognized term under GAAP and should not be substituted for net income as a measure of our performance but instead should be utilized as a supplemental measure of financial performance or liquidity in evaluating our business. Because Net income adjusted for unrealized gain or loss from Cash Flow Swap excludes mark to market adjustments, the measure does not reflect the fair market value of our Cash Flow Swap in our net income. As a result, the measure does not include potential cash payments that may be required to be made on the Cash Flow Swap in the future. Also, our presentation of this non-GAAP measure may not be comparable to similarly titled measures of other companies.

The following is a reconciliation of Net income adjusted for unrealized gain or loss from Cash Flow Swap to Net income:

	Original Predecessor			Immediate Predecessor		Successor			
	Year Ended December 31,		62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,	Year Ended December 31,	Three Months Ended March 31,	
	2002	2003	2004	2004	2005	2005	2006	2006	2007
	(in millions)								
Net income (loss) adjusted for unrealized gain (loss) from Cash Flow Swap	$(465.7)	$27.9	$11.2	$49.7	$52.4	$ 23.6	$115.4	36.9	(82.4)
Plus:									
Unrealized gain (loss) from Cash Flow Swap, net of tax benefit	—	—	—	—	—	(142.8)	76.2	(14.8)	(72.0)
Net income (loss)	$(465.7)	$27.9	$11.2	$49.7	$52.4	$(119.2)	$191.6	$ 22.1	$(154.4)

(4) Barrels per day is calculated by dividing the volume in the period by the number of calendar days in the period. Barrels per day as shown here is impacted by plant down-time and other plant disruptions and does not represent the capacity of the facility's continuous operations.

(5) Includes the following:

- During the year ended December 31, 2002, we recorded a $375.1 million asset impairment related to the write-down of the refinery and nitrogen fertilizer plant to estimated fair value.
- During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of the refinery and fertilizer plant based on the expected sales price of the assets in the Initial Acquisition. In addition, we recorded a charge of $1.3 million for the rejection of existing contracts while operating under Chapter 11 of the U.S. Bankruptcy Code.

(6) During the 304 days ended December 31, 2004, the 174 days ended June 23, 2005 and the year ended December 31, 2006, we recognized a loss of $7.2 million, $8.1 million and $23.4 million, respectively, on early extinguishment of debt.

(7) Historical dividends per unit for the 304-day period ended December 31, 2004 and the 174-day period ended June 23, 2005 are calculated based on the ownership structure of Immediate Predecessor.

(8) Excludes liabilities subject to compromise due to Original Predecessor's bankruptcy of $105.2 million as of December 31, 2002 and 2003 in calculating Original Predecessor's working capital.

(9) While operating under Chapter 11 of the U.S. Bankruptcy Code, Original Predecessor's financial statements were prepared in accordance with SOP 90-7 "Financial Reporting by Entities in Reorganization under Bankruptcy Code." SOP 90-7 requires that pre-petition liabilities be segregated in the Balance Sheet.

(10) Operational information reflected for the 233-day Successor period ended December 31, 2005 includes only 191 days of operational activity. Successor was formed on May 13, 2005 but had no financial statement activity during the 42-day period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil and gasoline option agreements entered into with J. Aron as of May 16, 2005 which expired unexercised on June 16, 2005.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our financial statements and related notes included elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those set forth under "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements" and elsewhere in this prospectus.

Overview and Executive Summary

We are an independent refiner and marketer of high value transportation fuels and, through a limited partnership in which we will initially own all of the interests (other than the managing general partner interest and associated IDRs), a producer of ammonia and UAN fertilizers. We are one of only seven petroleum refiners and marketers in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa) and, at current natural gas prices, the nitrogen fertilizer business is the lowest cost producer and marketer of ammonia and UAN in North America.

We have two business segments: petroleum and nitrogen fertilizer. For the fiscal years ended December 31, 2004, 2005 and 2006, we generated combined net sales of $1.7 billion, $2.4 billion and $3.0 billion, respectively. Our petroleum business generated $1.6 billion, $2.3 billion and $2.9 billion of our combined net sales, respectively, over these periods, with the nitrogen fertilizer business generating substantially all of the remainder. In addition, during these periods, our petroleum business contributed 76%, 74% and 87% of our combined operating income, respectively, with the nitrogen fertilizer business contributing substantially all of the remainder.

Our petroleum business includes a 108,000 bpd complex full coking sour crude refinery in Coffeyville, Kansas (with capacity expected to reach approximately 115,000 bpd by the end of 2007). In addition, supporting businesses include (1) a crude oil gathering system serving central Kansas and northern Oklahoma, (2) storage and terminal facilities for asphalt and refined fuels in Phillipsburg, Kansas, and (3) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville and Phillipsburg and at throughput terminals on Magellan's refined products distribution systems. In addition to rack sales (sales which are made at terminals into third party tanker trucks), we make bulk sales (sales through third party pipelines) into the mid-continent markets via Magellan and into Colorado and other destinations utilizing the product pipeline networks owned by Magellan, Enterprise and NuStar. Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States, served by numerous pipelines from locations including the U.S. Gulf Coast and Canada, providing us with access to virtually any crude variety in the world capable of being transported by pipeline.

Throughput (the volume processed at a facility) at the refinery has markedly increased since July 2005. Management's focus on crude slate optimization (the process of determining the most economic crude oils to be refined), reliability, technical support and operational excellence coupled with prudent expenditures on equipment has significantly improved the operating metrics of the refinery. Historically, the Coffeyville refinery operated at an average crude throughput rate of less than 90,000 bpd. In the second quarter of 2006, the plant averaged over 102,000 bpd of crude throughput and over 94,500 bpd for 2006 with peak daily rates in excess of 108,000 bpd. Not only were rates increased but yields were simultaneously improved. Since June 2005 the refinery has eclipsed monthly record (30 day) processing rates on approximately two thirds of the individual units on site.

Crude is supplied to our refinery through our owned and leased gathering system and by a Plains pipeline from Cushing, Oklahoma. We maintain capacity on the Spearhead Pipeline from Canada and receive foreign and deepwater domestic crudes via the Seaway Pipeline system. We also maintain leased storage in Cushing to facilitate optimal crude purchasing and blending. We have significantly expanded the variety of crude grades processed in any given month from a limited few to nearly a dozen, including onshore and offshore domestic grades, various Canadian sours, heavy sours and sweet synthetics, and a variety of South American and West African imported grades. As a result of the crude slate optimization, we have improved the crude purchase cost discount to WTI from $3.33 per barrel in 2005 to $4.75 per barrel in 2006. The crude purchase cost discount to WTI was $5.39 per barrel in the three months ended March 31, 2006 and $3.96 per barrel in the three months ended March 31, 2007.

Prior to July 2005, we did not maintain shipper status on the Magellan pipeline system. Instead, rack marketing was limited to our owned terminals. Today, while we still rack market at our own terminals, our growing rack marketing network sells approximately 23% of produced transportation fuels at enhanced margins. For 2006, we improved net income on rack sales compared to alternative pipeline bulk sales that occurred in 2005.

The nitrogen fertilizer business in Coffeyville, Kansas includes a unique pet coke gasification facility that produces high purity hydrogen which in turn is converted to ammonia at a related ammonia synthesis plant. Ammonia is further upgraded into UAN solution in a related UAN plant. Pet coke is a low value by-product of the refinery coking process. On average more than 80% of the pet coke consumed by the fertilizer plant is produced by our refinery.

The nitrogen fertilizer business is the lowest cost producer of ammonia and UAN in North America, assuming natural gas prices remain at current levels. The fertilizer plant is the only commercial facility in North America utilizing a coke gasification process to produce nitrogen fertilizers. Its redundant train gasifier provides exceptional on-stream reliability and the use of low cost by-product pet coke feed (rather than natural gas) to produce hydrogen provides the facility with a significant competitive advantage due to high and volatile natural gas prices. The plant's competition utilizes natural gas to produce ammonia. Continual operational improvements resulted in producing nearly 750,000 tons of product in 2006, despite it being a turnaround year. Recently, the first phase of a planned expansion successfully resulted in further output. The Partnership is also considering a $40 million fertilizer plant expansion, which we estimate could increase the plant's capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year. This project is also expected to improve the cost structure of the nitrogen fertilizer business by eliminating the need for rail shipments of ammonia, thereby reducing the risks associated with such rail shipments and avoiding anticipated cost increases in such transport.

Management has identified and developed several significant capital projects since June 2005 with a total cost of approximately $520 million. Most of these capital expenditures have already been completed and the remainder will be in service before the end of 2007. Major projects include construction of a new diesel hydrotreater, a new continuous catalytic reformer, a new sulfur recovery unit, a new plant-wide flare system, a technology upgrade to the fluid catalytic cracking unit and a refinery-wide capacity expansion. The spare gasifier at the fertilizer plant was expanded and it is expected that ammonia production will increase by at least 6,500 tons per year. Once completed, these projects are intended to significantly enhance the profitability of the refinery in environments of high crack spreads and allow the refinery to operate more profitably at lower crack spreads than is currently possible.

Factors Affecting Comparability

Our results over the past three years have been and our future results will be influenced by the following factors, which are fundamental to understanding comparisons of our period-to-period financial performance.

Acquisitions

On March 3, 2004, Coffeyville Resources, LLC completed the acquisition of the former Farmland petroleum division and one facility within Farmland's eight-plant nitrogen fertilizer manufacturing and marketing division. As a result, financial information as of and for the periods prior to March 3, 2004 discussed below and included elsewhere in this prospectus was derived from the financial statements and reporting systems of Farmland. Prior to March 3, 2004, Farmland's petroleum division was primarily comprised of our current petroleum business. The nitrogen fertilizer plant, however, was the only coke gasification facility within Farmland's eight-plant nitrogen fertilizer manufacturing and marketing division.

A new basis of accounting was established on the date of the Initial Acquisition and, therefore, the financial position and operating results after March 3, 2004 are not consistent with the operating results before the Initial Acquisition date. However, management believes the most meaningful way to comment on the statement of operations data due to the short period from January 1, 2004 to March 2, 2004 is to compare the sum of the operating results for both periods in 2004 with the sum of the operating results for both periods in 2005. Management believes it is not practical to comment on the cash flows from operating activities in the same manner because the Initial Acquisition resulted in some comparisons not being meaningful. For instance, we did not assume the accounts receivable or the accounts payable of Farmland. Farmland collected and made payments on these accounts after March 3, 2004, and these transactions are not included in our consolidated statements of cash flows.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition and the results of operations for the 233 days ended December 31, 2005 are not comparable to prior periods. In connection with the acquisition, Coffeyville Resources, LLC entered into a series of commodity derivative contracts, the Cash Flow Swap, in the form of three long-term swap agreements pursuant to which sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, has been economically hedged. We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under Statement of Financial Accounting Standards, or SFAS, No. 133, *Accounting for Derivative Instruments and Activities.* Therefore, in the financial statements for all periods after July 1, 2005, the statement of operations reflects all the realized and unrealized gains and losses from this swap. For the 233 day period ending December 31, 2005, we recorded realized and unrealized losses of $59.3 million and $235.9 million, respectively. For the year ending December 31, 2006, we recorded net realized losses of $46.8 million and net unrealized gains of $126.8 million. For the three months ended March 31, 2007, we recorded net realized losses of $8.5 million and net unrealized losses of $119.7 million.

Original Predecessor Corporate Allocations

Our financial statements prior to March 3, 2004 reflect an allocation of certain general corporate expenses of Farmland, including general and corporate insurance, property insurance, corporate retirement and benefits, human resource and payroll department salaries, facility costs, information services, and information systems support. For the year ended December 31, 2003 and for the 62-day period ended March 2, 2004, these costs allocated to our businesses were approximately $12.7 million and $3.9 million, respectively. Our financial statements prior to March 3, 2004 also reflect an allocation of interest expense from Farmland. These allocations were made by Farmland on a basis deemed meaningful for their internal management needs and may not be representative of the actual expense levels required to operate the businesses at that time or as they have been operated after March 3, 2004. With the exception of insurance, the net impact to our financial statements as a result of these allocations is higher selling, general and administrative expense for the period from January 1, 2003 to March 2, 2004. Our insurance costs are greater now as compared to the period prior to March 3, 2004, as we have elected to obtain additional insurance coverage that had not been carried by Farmland. Examples of this additional insurance coverage are business interruption insurance and a remediation cost cap policy related to assumed RCRA corrective orders related to contamination at or that originated from our refinery and the Phillipsburg terminal. The preceding examples and other coverage changes resulted in additional insurance costs for us.

Asset Impairments

In December 2002, Farmland implemented SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, resulting in a reorganization expense from the impairment of long-lived assets. Under this Statement, recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to the estimated undiscounted future net cash flows expected to be generated by the asset. It was determined that the carrying amount of the petroleum assets and the carrying amount of the nitrogen fertilizer plant in Coffeyville exceeded their estimated future undiscounted net cash flow. Impairment charges of $144.3 million and $230.8 million were recognized for each of the refinery and fertilizer assets, based on Farmland's best assumptions regarding the use and eventual disposition of those assets, primarily from indications of value received from potential bidders through the bankruptcy sale process. In 2003, as a result of receiving a bid from Coffeyville Resources, LLC in the bankruptcy court's sales process, Farmland revised its estimate for the amount to be generated from the disposition of these assets, and an additional impairment charge was taken. The charge to earnings in 2003 was $3.9 million and $5.7 million, respectively, for the refinery and fertilizer assets.

Original Predecessor Agreements with CHS, Inc. and Agriliance, LLC

In December 2001, Farmland entered into an agreement to sell to CHS, Inc. all of Farmland's refined products produced at the Coffeyville refinery through November 2003. The selling price for this production was set by reference to daily market prices within a defined geographic region. Subsequent to the expiration of the CHS agreement, the petroleum business began marketing its refined products in the open market to multiple customers.

The revenue received by the petroleum business under the CHS agreement was limited due to the pricing formula and product mix. From December 2001 through November 2003, under the CHS agreement, both sales of bulk pipeline shipments and truckload quantities at the Coffeyville truck rack were priced at Group III Platts Low. Currently, all sales at the Coffeyville truck rack are sold at the Platts mean price or higher. Our term contracted bulk product sales are priced between the Platts low and Platts mean prices. All other bulk sales are sold at spot market prices. In addition, we are selling several value added products that were not produced under the CHS agreement.

For the period ending December 31, 2003 and the first 62 days of 2004, Farmland's sales of nitrogen fertilizer products were subject to a marketing agreement with Agriliance, LLC. Under the agreement, Agriliance, LLC was responsible for marketing substantially all of the nitrogen made by Farmland on a basis deemed meaningful to their internal management. Following the Initial Acquisition, we began marketing nitrogen fertilizer products directly to distributors and dealers. As a result, we have been able to generate higher average netbacks on sales of fertilizer products as a percentage of market average prices. For example, in 2004 we generated average netbacks as a percentage of market averages of 90.1% and 80.2% for ammonia and UAN, respectively, compared to average netbacks as a percentage of market averages of 86.6% and 75.9% for ammonia and UAN, respectively, in 2003.

Refinancing and Prior Indebtedness

At March 3, 2004, Immediate Predecessor entered into an agreement with a financial institution for a term loan of $21.9 million with an interest rate based on the greater of the Index Rate (the greater of prime or the federal funds rate plus 50 basis points per year) plus 4.5% or 9% and a $100 million revolving credit facility with interest at the borrower's election of either the Index Rate plus 3% or LIBOR plus 3.5%. Amounts totaling $21.9 million of the term loan borrowings and $38.8 million of the revolving credit facility were used to finance the Initial Acquisition on March 3, 2004 as described above. Outstanding borrowings on May 10, 2004 were repaid in connection with the refinancing described below.

Effective May 10, 2004, Immediate Predecessor entered into a term loan of $150 million and a $75 million revolving loan facility with a syndicate of banks, financial institutions, and institutional lenders. Both loans were secured by substantially all of Immediate Predecessor's real and personal property, including receivables, contract rights, general intangibles, inventories, equipment, and financial assets. The covenants contained under the new term loan contained restrictions which limited the ability to pay dividends at the complete discretion of the Board of Directors. The Immediate Predecessor had no other restrictions on its ability to make dividend payments. Once any debt requirements were met, any dividends were at the discretion of the Board of Directors. There were outstanding borrowings of $148.9 million under the term loan and less than $0.1 million under the revolving loan facility at December 31, 2004. Outstanding borrowings on June 23, 2005 were repaid in connection with the Subsequent Acquisition as described above.

Effective June 24, 2005, Coffeyville Resources, LLC entered into a first lien credit facility and a second lien credit facility. The first lien credit facility was in an aggregate amount not to exceed $525 million, consisting of $225 million tranche B term loans; $50 million of delayed draw term loans available for the first 18 months of the agreement and subject to accelerated payment terms; a $100 million revolving loan facility; and a funded letter of credit facility (funded facility) of $150 million for the benefit of the Cash Flow Swap provider. The first lien credit facility was secured by substantially all of Coffeyville Resources, LLC's assets. In June 2006 the first lien credit facility was amended and restated and the $225 million of tranche B term loans were refinanced with $225 million of tranche C term loans. At September 30, 2006, $222.8 million of tranche C term loans was outstanding, $30 million of delayed draw term loans was outstanding and there was $93.6 million available under the revolving loan facility. At September 30, 2006, Coffeyville Resources, LLC had $150 million in a funded letter of credit outstanding to secure payment obligations under derivative financial instruments. The second lien credit facility was a $275 million term loan facility secured by substantially all of Coffeyville Resources, LLC's assets on a second priority basis.

On December 28, 2006, Coffeyville Resources, LLC entered into a new credit facility and used the proceeds thereof to repay its then existing first lien credit facility and second lien credit facility, and to pay a dividend to the members of Coffeyville Acquisition LLC. The credit facility provides financing of up to $1.075 billion, consisting of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap. The credit facility is secured by substantially all of Coffeyville Resources, LLC's assets. See "Description of Our Indebtedness and the Cash Flow Swap."

Public Company Expenses

We expect that our general and administrative expenses will increase due to the costs of operating as a public company, such as increases in legal, accounting and compliance, insurance premiums, and investor relations. We estimate that the increase in these costs will total approximately $2.5 million to $3.0 million on an annual basis excluding the costs associated with this offering and the costs of the initial implementation of our Sarbanes-Oxley Section 404 internal controls review and testing. Our financial statements following this offering will reflect the impact of these expenses and will affect the comparability with our financial statements of periods prior to the completion of this offering.

Changes in Legal Structure

Original Predecessor was not a separate legal entity, and its operating results were included within the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualified patronage refunds, and Farmland did not allocate income taxes to its divisions. As a result, the accompanying Original Predecessor financial statements do not reflect any provision for income taxes.

2007 Turnaround

In April 2007, we completed a turnaround of our refining plant at a total cost of approximately $77 million. The refinery processed crude until February 11, 2007 at which time a staged shutdown of the refinery began. The refinery recommenced operations on March 22, 2007 and continually increased crude oil charge rates until all of the key units were restarted by April 23, 2007. Additional capital expenditures of approximately $156 million will be required to finish the expansion projects currently scheduled for completion by the end of 2007, which include, among others, expansion of our fluid catalytic cracking unit and delayed coker and construction of our new continuous catalytic reformer. Management expects that completion of these expansion projects will increase the refinery processing capacity to approximately 115,000 bpd of crude oil by the end of 2007. The turnaround had a significant adverse impact on our first quarter financial results and will have a significant but smaller adverse impact on our second quarter financial results.

Nitrogen Fertilizer Limited Partnership

Prior to the consummation of this offering, we will transfer our nitrogen fertilizer business to the Partnership and will sell the managing general partner interest in the Partnership to a new entity owned by our controlling stockholders and senior management. We will initially own all of the interests in the Partnership (other than the managing general partner interest and associated IDRs), and will initially be entitled to all cash that is distributed by the Partnership. The Partnership will be primarily managed by the managing general partner, but will be operated by our senior management pursuant to a management services agreement to be entered into among us, the managing general partner and the Partnership. In addition, we will have approval rights regarding the appointment, termination and compensation of the chief executive officer and chief financial officer of the managing general partner, will designate one member to the board of directors of the managing general partner and will have approval rights regarding specified major business decisions by the managing general partner.

We intend to consolidate the Partnership for financial reporting purposes. We have determined that upon the sale of the managing general partner interest to an entity owned by our controlling stockholders and senior management, the Partnership will be a variable interest entity, or VIE, under the provisions of FASB Interpretation No. 46R — *Consolidation of Variable Interest Entities*, or FIN No. 46R.

Using criteria in FIN 46R, management has determined that we are the primary beneficiary of the Partnership, although 100% of the managing general partner interest will be owned by our affiliates outside our reporting structure. Since we are the primary beneficiary, the financial statements of the Partnership will remain consolidated in our financial statements. The managing general partner's interest will be reflected as a minority interest on our balance sheet.

The conclusion that we are the primary beneficiary of the Partnership and required to consolidate the Partnership as a variable interest entity is based upon the fact that the managing general partner is our related party and that we are more closely associated with the Partnership than the managing general partner is. We believe we are more closely associated with the Partnership because we will continue to participate significantly in the Partnership's profits and losses. We, as holder of all of the special units, will have the obligation to absorb the Partnership's economic risks. Also, the Partnership will be operated by our senior management pursuant to a management services agreement, and significant intercompany agreements will govern the business relationships between us and the Partnership.

We will need to reassess from time to time whether we remain the primary beneficiary of the Partnership in order to determine if consolidation of the Partnership remains appropriate on a going forward basis. Should we determine that we are no longer the primary beneficiary of the Partnership, we will be required to deconsolidate the Partnership in our financial statements for accounting purposes on a going forward basis. In that event, we would be required to account for our investment in the Partnership under the equity method of accounting, which would affect our reported amounts of consolidated revenues, expenses and other income statement items.

The principal events that would require the reassessment of our accounting treatment related to our interest in the Partnership include:

- a sale of some or all of our partnership interests to an unrelated party;
- a sale of the managing general partner interest to a third party;
- the issuance by the Partnership of partnership interests to parties other than us or our related parties; and
- the acquisition by us of additional partnership interests (either new interests issued by the Partnership or interests acquired from unrelated interest holders).

In addition, we would need to reassess our consolidation of the Partnership if the Partnership's governing documents or contractual arrangements are changed in a manner that reallocates between us and other unrelated parties either (1) the obligation to absorb the expected losses of the Partnership or (2) the right to receive the expected residual returns of the Partnership.

Industry Factors

Earnings for our petroleum business depend largely on refining industry margins, which have been and continue to be volatile. Crude oil and refined product prices depend on factors beyond our control. While it is impossible to predict refining margins due to the uncertainties associated with global crude oil supply and global and domestic demand for refined products, we believe that refining margins for U.S. refineries will generally remain above those experienced in the period from and including 1998 through 2003 as growth in demand for refining products in the United States, particularly transportation fuels, continues to exceed the ability of domestic refiners to increase capacity. In addition, changes in global supply and demand and other factors have constricted the extent to which product importation to the United States can relieve domestic supply deficits. This phenomenon is more pronounced in our marketing region, where demand for refined products exceeded refining production by approximately 22% in 2006.

During 2004, the market price of distillates (primarily No. 1 diesel fuel and kerosene) relative to crude oil was above average due to low industry inventories and strong consumer demand brought about by the relatively cold winter weather in the Midwest and high natural gas prices. In addition, gasoline margins were above average, and substantially so during the spring and summer driving seasons, primarily because of very low pre-driving season inventories exacerbated by high demand growth. The increased demand for refined products due to the relatively cold winter and the decreased supply due to high turnaround activity led to increasing refining margins during the early part of 2004. The key event of 2005 to our industry was the hurricane season which produced a record number of named storms. The location and intensity of these storms caused significant disruption to both crude and natural gas production as well as extensive disruption to many U.S. Gulf Coast refinery operations. These events caused both price spikes in the commodity markets as well as substantial increases in crack spreads. The U.S. Gulf Coast refining market was most affected, which then led to very strong margins in the Group 3 market as the U.S. Gulf Coast refined products were not being shipped north. In addition, several environmental mandates took effect in 2005 and 2006, such as the banning of Methyl Tertiary Butyl Ether, or MTBE (an ether produced from the reaction of isobutylene and methanol specifically for use as a gasoline blendstock), in the gasoline pool and initial implementation of the reduced sulfur requirements on diesel fuels, which caused price fluctuations due to logistical and supply/demand implications. 2006 showed marked increases in crack spreads over 2005 despite a minor hurricane season. Ultra Low Sulfur Diesel, or ULSD, premiums further boosted distillate product margins and thus crack spreads in 2006. Transportation fuels product demand continued to exceed production in the Coffeyville Marketing Area. This favorable supply/demand relationship resulted in strong product commodity prices in the petroleum industry during 2006.

Average discounts for sour and heavy sour crude oil compared to sweet crude increased in 2005 and 2006 from already favorable 2004 levels due to increasing worldwide production of sour and heavy sour crude oil relative to the worldwide production of light sweet crude oil coupled with the continuing demand for light sweet crude oil. In 2004, the average discount for West Texas Sour, or WTS, compared to WTI widened to $3.96 per barrel and again in 2005 to $4.73. With the newly discovered deepwater Gulf of Mexico production combined with the introduction of Canadian sours to the mid-continent this sweet/sour spread continues to exceed average historic levels, as evidenced by the average discount of $5.36 per barrel for 2006 and $4.18 per barrel for the three months ended March 31, 2007. WTI also continues to trade at a premium to WTS due to continued high demand for sweet crude oil resulting from the more stringent fuel specifications implemented both in the United States and globally. We continue to recognize significant benefits from our ability to meet current fuel specifications using predominantly heavy and medium sour crude oil feedstocks to the extent the discount for heavy and medium sour crude oil compared to WTI continues at its current level.

Earnings for the nitrogen fertilizer business depend largely on the prices of nitrogen fertilizer products, the floor price of which is directly influenced by natural gas prices. Natural gas prices have been and continue to be volatile.

Factors Affecting Results

Petroleum Business

In our petroleum business, earnings and cash flow from operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. Feedstocks are petroleum products, such as crude oil and natural gas liquids, that are processed and blended into refined products. The cost to acquire feedstocks and the price for which refined products are ultimately sold depend on factors beyond our control, including the supply of, and demand for, crude oil, as well as gasoline and other refined products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and the extent of government regulation. While our net sales fluctuate significantly with movements in crude oil prices, these prices do not generally have a direct long-term relationship to net income. Because we apply first-in, first-out, or FIFO, accounting to value our inventory, crude oil price movements may impact net income in the short term because of instantaneous changes in the value of the minimally required, unhedged on hand inventory. The effect of changes in crude oil prices on our results of operations is influenced by the rate at which the prices of refined products adjust to reflect these changes.

Feedstock and refined product prices are also affected by other factors, such as product pipeline capacity, local market conditions and the operating levels of competing refineries. Crude oil costs and the prices of refined products have historically been subject to wide fluctuations. An expansion or upgrade of our competitors' facilities, price volatility, international political and economic developments and other factors beyond our control are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction in product margins. Moreover, the refining industry typically experiences seasonal fluctuations in demand for refined products, such as increases in the demand for gasoline during the summer driving season and for home heating oil during the winter, primarily in the Northeast. For further details on the economics of refining, see "Industry Overview — Oil Refining Industry."

In order to assess our operating performance, we compare our net sales, less cost of product sold (refining margin), against an industry refining margin benchmark. The industry refining margin is calculated by assuming that two barrels of benchmark light sweet crude oil is converted, or cracked, into one barrel of conventional gasoline and one barrel of distillate. This benchmark is referred to as the 2-1-1 crack spread. Because we calculate the benchmark margin using the market value of NYMEX gasoline and heating oil against the market value of NYMEX WTI (WTI) crude oil (West Texas Intermediate crude oil, which is used as a benchmark for other crude oils), we refer to the benchmark as the NYMEX 2-1-1 crack spread, or simply, the 2-1-1 crack spread. The 2-1-1 crack spread is expressed in dollars per barrel and is a proxy for the per barrel margin that a sweet crude refinery would earn assuming it produced and sold the benchmark production of conventional gasoline and distillate.

Although the 2-1-1 crack spread is a benchmark for our refinery margin, because our refinery has certain feedstock costs and/or logistical advantages as compared to a benchmark refinery and our product yield is less than total refinery throughput, the crack spread does not account for all the factors that affect refinery margin. Our refinery is able to process a blend of crude oil that includes quantities of heavy and medium sour crude oil that has historically cost less than WTI crude oil. We measure the cost advantage of our crude oil slate by calculating the spread between the price of our delivered crude oil to the price of WTI crude oil, a light sweet crude oil. The spread is referred to as our consumed crude differential. Our refinery margin can be impacted significantly by the consumed crude differential. Our consumed crude differential will move directionally with changes in the WTS differential to WTI and the Maya differential to WTI as both these differentials indicate the relative price of heavier, more sour slate to WTI. The correlation between our consumed crude differential and published differentials will vary depending on the volume of light medium sour crude and heavy sour crude we purchase as a percent of our total crude volume and will correlate more closely with such published differentials the heavier and more sour the crude oil slate. The WTI less Maya crude oil differential was $15.67 and $14.99 per barrel, for the years ended December 31, 2005 and 2006, respectively, compared to $15.71 and $12.82 per barrel for the three months ended March 31, 2006 and 2007, respectively. The WTI less WTS crude oil differential was $4.73 and $5.36 per barrel for the years ended December 31, 2005 and 2006, respectively, and $6.72 and $4.18 per barrel for the three months ended March 31, 2006 and 2007, respectively. The Company's consumed crude differential increased to $4.54 per barrel for the year ended December 31, 2006 from $3.28 per barrel for the comparable period in 2005 and to $6.29 for the three months ended March 31, 2007 from $5.39 for the same period in 2006. The consumed crude differential for the first quarter of 2007 is not comparable to prior periods due to the refinery-wide turnaround we undertook in the first quarter of 2007.

We produce a high volume of high value products, such as gasoline and distillates. We benefit from the fact that our marketing region consumes more refined products than it produces so that the market prices of our products have to be high enough to cover the logistics cost for U.S. Gulf Coast refineries to ship into our region. The result of this logistical advantage and the fact the actual product specification used to determine the NYMEX is different from the actual production in the refinery, is that prices we realize are different than those used in determining the 2-1-1 crack spread. The difference between our price and the price used to calculate the 2-1-1 crack spread is referred to as gasoline PADD II, Group 3 vs. NYMEX basis, or gasoline basis, and heating oil PADD II, Group 3 vs. NYMEX basis, or heating oil basis. Both gasoline and heating oil basis are greater than zero, which represents that prices in our marketing area exceeds those used in the 2-1-1 crack spread. Since 2003, the heating oil basis has been positive in all periods presented including an increase to $7.42 per barrel for 2006 from $3.20 per barrel for 2005. The increase for 2006 was significantly impacted by the introduction of Ultra Low Sulfur Diesel, which provides significant tax benefits. Gasoline basis for 2006 was $1.52 per barrel compared to ($0.53) per barrel for 2005. Beginning January 1, 2007, the benchmark used for gasoline will change from Reformulated Gasoline (RFG) to Reformulated Blend for Oxygenate Blend (RBOB). Given that RBOB has limited historical information the change to RBOB from RFG may have an unfavorable impact on our gasoline basis compared to the historical numbers presented.

Our direct operating expense structure is also important to our profitability. Major direct operating expenses include energy, employee labor, maintenance, contract labor, and environmental compliance. Our predominant variable cost is energy and the most important benchmark for energy costs is the value of natural gas. Our predominant variable of direct operating expense is largely energy related and therefore sensitive to the movements of natural gas prices.

Consistent, safe, and reliable operations at our refinery is key to our financial performance and results of operations. Unplanned downtime of our refinery may result in lost margin opportunity, increased maintenance expense and a temporary increase in working capital investment and related inventory position. We seek to mitigate the financial impact of planned downtime, such as major turnaround maintenance, through a diligent planning process that takes into account the margin environment, the availability of resources to perform the needed maintenance, feedstock logistics and other factors.

We purchase most of our crude oil using a credit intermediation agreement. Our credit intermediation agreement is structured such that we take title, and the price of the crude oil is set, when it is metered and delivered at Broome Station, which is connected to, and located approximately 22 miles from, our refinery. Once delivered at Broome Station, the crude oil is delivered to our refinery through two of our wholly owned pipelines which begin at Broome Station and end at our refinery. The crude oil is delivered at Broome Station because Broome Station is located near our facility and is connected via pipeline to our facility. The terms of the credit intermediation agreement provide that we will obtain all of the crude oil for our refinery, other than the crude we obtain through our own gathering system, through J. Aron. Once we identify cargos of crude oil and pricing terms that meet our requirements, we notify J. Aron and J. Aron then provides credit, transportation and other logistical services to us for a fee. This agreement significantly reduces the investment that we are required to maintain in petroleum inventories relative to our competitors and reduces the time we are exposed to market fluctuations before the inventory is priced to a customer.

Because petroleum feedstocks and products are essentially commodities, we have no control over the changing market. Therefore, the lower target inventory we are able to maintain significantly reduces the impact of commodity price volatility on our petroleum product inventory position relative to other refiners. This target inventory position is generally not hedged. To the extent our inventory position deviates from the target level, we consider risk mitigation activities usually through the purchase or sale of futures contracts on the New York Mercantile Exchange, or NYMEX. Our hedging activities carry customary time, location and product grade basis risks generally associated with hedging activities. Because most of our titled inventory is valued under the FIFO costing method, price fluctuations on our target level of titled inventory have a major effect on our financial results unless the market value of our target inventory is increased above cost.

Nitrogen Fertilizer Business

In the nitrogen fertilizer business, earnings and cash flow from operations are primarily affected by the relationship between nitrogen fertilizer product prices and direct operating expenses. Unlike its competitors, the nitrogen fertilizer business uses minimal natural gas as feedstock and, as a result, is not directly impacted in terms of cost, by high or volatile swings in natural gas prices. Instead, our adjacent oil refinery supplies the majority of the coke feedstock needed by the nitrogen fertilizer business. The price at which nitrogen fertilizer products are ultimately sold depends on numerous factors, including the supply of, and the demand for, nitrogen fertilizer products which, in turn, depends on, among other factors, the price of natural gas, the cost and availability of fertilizer transportation infrastructure, changes in the world population, weather conditions, grain production levels, the availability of imports, and the extent of government intervention in agriculture markets. While net sales of the nitrogen fertilizer business could fluctuate significantly with movements in natural gas prices during periods when fertilizer markets are weak and sell at the floor price, high natural gas prices do not force the nitrogen fertilizer business to shut down its operations because it employs pet coke as a feedstock to produce ammonia and UAN.

Nitrogen fertilizer prices are also affected by other factors, such as local market conditions and the operating levels of competing facilities. Natural gas costs and the price of nitrogen fertilizer products have historically been subject to wide fluctuations. An expansion or upgrade of competitors' facilities, price volatility, international political and economic developments and other factors are likely to continue to play an important role in nitrogen fertilizer industry economics. These factors can impact, among other things, the level of inventories in the market resulting in price volatility and a reduction in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for nitrogen fertilizer products. The demand for fertilizers is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted. For further details on the economics of fertilizer, see "Industry Overview — Nitrogen Fertilizer Industry."

Natural gas is the most significant raw material required in the production of most nitrogen fertilizers. North American natural gas prices have increased substantially and, since 1999, have become significantly more volatile. In 2005, North American natural gas prices reached unprecedented levels due to the impact hurricanes Katrina and Rita had on an already tight natural gas market. Recently, natural gas prices have moderated, returning to pre-hurricane levels or lower.

In order to assess the operating performance of the nitrogen fertilizer business, we calculate netbacks, also referred to as plant gate price, to determine our operating margin. Netbacks refer to the unit price of fertilizer, in dollars per ton, offered on a delivered basis, excluding shipment costs. Given the use of low cost pet coke, the nitrogen fertilizer business is not presently subjected to the high raw materials costs of competitors that use natural gas, the cost of which has been high in recent periods. Instead of experiencing high variability in the cost of raw materials, the nitrogen fertilizer business utilizes less than 1% of the natural gas relative to other natural gas-based fertilizer producers and we estimate that the nitrogen fertilizer business would continue to have a production cost advantage in comparison to U.S. Gulf Coast ammonia producers at natural gas prices as low as $2.50 per million Btu. The spot price for natural gas at Henry Hub on March 30, 2007 was $7.73 per million Btu.

Because the fertilizer plant has certain logistical advantages relative to end users of ammonia and UAN and so long as demand relative to production remains high, the nitrogen fertilizer business can afford to target end users in the U.S. farm belt where it incurs lower freight costs as compared to competitors. The farm belt refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin. The nitrogen fertilizer business does not incur any intermediate transfer, storage, barge freight or pipeline freight charges, giving us a distribution cost advantage over U.S. Gulf Coast importers, assuming freight rates and pipeline tariffs for U.S. Gulf Coast importers as recently in effect. Selling products to customers in close proximity to the fertilizer plant and keeping transportation costs low are keys to maintaining profitability.

The value of nitrogen fertilizer products is also an important consideration in understanding our results. The nitrogen fertilizer business currently upgrades approximately two-thirds of its ammonia production into UAN, a product that presently generates a greater value than ammonia. UAN production is a major contributor to our profitability.

The direct operating expense structure of the nitrogen fertilizer business is also important to its profitability. Using a pet coke gasification process, the nitrogen fertilizer business has significantly higher fixed costs than natural gas-based fertilizer plants. Major direct operating expenses include electrical energy, employee labor, maintenance, including contract labor, and outside services. These costs comprise the fixed costs associated with the fertilizer plant. Variable costs associated with the fertilizer plant have averaged approximately 1.6% of direct operating expenses over the last 24 months ending March 31, 2007. The average fixed costs over the last 24 months ending March 31, 2007 have approximated $61 million.

Consistent, safe, and reliable operations at the nitrogen fertilizer plant are critical to its financial performance and results of operations. Unplanned downtime of the nitrogen fertilizer plant may result in lost margin opportunity, increased maintenance expense and a temporary increase in working capital investment and related inventory position. The financial impact of planned downtime, such as major turnaround maintenance, is mitigated through a diligent planning process that takes into account margin environment, the availability of resources to perform the needed maintenance, feedstock logistics and other factors.

In connection with our transfer of the nitrogen fertilizer business to the Partnership, we will enter into a number of agreements with the Partnership that will govern the business relations between the parties. These include a coke supply agreement, under which we will sell pet coke to the nitrogen fertilizer business; a feedstock and shared services agreement, which will govern the provision of hydrogen, high-pressure steam, nitrogen, instrument air, oxygen and natural gas; a raw water and facilities sharing agreement, which will allocate raw water resources between the two businesses; a land transfer; an easement agreement; an environmental agreement; and a lease agreement pursuant to which we will lease office space and laboratory space to the Partnership.

The price paid by the nitrogen fertilizer business pursuant to the coke supply agreement will be based on the lesser of a coke price derived from the price received by the Partnership for UAN (subject to a UAN based price ceiling and floor) or a coke price index for pet coke. Historically, the cost of product sold (exclusive of depreciation and amortization) in the nitrogen business was based on a coke price of $15 per ton beginning with the Initial Acquisition. This is reflected in the segment data in our historical financial statements as a cost for the nitrogen fertilizer business and as revenue for the petroleum business. If the new terms of the coke supply agreement had been in place over the past three years, the new coke supply agreement would have resulted in a decrease in cost of product sold (exclusive of depreciation and amortization) for the nitrogen fertilizer business (and a decrease in revenue for the petroleum business) of $2.9 million, $1.5 million, $0.7 million, $3.5 million and $0.4 million for the 304 day period ending December 31, 2004, the 174 day period ended June 24, 2005, the 233 day period ended December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007. There would have been no impact to the consolidated financial statements as intercompany transactions are eliminated upon consolidation.

In addition, based on management's current estimates, the management services agreement will result in an annual charge of approximately $11.5 million to the nitrogen fertilizer business for its portion of expenses which have been historically reflected in selling, general and administrative expenses (exclusive of depreciation and amortization) in our consolidated statement of operations. Historical nitrogen fertilizer segment operating income would decrease $4.1 million, increase $0.8 million, decrease $0.1 million, increase $7.4 million and decrease $0.7 million for the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, respectively, assuming an annualized $11.5 million charge for the management services in lieu of the historical allocations of selling, general and administrative expenses. The petroleum segment's operating income would have had offsetting increases or decreases, as applicable, for these periods.

The total change to operating income for the nitrogen fertilizer segment with respect to both the coke supply agreement included in cost of product sold (exclusive of depreciation and amortization) and the management services agreement included in selling, general and administrative (exclusive of depreciation and amortization) would be a decrease of $1.2 million, increase of $2.3 million, increase of $0.6 million, increase of $10.9 million and a decrease of $0.3 million for the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended

December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, respectively.

The feedstock and shared services agreement, the raw water and facilities sharing agreement, the cross-easement agreement and the environmental agreement are not expected to have a significant impact on the financial results of the nitrogen fertilizer business. However, the requirement to supply hydrogen contained in the feedstock and shared services agreement could result in reduced fertilizer production due to a commitment to supply hydrogen to the refinery. The feedstock and shared services agreement requires the refinery to compensate the nitrogen fertilizer business for the value of production lost due to the hydrogen supply requirement. See "The Nitrogen Fertilizer Limited Partnership — Other Intercompany Agreements."

Results of Operations

The period to period comparisons of our results of operations have been prepared using the historical periods included in our financial statements. As discussed in Note 1 to our consolidated financial statements, effective March 3, 2004, Immediate Predecessor acquired the net assets of Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, Successor acquired the net assets of Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the periods after the acquisitions are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable. Accordingly, in this "Results of Operations" section we compare the three months ended March 31, 2007 with the three months ended March 31, 2006, the year ended December 31, 2006 with the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005. In addition, we compare the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005 with the 62-day period ended March 2, 2004 and the 304-day period ended December 31, 2004.

Net sales consist principally of sales of refined fuel and nitrogen fertilizer products. For the petroleum business, net sales are mainly affected by crude oil and refined product prices, changes to the input mix and volume changes caused by operations. Product mix refers to the percentage of production represented by higher value light products, such as gasoline, rather than lower value finished products, such as pet coke. In the nitrogen fertilizer business, net sales are primarily impacted by manufactured tons and nitrogen fertilizer prices.

Industry-wide petroleum results are driven and measured by the relationship, or margin, between refined products and the prices for crude oil referred to as crack spreads. See "— Factors Affecting Results." We discuss our results of petroleum operations in the context of per barrel consumed crack spreads and the relationship between net sales and cost of product sold.

Our consolidated results of operations include certain other unallocated corporate activities and the elimination of intercompany transactions and therefore are not a sum of only the operating results of the petroleum and nitrogen fertilizer businesses.

In order to effectively review and assess our historical financial information below, we have also included supplemental operating measures and industry measures which we believe are material to understanding our business. For the years ended December 31, 2004 and 2005 we have provided this supplemental information on a combined basis in order to provide a comparative basis for similar periods of time. As discussed above, due to the various acquisitions that occurred, there were multiple financial statement periods of less than 12 months. We believe that the most meaningful way to present this supplemental data for the various periods is to compare the sum of the combined operating results for the 2004 and 2005 calendar years with prior fiscal years, and to compare the sum of the combined operating results for the year ended December 31, 2005 with the year ended December 31, 2006.

Accordingly, for purposes of displaying supplemental operating data for the year ended December 31, 2005, we have combined the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005 to provide a comparative year ended December 31, 2005 to the year ended December 31, 2006. Additionally, the 62-day period ended March 2, 2004 and the 304-day period ended December 31, 2004 have been combined to provide a comparative twelve month period ended December 31, 2004 to a combined twelve month period ended December 31, 2005 comprised of the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005.

Consolidated Financial Results	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Successor Year Ended December 31, 2006	Successor Three Months Ended March 31, 2006 (unaudited)	Successor Three Months Ended March 31, 2007 (unaudited)
			(in millions)					
Net sales	$ 1,262.2	$ 261.1	$ 1,479.9	$ 980.7	$ 1,454.3	$ 3,037.6	$ 669.7	$ 390.5
Cost of product sold (exclusive of depreciation and amortization)	1,061.9	221.4	1,244.2	768.0	1,168.1	2,443.4	539.5	303.7
Direct operating expenses (exclusive of depreciation and amortization)	133.1	23.4	117.0	80.9	85.3	199.0	44.3	113.4
Selling, general and administrative expense (exclusive of depreciation and amortization)	23.6	4.7	16.3	18.4	18.4	62.6	8.5	13.2
Depreciation and amortization(1)	3.3	0.4	2.4	1.1	24.0	51.0	12.0	14.2
Impairment, (losses) in joint ventures, and other charges(2)	(10.9)	—	—	—	—	—	—	—
Operating income (loss)	$ 29.4	$ 11.2	$ 100.0	$ 112.3	$ 158.5	$ 281.6	$ 65.4	$ (54.0)
Net income (loss)(3)	27.9	11.2	49.7	52.4	(119.2)	191.6	22.1	(154.4)
Net income (loss) adjusted for unrealized gain or loss from Cash Flow Swap(4)	27.9	11.2	49.7	52.4	23.6	115.4	36.9	(82.4)

(1) Depreciation and amortization is comprised of the following components as excluded from cost of products sold, direct operating expense and selling, general and administrative expense:

	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Successor Year Ended December 31, 2006	Successor Three Months Ended March 31, 2006 (unaudited)	Successor Three Months Ended March 31, 2007 (unaudited)
			(in millions)					
Depreciation and amortization included in cost of product sold	—	—	0.2	0.1	1.1	2.2	0.5	0.6
Depreciation and amortization included in direct operating expenses	3.3	0.4	2.0	0.9	22.7	47.7	11.4	13.5
Depreciation and amortization included in selling, general and administrative expense	—	—	0.2	0.1	0.2	1.1	0.1	0.1
Total depreciation and amortization	3.3	0.4	2.4	1.1	24.0	51.0	12.0	14.2

(2) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of the refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition. In addition, we recorded a charge of $1.3 million for the rejection of existing contracts while operating under Chapter 11 of the U.S. Bankruptcy Code.

(3) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance due to their unusual or infrequent nature:

	Original Predecessor		Immediate Predecessor		Successor			
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
			(in millions)				(unaudited)	
Impairment of property, plant and equipment(a)	$ 9.6	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Loss of extinguishment of debt(b)	—	—	7.2	8.1	—	23.4	—	—
Inventory fair market value adjustment(c)	—	—	3.0	—	16.6	—	—	—
Funded letter of credit expense & interest rate swap not included in interest expense(d)	—	—	—	—	2.3	—	0.5	—
Major scheduled turnaround expense(e)	—	—	1.8	—	—	6.6	—	66.0
Loss on termination of swap(f)	—	—	—	—	25.0	—	—	—
Unrealized (gain) loss from Cash Flow Swap	—	—	—	—	235.9	(126.8)	24.5	119.7

(a) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of the refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition.

(b) Represents the write-off of $7.2 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on May 10, 2004, the write-off of $8.1 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on June 23, 2005 and the write-off of $23.4 million in connection with the refinancing of our senior secured credit facility on December 28, 2006.

(c) Consists of the additional cost of product sold expense due to the step up to estimated fair value of certain inventories on hand at March 3, 2004 and June 24, 2005, as a result of the allocation of the purchase price of the Initial Acquisition and the Subsequent Acquisition to inventory.

(d) Consists of fees which are expensed to selling, general and administrative expense in connection with the funded letter of credit facility of $150.0 million issued in support of the Cash Flow Swap. We consider these fees to be equivalent to interest expense and the fees are treated as such in the calculation of EBITDA in the Credit Facility.

(e) Represents expenses associated with a major scheduled turnaround at the nitrogen fertilizer plant and our refinery.

(f) Represents the expense associated with the expiration of the crude oil, heating oil and gasoline option agreements entered into by Coffeyville Acquisition LLC in May 2005.

(4) Net income adjusted for unrealized gain or loss from Cash Flow Swap results from adjusting for the derivative transaction that was executed in conjunction with the Subsequent Acquisition. On June 16, 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap with J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. The Cash Flow Swap was subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Under these agreements, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three NYMEX swap agreements whereby if crack spreads fall below the fixed level, J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. See "Description of Our Indebtedness and the Cash Flow Swap."

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current GAAP. As a result, our periodic statements of operations reflect material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements which is accounted for as a liability on our balance sheet. As the crack spreads increase we are required to record an increase in this liability account with a corresponding expense entry to be made to our statement of operations. Conversely, as crack spreads decline, we are required to record a decrease in the swap related liability and post a corresponding income entry to our statement of operations. Because of this inverse relationship between the economic outlook for our underlying business (as represented by crack spread levels) and the income impact of the unrecognized gains and losses, and given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes Net income adjusted for gain or loss from Cash Flow Swap as a key indicator of our business performance. In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, management and our Board of Directors considers our U.S. GAAP net income results as well as Net income adjusted for unrealized gain or loss from Cash Flow Swap. We believe that Net income adjusted for unrealized gain or loss from Cash Flow Swap enhances the understanding of our results of operations by highlighting income attributable to our ongoing operating performance exclusive of charges and income resulting from mark to market adjustments that are not necessarily indicative of the performance of our underlying business and our industry. The adjustment has been made for the unrealized loss from Cash Flow Swap net of its related tax benefit.

Net income adjusted for unrealized gain or loss from Cash Flow Swap is not a recognized term under GAAP and should not be substituted for net income as a measure of our financial performance or liquidity but instead should be utilized as a supplemental measure of performance in evaluating our business. Because Net income adjusted for unrealized gain or loss from Cash Flow Swap excludes mark to market adjustments, the measure does not reflect the fair market value of our cash flow swap in our net income. As a result, the measure does not include potential cash payments that may be required to be made on the Cash Flow Swap in the future. Also, our presentation of this non-GAAP measure may not be comparable to similarly titled measures of other companies.

The following is a reconciliation of Net income adjusted for unrealized gain or loss from Cash Flow Swap to Net income:

	Original Predecessor		Immediate Predecessor		Successor			
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
			(in millions)				(unaudited)	
Net Income (loss) adjusted for unrealized gain or loss from Cash Flow Swap	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ 23.6	$ 115.4	$ 36.9	$ (82.4)
Plus:								
Unrealized gain or (loss) from Cash Flow Swap, net of taxes	—	—	—	—	(142.8)	76.2	(14.8)	(72.0)
Net income (loss)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)	$ 191.6	$ 22.1	$ (154.4)

Petroleum Business Results of Operations

Refining margin is a measurement calculated as the difference between net sales and cost of products sold (exclusive of depreciation and amortization). Refining margin is a non-GAAP measure that we believe is important to investors in evaluating our refinery's performance as a general indication of the amount above our cost of products that we are able to sell refined products. Each of the components used in this calculation (net sales and cost of products sold exclusive of depreciation and amortization) can be taken directly from our statement of operations. Our calculation of refining margin may differ from similar calculations of other companies in our industry, thereby limiting its usefulness as a comparative measure. The following table shows selected information about our petroleum business including refining margin:

	Original Predecessor		Immediate Predecessor		Successor			
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
	(in millions, except as otherwise indicated)							
Petroleum Business:								
Net sales	$ 1,161.3	$ 241.6	$ 1,390.8	$ 903.8	$ 1,363.4	$ 2,880.4	$ 619.6	$ 352.5
Cost of product sold (exclusive of depreciation and amortization)	1,040.0	217.4	1,228.1	761.7	1,156.2	2,422.7	533.7	298.5
Direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	135.3	30.7	96.7
Depreciation and amortization	2.1	0.3	1.5	0.8	15.6	33.0	7.8	9.8
Gross profit (loss)	$ 39.1	$ 9.0	$ 88.0	$ 88.7	$ 135.4	$ 289.4	$ 47.4	$ (52.5)
Plus direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	135.3	30.7	96.7
Plus depreciation and amortization	2.1	0.3	1.5	0.8	15.6	33.0	7.8	9.8
Refining margin	$ 121.3	$ 24.2	$ 162.7	$ 142.1	$ 207.2	$ 457.7	$ 85.9	$ 54.0
Refining margin per refinery throughput barrel	$ 3.89	$ 4.23	$ 5.92	$ 9.28	$ 11.55	13.27	11.19	12.69
Gross profit (loss) per refinery throughput barrel	$ 1.25	$ 1.57	$ 3.20	$ 5.79	$ 7.55	$ 8.39	$ 6.18	$ (12.34)
Direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel	$ 2.57	$ 2.60	$ 2.66	$ 3.44	$ 3.13	$ 3.92	$ 4.00	$ 22.73
Operating income (loss)	21.5	7.7	77.1	76.7	123.0	245.6	41.6	(63.5)

Market Indicators	Original Predecessor	Original Predecessor and Immediate Predecessor Combined	Immediate Predecessor and Successor Combined	Successor	Successor	
	Year Ended December 31,				Three Months Ended March 31,	
	2003	2004	2005	2006	2006	2007
	(dollars per barrel)					
West Texas Intermediate (WTI) crude oil	$30.99	$41.47	$56.70	$66.25	$63.48	$58.27
NYMEX 2-1-1 Crack Spread	5.53	7.43	11.62	10.84	9.05	12.15
Crude Oil Differentials:						
WTI less WTS (sour)	2.67	3.96	4.73	5.36	6.72	4.18
WTI less Maya (heavy sour)	6.78	11.40	15.67	14.99	15.71	12.82
WTI less Dated Brent (foreign)	2.16	3.20	2.18	1.13	1.69	0.51
PADD II Group 3 versus NYMEX Basis:						
Gasoline	0.62	(0.52)	(0.53)	1.52	0.33	(0.54)
Heating Oil	1.11	1.24	3.20	7.42	3.09	8.77

Company Operating Statistics	Original Predecessor 2003	Original Predecessor and Immediate Predecessor Combined 2004	Immediate Predecessor and Successor Combined 2005	Successor 2006	Successor Three Months Ended March 31, 2006	Successor Three Months Ended March 31, 2007
	Year Ended December 31, (in millions, except as otherwise indicated)					
Per barrel profit, margin and expense of crude oil throughput:						
Refining margin	$3.89	$5.62	$10.50	$13.27	$11.19	$ 12.69
Gross profit (loss)	$1.25	$2.92	$ 6.74	$ 8.39	$ 6.18	$(12.34)
Direct operating expenses (exclusive of depreciation and amortization)	2.57	2.65	3.27	3.92	4.00	22.73
Per gallon sales price:						
Gasoline	0.91	1.19	1.61	1.88	1.71	1.59
Distillate	0.84	1.15	1.71	1.99	1.80	1.78

Selected Company Volumetric Data	Original Predecessor 2003 Barrels Per Day	%	Original Predecessor and Immediate Predecessor Combined 2004 Barrels Per Day	%	Immediate Predecessor and Successor Combined 2005 Barrels Per Day	%	Successor 2006 Barrels Per Day	%	Successor Three Months Ended March 31, 2006 Barrels Per Day	%	Successor Three Months Ended March 31, 2007 Barrels Per Day	%
	Year Ended December 31,											
Production:												
Total gasoline	48,230	50.4	48,420	47.1	45,275	43.8	48,248	44.7	46,459	47.2	23,499	43.8
Total distillate	34,363	35.9	38,104	37.1	39,997	38.7	42,175	39.0	39,158	39.8	21,976	40.9
Total other	13,108	13.7	16,301	15.9	18,090	17.5	17,608	16.3	12,837	13.0	8,214	15.3
Total all production	95,701	100.0	102,825	100.0	103,362	100.0	108,031	100.0	98,454	100.0	53,689	100.0
Crude oil throughput	85,501	93.4	90,787	92.8	91,097	92.6	94,524	92.1	85,276	91.5	47,267	92.7
All other inputs	6,085	6.6	7,023	7.2	7,246	7.4	8,067	7.9	7,930	8.5	3,716	7.3
Total feedstocks	91,586	100.0	97,810	100.0	98,343	100.0	102,591	100.0	93,206	100.0	50,983	100.0

	Original Predecessor 2003 Total Barrels	%	Original Predecessor and Immediate Predecessor Combined 2004 Total Barrels	%	Immediate Predecessor and Successor Combined 2005 Total Barrels	%	Successor 2006 Total Barrels	%	Successor Three Months Ended March 31, 2006 Total Barrels	%	Successor Three Months Ended March 31, 2007 Total Barrels	%
	Year Ended December 31,											
Crude oil throughput by crude type:												
Sweet	18,187,215	58.3	15,232,022	45.8	13,958,567	42.0	17,481,803	50.7	2,762,927	36.0	2,782,136	65.4
Light/medium sour	12,311,203	39.4	17,995,949	54.2	19,291,951	58.0	16,695,173	48.4	4,911,870	64.0	1,454,878	34.2
Heavy sour	709,300	2.3	—	—	—	—	324,312	0.9	—	—	17,016	0.4
Total crude oil throughput	31,207,718	100.0	33,227,971	100.0	33,250,518	100.0	34,501,288	100.0	7,674,797	100.0	4,254,030	100.0

Three Months Ended March 31, 2007 Compared to the Three Months Ended March 31, 2006.

Net Sales. Petroleum net sales were $352.5 million for the three months ended March 31, 2007 compared to $619.6 million for the three months ended March 31, 2006. The decrease of $267.1 million from the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily the result of significantly lower sales volumes ($230.0 million) and lower product prices ($37.1 million). Overall sales volumes of refined fuels for the three months ended March 31, 2007 decreased 40% as compared to the three months ended March 31, 2006. The decreased sales volume primarily resulted from a significant reduction in refined fuel production volumes over the comparable periods due to the refinery turnaround which began in February 2007 and was completed in April 2007. Our average sales price per gallon for the three months ended March 31, 2007 for gasoline of $1.59 and distillate of $1.78 decreased by 7% and 1%, respectively, as compared to the three months ended March 31, 2006.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold exclusive of depreciation and amortization was $298.5 million for the three months ended March 31, 2007 compared to $533.7 million for the three months ended March 31, 2006. The decrease of $235.2 million from the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily the result of a significant reduction in crude throughput due to the refinery turnaround which began in February 2007 and was completed in April 2007. In addition to the impact of the turnaround, lower crude oil prices, reduced sales volumes and the impact of FIFO accounting also impacted cost of product sold during the comparable periods. Our average cost per barrel of crude oil for the three months ended March 31, 2007 was $51.98, compared to $58.09 for the comparable period of 2006, a decrease of 11%. Sales volume of refined fuels decreased 40% for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 principally due to the turnaround. In addition, under our FIFO accounting method, changes in crude oil prices can cause fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in FIFO inventory gains when crude oil prices increase and FIFO inventory losses when crude oil prices decrease. For the three months ended March 31, 2007, we reported FIFO inventory gains of $5.2 million compared to FIFO inventory gains of $5.0 million for the comparable period of 2006.

Refining margin per barrel of crude throughput increased from $11.19 for the three months ended March 31, 2006 to $12.69 for the three months ended March 31, 2007 primarily due to the 34% increase ($3.10 per barrel) in the average NYMEX 2-1-1 crack spread over the comparable periods and positive regional differences between distillate prices in our primary marketing region (the Coffeyville supply area) and those of the NYMEX. The average distillate basis for the three months ended March 31, 2007 increased by $5.68 per barrel to $8.77 per barrel compared to $3.09 per barrel in the comparable period of 2006. The positive effects of the increased NYMEX 2-1-1 crack spreads and average distillate basis over the comparable periods was partially offset by reductions in average gasoline basis in the Coffeyville supply area and crude oil differentials over the comparable periods. The average gasoline basis for the three months ended March 31, 2007 decreased by $0.87 per barrel to negative $0.54 per barrel in comparison to $0.33 per barrel in the comparable period of 2006. In addition, decreased discounts for sour crude oils evidenced by the $2.54 per barrel, or 38%, decrease in the spread between the WTI price, which is a market indicator for the price of light sweet crude, and the WTS price, which is an indicator for the price of sour crude, also negatively impacted refining margin for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006.

Depreciation and Amortization. Petroleum depreciation and amortization was $9.8 million for the three months ended March 31, 2007 as compared $7.8 million for the three months ended March 31, 2006. The increase of $2.0 million for the three months ended March 31, 2007 compared to the three months ended March 31, 2006 was primarily the result of the completion of the ultra low sulfur diesel and sulfur recovery unit projects in late 2006.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance (turnaround), labor and environmental compliance costs. Petroleum direct operating expenses exclusive of depreciation and amortization were $96.7 million for the three months ended March 31, 2007 compared to direct operating expenses of $30.7 million for the three months ended March 31, 2006. The increase of $66.0 million for the three months ended March 31, 2007 compared to the three months ended March 31, 2006 was the result of increases in expenses associated with repairs and maintenance associated with the refinery turnaround ($66.0 million), direct labor ($2.9 million), taxes ($1.5 million) and insurance ($0.6 million). These increases in direct operating expenses were partially offset by reductions in expenses associated with energy and utilities ($2.7 million) and environmental compliance ($0.6 million). On a per barrel of crude throughput basis, direct operating expenses per barrel of crude throughput for the three months ended March 31, 2007 increased to $22.73 per barrel as compared to $4.00 per barrel for the three months ended March 31, 2006 principally due to the turnaround since we produced significantly fewer barrels of crude to spread our costs across.

Operating Income. Petroleum operating loss was $63.5 million for the three months ended March 31, 2007 as compared to operating income of $41.6 million for the three months ended March 31, 2006. This decrease of $105.1 million from the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily the result of the refinery turnaround which began in February 2007 and was completed in April 2007. The turnaround negatively impacted daily refinery crude throughput and refined fuels production. In addition, direct operating expenses increased substantially during the three months ended March 31, 2007 due to expenses associated with the refinery turnaround ($66.0 million) direct labor ($2.9 million), taxes ($1.5 million), insurance ($0.6 million) and depreciation and amortization ($2.0 million). These increases in expenses were partially offset by reductions in expenses associated with energy and utilities ($2.7 million) and environmental compliance ($0.6 million).

Year Ended December 31, 2006 Compared to the 174 Days Ended June 23, 2005 and the 233 Days Ended December 31, 2005.

Net Sales. Petroleum net sales were $2,880.4 million for the year ended December 31, 2006 compared to $903.8 million for the 174 days ended June 23, 2005 and $1,363.4 million for the 233 days ended December 31, 2005. The increase of $613.2 million from the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 resulted from significantly higher product prices ($384.1 million) and increased sales volumes ($229.1 million) over the comparable periods. Our average sales price per gallon for the year ended December 31, 2006 for gasoline of $1.88 and distillate of $1.99 increased by 17% and 16%, respectively, as compared to the year ended December 31, 2005. Overall sales volumes of refined fuels for the year ended December 31, 2006 increased 9% as compared to the year ended December 31, 2005. The increased sales volume primarily resulted from higher production levels of refined fuels during the year ended December 31, 2006 as compared to the same period in 2005 because of our increased focus on process unit maximization and lower production levels in 2005 due to a scheduled reformer regeneration and minor maintenance in the coker unit and one of our crude units.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold exclusive of depreciation and amortization was $2,422.7 million for the year ended December 31, 2006 compared to $761.7 million for the 174 days ended June 23, 2005 and $1,156.2 million for the 233 days ended December 31, 2005. The increase of $504.8 million from the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 was primarily the result of higher crude oil prices, increased sales volumes and the impact of FIFO accounting. Our average cost per barrel of crude oil for the year ended December 31, 2006 was $61.71, compared to $53.42 for the comparable period of 2005, an increase of 16%. Crude oil prices increased on average by 17% during the year ended December 31, 2006 as compared to the comparable period of 2005 due to the residual impact of Hurricanes Katrina and Rita on the refining sector, geopolitical concerns and strong demand for refined products. Sales volume of refined fuels increased 9% for the year ended December 31, 2006 as compared to the year ended December 31, 2005. In addition, under our FIFO accounting method, changes in crude oil prices can cause significant fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in FIFO inventory gains when crude oil prices increase and FIFO inventory losses when crude oil prices decrease. For the year ended December 31, 2006, we reported FIFO inventory loss of $7.6 million compared to FIFO inventory gains of $18.6 million for the comparable period of 2005.

Refining margin per barrel of crude throughput increased from $10.50 for the year ended December 31, 2005 to $13.27 for the year ended December 31, 2006, due to increased discount for sour crude oils demonstrated by the $0.63, or 13%, increase in the spread between the WTI price, which is a market indicator for the price of light sweet crude, and the WTS price, which is an indicator for the price of sour crude, for the year ended December 31, 2006 as compared to the year ended December 31, 2005. In addition, positive regional differences between refined fuel prices in our primary marketing region (the Coffeyville supply area) and those of the NYMEX, known as basis, significantly contributed to the increase in our consumed crack spread in the year ended December 31, 2006 as compared to the year ended December 31, 2005. The average distillate basis for the year ended December 31, 2006 increased by $4.22 per barrel to $7.42 per barrel compared to $3.20 per barrel in the comparable period of 2005. The average gasoline basis for the year ended December 31, 2006 increased by $2.05 per barrel to $1.52 per barrel in comparison to a negative basis of $0.53 per barrel in the comparable period of 2005.

Depreciation and Amortization. Petroleum depreciation and amortization was $33.0 million for the year ended December 31, 2006 as compared $0.8 million for the 174 days ended June 23, 2005 and $15.6 million for the 233 days ended December 31, 2005. The increase of $16.6 million for the year ended December 31, 2006 compared to the combined periods for the year ended December 31, 2005 was primarily the result of the step-up in our property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses exclusive of depreciation and amortization were $135.3 million for the year ended December 31, 2006 compared to direct operating expenses of $52.6 million for the 174 days ended June 23, 2005 and $56.2 million for the 233 days ended December 31, 2005. The increase of $26.5 million for the year ended December 31, 2006 compared to the combined periods for the year ended December 31, 2005 was the result of increases in expenses associated with direct labor ($3.3 million), rent and lease ($2.3 million), environmental compliance ($1.9 million), operating materials ($1.2 million), repairs and maintenance ($7.7 million), major scheduled turnaround ($4.0 million), chemicals ($3.0 million), insurance $(1.3 million) and outside services ($1.4 million). On a per barrel of crude throughput basis, direct operating expenses per barrel of crude throughput for the year ended December 31, 2006 increased to $3.92 per barrel as compared to $3.27 per barrel for the year ended December 31, 2005.

Operating Income. Petroleum operating income was $245.6 million for the year ended December 31, 2006 as compared to $76.7 million for the 174 days ended June 23, 2005 and $123.0 million for the 233 days ended December 31, 2005 This increase of $45.9 million from the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 primarily resulted from higher refining margins due to improved crude differentials and strong gasoline and distillate basis during the comparable periods. The increase in operating income was somewhat offset by expenses associated with direct labor ($3.3 million), rent and lease ($2.3 million), environmental compliance ($1.9 million), operating materials ($1.2 million), repairs and maintenance ($7.7 million), major scheduled turnaround ($4.0 million), chemicals ($3.0 million), insurance ($1.3 million), outside services ($1.4 million) and depreciation and amortization ($16.6 million).

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net Sales. Petroleum net sales were $1,363.4 million for the 233 days ended December 31, 2005 and $903.8 million for the 174 days ended June 23, 2005 compared to $1,390.8 million for the 304 days ended December 31, 2004 and $241.6 million for the 62 days ended March 2, 2004. The increase of $634.8 million for the combined periods for the year ended December 31, 2005 as compared to the combined periods for the year ended December 31, 2004 was primarily attributable to increases in product prices ($688.3 million) offset by reduced sales volumes ($53.5 million) as compared to 2004. As compared to 2004, sales prices of gasoline and distillates increased for the combined 2005 period by 35% and 49%, respectively. Sales prices increased primarily as a result of increased crude oil prices and improvements in the gasoline and distillate crack spreads. The increase in average refined product prices was partially offset by a 3% decrease in refined fuels sales volume due to a 1% reduction in refined fuels production volumes in 2005 as compared to 2004. Refined fuels production was negatively impacted in 2005 due to a scheduled reformer regeneration and an outage in the fluidized catalytic cracking unit at our Coffeyville refinery.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold exclusive of depreciation and amortization was $1,156.2 million for the 233 days ended December 31, 2005 and $761.7 million for the 174 days ended June 23, 2005 compared to $1,228.1 million for the 304 days ended December 31, 2004 and $217.4 million for the 62 days ended March 2, 2004. The increase of $472.5 million for the combined periods for the year ended December 31, 2005 as compared to the combined periods in the year ended December 31, 2004 was primarily the result of higher crude oil prices partially offset by lower sales volumes and the impact of FIFO accounting. Our average cost per barrel of crude oil for the year ended December 31, 2005 was $53.42, compared to $40.23 for the same period in 2004, an increase of 33%. Crude oil prices increased significantly in 2005 as compared to 2004 due to the impact of Hurricanes Katrina and Rita, geopolitical concerns and strong demand for refined products in 2005. Sales volume decreased 3.0% for the year ended December 31, 2005 as compared to 2004. In addition, under our FIFO accounting method, changes in crude oil prices can cause significant fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in FIFO inventory gains when crude oil prices increase and FIFO inventory losses when crude oil prices decrease. For the year ended December 31, 2005, we reported FIFO inventory gains of $18.6 million compared to FIFO inventory gains of $9.2 million for the comparable period of 2004.

Refining margin per barrel of crude throughput increased from $5.62 for the year ended December 31, 2004 to $10.50 for the year ended December 31, 2005, due to historically high differentials between refined fuel prices and crude oil prices as exemplified in the average NYMEX crack spread of $11.62 per barrel for the year ended December 31, 2005 as compared to $7.43 per barrel for 2004. Increased discount for heavy crude oils demonstrated by the $4.27, or 37%, increase in the spread between the WTI price, which is a market indicator for the price of light sweet crude, and the Maya price, which is an indicator for the price of heavy crude, in the year ended December 31, 2005 compared to the same period in 2004 also contributed to the increased refining margin over the comparable period. In addition to the widening of the NYMEX crack spread and the increase in crude differentials, positive regional differences between refined fuel prices in our primary marketing region (PADD II, Group 3) and those of the NYMEX, known as basis, also contributed to the dramatic increase in our consumed crack spread in the year ended December 31, 2005 as compared to 2004. The average distillate basis for the year ended December 31, 2005 increased $1.96 per barrel to $3.20 per barrel as compared to $1.24 per barrel for the comparable period of 2004. The average gasoline basis for the year ended December 31, 2005 as compared to the year ended December 31, 2004 was essentially flat at a negative basis of $0.53 per barrel as compared to a negative basis of $0.52 per barrel in 2004.

Depreciation and Amortization. Petroleum depreciation and amortization was $15.6 million for the 233 days ended December 31, 2005 and $0.8 million for the 174 days ended June 23, 2005 compared to $1.5 million for the 304 days ended December 31, 2004 and $0.3 million for the 62 days ended March 2, 2004. The increase of $14.6 million for the combined period ended December 31, 2005 as compared to the combined period ended December 31, 2004 was primarily the result of the step-up in our property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses were $56.2 million for the 233 days ended December 31, 2005 and $52.6 million for the 174 days ended June 23, 2005 compared to $73.2 million for the 304 days ended December 31, 2004 and $14.9 million for the 62 days ended March 2, 2004. The increase of $20.6 million for the combined period ended December 31, 2005 as compared to direct operating expenses of $88.2 million for the combined period in 2004 was the result of increases in expenses associated with labor and incentive bonuses ($2.2 million), environmental compliance ($2.5 million), repairs and maintenance ($9.1 million), chemicals ($1.9 million), energy and utilities ($1.9 million) and outside services ($1.9 million). On a per barrel of crude throughput basis, direct operating expenses per barrel of crude throughput for 2005 increased to $3.27 per barrel as compared to $2.65 per barrel for 2004.

Operating Income. Petroleum operating income was $123.0 million for the 233 days ended December 31, 2005 and $76.7 million for the 174 days ended June 23, 2005 compared to $77.1 million for the 304 days ended December 31, 2004 and $7.7 million for the 62 days ended March 2, 2004. The increase of $114.9 million for the combined period ended December 31, 2005 as compared to the combined period ended December 31, 2004 primarily resulted from higher refining margin due to favorable market conditions in the domestic refining industry somewhat offset by a 3% decrease in sales volumes and increases in expenses associated with labor and incentive bonuses ($2.2 million), environmental compliance ($2.5 million), repairs and maintenance ($9.1 million), chemicals ($1.9 million), energy and utilities ($1.9 million), outside services ($1.9 million) and depreciation and amortization ($14.6 million).

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net Sales. Petroleum net sales were $1,390.8 million for the 304 days ended December 31, 2004 and $241.6 million for the 62 days ended March 2, 2004 compared to $1,161.3 million in the year ended December 31, 2003. This revenue increase for the combined periods ended December 31, 2004 compared to the year ended December 31, 2003 was attributable to increased production volumes ($83.2 million) and higher product prices ($387.9 million), which reacted favorably to the increase in global crude oil prices over the period. In 2004, crude oil throughput increased by an average of 5,286 bpd, or 6%, as compared to 2003. The higher crude throughput experienced in 2004 as compared to 2003 was directly attributable to Farmland's inability, because of its impending reorganization, to purchase optimum crude oil blends necessary to operate the refinery at 2004 levels in 2003. During 2004, our petroleum business experienced increases in gasoline and distillate prices of 31% and 37%, respectively, as compared to the same period in 2003.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold exclusive of depreciation and amortization was $1,228.1 million for the 304 days ended December 31, 2004 and $217.4 million for the 62 days ended March 2, 2004 compared to $1,040.0 million in the year ended December 31, 2003. This increase for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was attributable to strong differentials between refined products prices and crude oil prices as exemplified in the average NYMEX crack spread of $7.43 per barrel for the year ended December 31, 2004 as compared to $5.53 per barrel in the comparable period of 2003. Increased discount for heavy crude oils demonstrated by the $4.62, or 68%, increase in the spread between the WTI price, which is a market indicator for the price of light sweet crude, and the Maya price, which is a market indicator for the price of heavy crude, in the year ended December 31, 2004 as compared to the same period in 2003 also contributed to the increase in refining margin over the comparable periods. Diluting the positive impact of the widening of the NYMEX crack spread and the increased crude differentials was the negative impact of gasoline prices in our primary marketing area (PADD II, Group 3) in comparison to gasoline prices on the NYMEX, known as basis. The average gasoline basis for the year ended December 31, 2004 decreased $1.14 per barrel to a negative basis of $0.52 per barrel as compared to $0.62 per barrel for 2003. The average distillate basis for the year ended December 31, 2004 was $1.24 per barrel compared to $1.11 per barrel in 2003. Additionally, our refining margin for the year ended December 31, 2004 improved as a result of the termination of a single customer product marketing agreement in November 2003. During 2003 Farmland was party to a marketing agreement that required it to sell all refined products to a single customer at a fixed differential to an index price. Subsequent to the conclusion of the contract, we have expanded our customer base and increased the realized differential to that index.

Depreciation and Amortization. Petroleum depreciation and amortization was $1.5 million for the 304 days ended December 31, 2004 and $0.3 million for the 62 days ended March 2, 2004 compared to $2.1 million for the year ended December 31, 2003. The decrease of $0.3 million for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was primarily the result of the petroleum assets' useful lives being reset to longer periods in the Initial Acquisition as compared to the prior period based on management's assessment of the condition of the petroleum assets acquired, offset by the impact of the step-up in value of the acquired assets in the Initial Acquisition.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses exclusive of depreciation and amortization were $73.2 million for the 304 days ended December 31, 2004 and $14.9 million for the 62 days ended March 2, 2004 as compared to $80.1 million in the corresponding period of 2003. The primary reason for the increase for the combined periods for the year ended December 31, 2004 relative to the year ended December 31, 2003 were due to expenses associated with environmental compliance ($1.1 million), repairs and maintenance ($2.8 million), chemicals ($2.3 million) and energy and utilities ($3.3 million). These increases were offset by a $2.4 million reduction in rent expense. Direct operating expenses per barrel of crude throughput for the year ended December 31, 2004 increased by $0.08 per barrel compared to direct operating expenses per barrel of crude throughput of $2.57 in 2003.

Operating Income. Petroleum operating income was $77.1 million for the 304 days ended December 31, 2004 and $7.7 million for the 62 days ended March 2, 2004 as compared to $21.5 million in the year ended December 31, 2003. This increase for the combined periods for the year ended December 31, 2004 compared to the year ended December 31, 2003 primarily resulted from higher refining margin due to improved conditions in the domestic refining industry and a 6% increase in sales volumes. The increase in operating income was somewhat offset by increases in expenses related to environmental compliance ($1.1 million), repairs and maintenance ($2.8 million), chemicals ($2.3 million) and energy and utilities ($3.3 million).

Nitrogen Fertilizer Business Results of Operations

Nitrogen Fertilizer Business Financial Results	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Successor Year Ended December 31, 2006	Successor Three Months Ended March 31, 2006	Successor Three Months Ended March 31, 2007
	(in millions)						(unaudited)	
Net sales	$100.9	$19.4	$93.4	$79.3	$93.7	$162.5	$51.5	$38.6
Cost of product sold (exclusive of depreciation and amortization)	21.9	4.1	20.4	9.1	14.5	25.9	7.2	6.1
Depreciation and amortization	1.2	0.1	0.9	0.3	8.4	17.1	4.2	4.4
Direct operating expenses (exclusive of depreciation and amortization)	53.0	8.4	43.8	28.3	29.2	63.7	13.6	16.7
Operating income	7.8	3.5	22.9	35.3	35.7	36.8	24.0	9.3

Market Indicators	Year Ended December 31, 2003	2004	2005	2006	Three Months Ended March 31, 2006	2007
Natural gas (dollars per million Btu)	$5.49	$6.18	$9.01	$6.98	$7.84	$7.17
Ammonia — southern plains (dollars per ton)	274	297	356	353	415	389
UAN — corn belt (dollars per ton)	143	171	212	197	221	239

Company Operating Statistics	Original Predecessor	Original Predecessor and Immediate Predecessor Combined	Immediate Predecessor and Successor Combined	Successor	Successor	
	Year Ended December 31, 2003	2004	2005	2006	Three Months Ended March 31, 2006	2007
Production (thousand tons):						
Ammonia	335.7	309.2	413.2	369.3	102.7	86.2
UAN	510.6	532.6	663.3	633.1	160.4	165.7
Total	846.3	841.8	1,076.5	1,002.4	263.1	251.9
Sales (thousand tons)(1):						
Ammonia	134.8	103.9	141.8	117.3	35.6	20.7
UAN	528.9	541.6	646.5	645.5	170.1	166.8
Total	663.7	645.5	788.3	762.8	205.7	187.5
Product pricing (plant gate) (dollars per ton)(1):						
Ammonia	$ 235	$ 266	$ 324	$ 338	$ 410	$ 347
UAN	107	136	173	$ 162	$ 195	$ 169
On-stream factor(2):						
Gasification	90.1%	92.4%	98.1%	92.5%	98.6%	91.8%
Ammonia	89.6%	79.9%	96.7%	89.3%	94.1%	86.3%
UAN	81.6%	83.3%	94.3%	88.9%	92.8%	89.4%
Capacity utilization:						
Ammonia(3)	83.6%	76.8%	102.9%	92.0%	103.8%	87.0%
UAN(4)	93.3%	97.0%	121.2%	115.6%	118.8%	122.7%
Reconciliation to net sales (dollars in thousands):						
Freight in revenue	$ 12,535	$ 11,429	$ 15,010	$ 17,890	$ 3,650	$ 3,139
Sales net plant gate	88,373	101,439	157,989	144,575	47,843	35,436
Total net sales	100,908	112,868	172,999	162,465	51,493	38,575

(1) Plant gate sales per ton represents net sales less freight revenue divided by sales tons. Plant gate pricing per ton is shown in order to provide industry comparability.

(2) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period.

(3) Based on nameplate capacity of 1,100 tons per day.

(4) Based on nameplate capacity of 1,500 tons per day.

Three Months Ended March 31, 2007 Compared to the Three Months Ended March 31, 2006.

Net Sales. Nitrogen fertilizer net sales were $38.6 million for the three months ended March 31, 2007 compared to $51.5 million for the three months ended March 31, 2006. The decrease of $12.9 million from the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was the result of both decreases in selling prices ($6.9 million) and reductions in overall sales volumes ($6.0 million) of our fertilizer products.

In regard to product sales volumes for the three months ended March 31, 2007, our nitrogen operations experienced a decrease of 42% in ammonia sales unit volumes (14,890 tons) and a decrease of 2.0% in UAN sales unit volumes (3,345 tons). The decrease in ammonia sales volume was the result of decreased production volumes during the three months ended March 31, 2007 relative to the comparable period of 2006 due to unscheduled downtime at our fertilizer plant and the transfer of hydrogen to our Petroleum operations to facilitate sulfur recovery in the ultra low sulfur diesel production unit. The transfer of hydrogen to our Petroleum operations is scheduled to be replaced with hydrogen produced by the new continuous catalytic reformer scheduled to be completed in late 2007. On-stream factors (total number of hours operated divided by total hours in the reporting period) for all units of our nitrogen operations (gasifier, ammonia plant and UAN plant) were less than the comparable period primarily due to a two day outage at the air separation unit. It is typical to experience brief outages in complex manufacturing operations such as our nitrogen fertilizer plant which result in less than one hundred percent on-stream availability for one or more specific units.

Plant gate prices are prices FOB the delivery point less any freight cost we absorb to deliver the product. We believe plant gate price is meaningful because we sell products both FOB our plant gate (sold plant) and FOB the customer’s designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or three months to three months. The plant gate price provides a measure that is consistently comparable period to period. Plant gate prices for the three months ended March 31, 2007 for both ammonia and UAN were less than plant gate prices for the comparable period of 2006 by 16% and 13%, respectively. Our ammonia and UAN sales prices for product shipped during the three months ended March 31, 2006 benefited from a period of relatively high natural gas prices in 2005 primarily driven by the impact of hurricanes Katrina and Rita. It is typical for the reported pricing in our fertilizer business to lag the spot market prices due to forward price contracts. As a result, forward price contracts entered into the late summer and fall of 2005 comprised a significant portion of the product shipped in the three months ended March 31, 2006 and therefore reflect higher nitrogen fertilizer prices associated with the aforementioned increase in natural gas prices. In contrast, sales in the three months ended March 31, 2007 were primarily executed in late summer and fall of 2006 and in a comparably lower natural gas price environment, ahead of the recent rise in nitrogen fertilizer prices driven by expanded use of corn for the production of ethanol.

The demand for fertilizer is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold exclusive of depreciation and amortization is primarily comprised of pet coke expense, hydrogen reimbursement and freight and distribution expenses. Cost of product sold excluding depreciation and amortization for the three months ended March 31, 2007 was $6.1 million compared to $7.2 million for the three months ended March 31, 2006. The decrease of $1.1 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily the result of increased hydrogen reimbursement due to the transfer of hydrogen to our Petroleum operations to facilitate sulfur recovery in the ultra low sulfur diesel production unit partially offset by an increase in petroleum coke costs.

Depreciation and Amortization. Nitrogen fertilizer depreciation and amortization increased to $4.4 million for the three months ended March 31, 2007 as compared to $4.2 million for the three months ended March 31, 2006.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Nitrogen fertilizer operations include costs associated with the actual operations of our nitrogen plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Nitrogen direct operating expenses exclusive of depreciation and amortization for the three months ended March 31, 2007 were $16.7 million as compared to $13.6 million for the three months ended March 31, 2006. The increase of $3.1 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily the result of increases in labor ($0.1 million), repairs and maintenance ($1.4 million), equipment rental ($0.3 million), outside services ($0.3 million), utilities ($1.0 million) and insurance ($0.2 million). The increase in repairs and maintenance expense was specifically related to preventative maintenance performed during a two day air separation unit outage during the three months ended March 31, 2007.

Operating Income. Nitrogen fertilizer operating income was $9.3 million for the three months ended March 31, 2007 as compared to $24.0 million for the three months ended March 31, 2006. This decrease of $14.7 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was the result of reduced sales volumes ($6.0 million), lower plant gate prices for both UAN and ammonia ($6.9 million) and increased direct operating expenses related to labor ($0.1 million), repairs and maintenance ($1.4 million), equipment rental ($0.3 million), outside services ($0.3 million), utilities ($1.0 million) and insurance ($0.2 million).

Year Ended December 31, 2006 Compared to the 174 Days Ended June 23, 2005 and the 233 Days Ended December 31, 2005.

Net Sales. Nitrogen fertilizer net sales were $162.5 million for the year ended December 31, 2006 compared to $79.3 million for the 174 days ended June 23, 2005 and $93.7 million for the 233 days ended December 31, 2005. The decrease of $10.5 million from the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 was the result of both decreases in selling prices ($1.6 million) and reductions in overall sales volumes ($8.9 million) of the fertilizer products as compared to the year ended December 31, 2005.

In regard to product sales volumes for the year ended December 31, 2006, the nitrogen fertilizer operations experienced a decrease of 17% in ammonia sales unit volumes (24,500 tons) and a decrease of 0.2% in UAN sales unit volumes (988 tons). The decrease in ammonia sales volume was the result of decreased production volumes during the year ended December 31, 2006 relative to the comparable period of 2005 due to the scheduled turnaround at the fertilizer plant during July 2006 and the transfer of hydrogen to our Petroleum operations to facilitate sulfur recovery in the ultra low sulfur diesel production unit. The transfer of hydrogen to our petroleum operations is scheduled to be replaced with hydrogen produced by the new continuous catalytic reformer scheduled to be completed in the fall of 2007. We do not expect this will be affected or changed due to our new Partnership structure for the nitrogen fertilizer business. On-stream factors (total number of hours operated divided by total hours in the reporting period) for all units of the nitrogen fertilizer operations (gasifier, ammonia plant and UAN plant) were less in 2006 than in 2005 primarily due to the scheduled turnaround in July 2006 and downtime in the ammonia plant due to a crack in the converter. It is typical to experience brief outages in complex manufacturing operations such as the nitrogen fertilizer plant which result in less than one hundred percent on-stream availability for one or more specific units.

Plant gate prices are prices FOB the delivery point less any freight cost absorbed to deliver the product. We believe plant gate price is meaningful because the nitrogen fertilizer business sells products both FOB the plant gate (sold plant) and FOB the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or year to year. The plant gate price provides a measure that is consistently comparable period to period. Plant gate prices for the year ended December 31, 2006 for ammonia were greater than plant gate prices for the comparable period of 2005 by 4%. In contrast to ammonia, UAN prices decreased for the year ended December 31, 2006 as compared to the year ended December 31, 2005 by 6%. The positive price comparisons for ammonia sales, given the dramatic decline in natural gas prices during the comparable periods, were the result of prepay contracts executed during the period of relatively high natural gas prices that resulted from the impact of hurricanes Katrina and Rita on an already tight natural gas market.

The demand for fertilizer is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold exclusive of depreciation and amortization is primarily comprised of pet coke expense and freight and distribution expenses. Cost of product sold excluding depreciation and amortization for the year ended December 31, 2006 was $25.9 million compared to $9.1 million for the 174 days ended June 23, 2005 and $14.5 million for the 233 days ended December 31, 2005. The increase of $2.3 million for the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 was primarily the result of increases in freight expense.

Depreciation and Amortization. Nitrogen fertilizer depreciation and amortization increased to $17.1 million for the year ended December 31, 2006 as compared to $0.3 million for the 174 days ended June 23, 2005 and $8.4 million for the 233 days ended December 31, 2005. This increase of $8.4 million for the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 was primarily the result of the step-up in property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for the nitrogen fertilizer operations include costs associated with the actual operations of the fertilizer plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Nitrogen direct operating expenses exclusive of depreciation and amortization for the year ended December 31, 2006 were $63.7 million as compared to $28.3 million for the 174 days ended June 23, 2005 and $29.2 million for the 233 days ended December 31, 2005. The increase of $6.2 million for the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 was primarily the result of increases in labor ($0.7 million), repairs and maintenance ($0.5 million), turnaround expenses ($2.6 million), outside services ($0.6 million), utilities ($2.3 million) and insurance ($0.5 million), partially offset by reductions in expenses related to catalyst ($0.6 million) and environmental ($0.8 million).

Operating Income. Nitrogen fertilizer operating income was $36.8 million for the year ended December 31, 2006 as compared to $35.3 million for the 174 days ended June 23, 2005 and

$35.7 million for the 233 days ended December 31, 2005. This decrease of $34.2 million for the year ended December 31, 2006 as compared to the combined periods for the year ended December 31, 2005 was the result of reduced sales volumes, lower plant gate prices for UAN and increased direct operating expenses related to labor ($0.7 million), repairs and maintenance ($0.5 million), turnaround expenses ($2.6 million), outside services ($0.6 million), utilities ($2.3 million), insurance ($0.5 million) and depreciation ($8.4 million), partially offset by reductions in expenses related to catalyst ($0.6 million) and environmental ($0.8 million) and higher ammonia prices.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net Sales. Nitrogen fertilizer net sales were $93.7 million for the 233 days ended December 31, 2005 and $79.3 million for the 174 days ended June 23, 2005 compared to $93.4 million for the 304 days ended December 31, 2004 and $19.4 million for the 62 days ended March 2, 2004. The increase of $60.1 million for the combined periods for the year ended December 31, 2005 as compared to the combined periods ended December 31, 2004 was the result of increases in both sales volumes ($33.2 million) and selling prices of ammonia and UAN ($26.9 million) as compared to 2004.

In regard to product sales volumes for the year ended December 31, 2005, nitrogen fertilizer experienced an increase of 36% in ammonia sales unit volumes (37,949 tons) and an increase of 19% in UAN sales unit volumes (104,982 tons) as compared to 2004. The increases in both ammonia and UAN sales were due to improved on-stream factors for all units of the nitrogen fertilizer operations (gasifier, ammonia plant and UAN plant) in 2005 as compared to 2004. On-stream factors in 2004 were negatively impacted during September 2004 by additional downtime from a scheduled turnaround, which resulted from delay in start-up associated with projects completed during the turnaround and outages in the ammonia plant to repair a damaged heat exchanger.

Plant gate prices are prices FOB the delivery point less any freight cost absorbed to deliver the product. We believe plant gate price is meaningful because the nitrogen fertilizer business sells products both FOB the plant gate (sold plant) and FOB the customer's designated delivery site (sold delivered) and the percentage of sold plant as compared to sold delivered can change month to month or year to year. The plant gate price provides a measure that is consistently comparable period to period. Plant gate prices in 2005 for ammonia and UAN were greater than 2004 by 22% and 27%, respectively. These prices reflected the strong market conditions in the nitrogen fertilizer business as reflected in relatively high natural gas prices during 2005.

The demand for fertilizer is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like their current liquidity, soil conditions, weather patterns and the types of crops planted.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold exclusive of depreciation and amortization is primarily comprised of pet coke expense and freight and distribution expenses. Cost of product sold excluding depreciation and amortization was $14.5 million for the 233 days ended December 31, 2005 and $9.1 million for the 174 days ended June 23, 2005 compared to $20.4 million for the 304 days ended December 31, 2004 and $4.1 million for the 62 days ended March 2, 2004. For the combined periods for the year ended December 31, 2005 as compared to the combined periods ended December 31, 2004, cost of product sold exclusive of depreciation and amortization decreased by $0.9 million.

Depreciation and Amortization. Nitrogen fertilizer depreciation and amortization was $8.4 million for the 233 days ended December 31, 2005 and $0.3 million for the 174 days ended June 23, 2005 compared to $0.9 million for the 304 days ended December 31, 2004 and $0.1 million for the 62 days ended March 2, 2004. The increase of $7.7 million for the combined periods ending December 31, 2005 as compared to the combined periods ended December 31, 2004 was primarily the result of the step-up in property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for the nitrogen fertilizer operations include costs associated with the actual operations of the fertilizer plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Nitrogen fertilizer direct operating expenses exclusive of depreciation and amortization were $29.2 million for the 233 days ended December 31, 2005 and $28.3 million for the 174 days ended June 23, 2005 compared to $43.8 million for the 304 days ended December 31, 2004 and $8.4 million for the 62 days ended March 2, 2004. The increase of $5.3 million for the combined period ended December 31, 2005 as compared to the combined period ended December 31, 2004 was primarily the result of increases in labor ($1.9 million), outside services ($1.4 million), and energy and utilities costs ($3.8 million), partially offset by reductions in turnaround expenses ($1.8 million) and catalyst expense ($1.6 million).

Operating Income. Nitrogen fertilizer operating income was $35.7 million for the 233 days ended December 31, 2005 and $35.3 million for the 174 days ended June 23, 2005 compared to $22.9 million for the 304 days ended December 31, 2004 and $3.5 million for the 62 days ended March 2, 2004. The increase of $44.6 million for the combined periods ended December 31, 2005 as compared to the combined periods ended December 31, 2004 was due to improved sales volume and nitrogen fertilizer pricing that resulted from improved on-stream factors for the fertilizer plant and strong market conditions in the nitrogen fertilizer business. These positive factors were partially offset by increased direct operating expenses due to increases in labor ($1.9 million), outside services ($1.4 million), and energy and utilities costs ($3.8 million).

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net Sales. Nitrogen fertilizer net sales were $93.4 million for the 304 days ended December 31, 2004 and $19.4 million for the 62 days ended March 2, 2004 as compared to $100.9 million in 2003. This revenue increase for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was entirely attributable to increased nitrogen fertilizer prices ($18.8 million), which more than offset a slight decline in total sales volume ($6.8 million) due to a planned turnaround in August 2004. For 2004, southern plains ammonia and corn belt UAN prices increased 8% and 20%, respectively, as compared to the comparable period in 2003. In addition, due to direct marketing efforts, the nitrogen fertilizer business' actual plant gate prices, relative to the market indices presented above, improved substantially. Plant gate prices for the year ended December 31, 2004 for ammonia and UAN were greater than the comparable period in 2003 by 13% and 27%, respectively. Plant gate prices are prices FOB the delivery point less any freight cost absorbed to deliver the product. We believe the plant gate price is meaningful because the nitrogen fertilizer business sells products both FOB the plant gate (sold plant) and FOB the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or year to year. The plant gate price provides a measure that is consistently comparable period to period. The improvement in plant gate price relative to the market index was the result of eliminating the reseller discount offered under the terms of a prior marketing agreement and maximizing shipments to customers that were more freight logical to the facility.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold exclusive of depreciation and amortization is primarily comprised of pet coke expense and freight and distribution expenses. Cost of product sold excluding depreciation and amortization was $20.4 million for the 304 days ended December 31, 2004 and $4.1 million for the 62 days ended March 2, 2004 as compared to $21.9 million in 2003. The increase for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was primarily the result of the recognition of the cost of pet coke after the Initial Acquisition as compared to a zero value transfer during the Original Predecessor period. Subsequent to the Initial Acquisition in 2004 the nitrogen fertilizer business was charged $4.3 million for pet coke transferred from our petroleum business. During the Original Predecessor period, pet coke was transferred at zero value.

Depreciation and Amortization. Nitrogen fertilizer depreciation and amortization was $0.9 million for the 304 days ended December 31, 2004 and $0.1 million for the 62 days ended March 2, 2004 as compared to $1.2 million in 2003. This decrease for the combined periods of the year ended December 31, 2004 and the year ended December 31, 2003 was principally due to the nitrogen fertilizer assets' useful lives being reset to longer periods in the Initial Acquisition period compared to the prior period based on management's assessment of the condition of the nitrogen fertilizer assets acquired offset by the impact of the step-up in value of the acquired nitrogen fertilizer assets in the Initial Acquisition.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for the nitrogen fertilizer operations include costs associated with the actual operations of the fertilizer plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Nitrogen fertilizer direct operating expenses exclusive of depreciation and amortization were $43.8 million for the 304 days ended December 31, 2004 and $8.4 million for the 62 days ended March 2, 2004 as compared to $53.0 million for the year ended December 31, 2003.

Operating Income. Nitrogen fertilizer operating income was $22.9 million for the 304 days ended December 31, 2004 and $3.5 million for the 62 days ended March 2, 2004 as compared to $7.8 million in 2003. This increase of $18.6 million for the combined periods of the year ended December 31, 2004 and the year ended December 31, 2003 was due to improved market conditions and pricing in the domestic nitrogen fertilizer industry and a decrease in direct operating expenses. The improvement in operating income was negatively impacted subsequent to the Initial Acquisition in 2004 as the nitrogen fertilizer business was charged $4.3 million for pet coke transferred from our petroleum business. During the Original Predecessor period, pet coke was transferred at zero value.

Consolidated Results of Operations

Three Months Ended March 31, 2007 Compared to the Three Months Ended March 31, 2006.

Net Sales. Consolidated net sales were $390.5 million for the three months ended March 31, 2007 compared to $669.7 million for the three months ended March 31, 2006. The decrease of $279.2 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily due to a decrease in petroleum net sales of $267.1 million that resulted from lower product prices ($37.1 million) and decreased sales volumes ($230.0 million) over the comparable periods. Nitrogen fertilizer net sales decreased $12.9 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 due to decreased selling prices ($6.9 million) and a reduction in overall sales volumes ($6.0 million).

Cost of Product Sold Exclusive of Depreciation and Amortization. Consolidated cost of product sold exclusive of depreciation and amortization was $303.7 million for the three months ended March 31, 2007 as compared to $539.5 million for the three months ended March 31, 2006. The decrease of $235.8 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily due to the refinery turnaround that began in February 2007 and was completed in April 2007. Our fertilizer business accounted for approximately $1.1 million of the decrease in cost of products sold over the comparable periods primarily the result of increased hydrogen reimbursement due to the transfer of hydrogen to our Petroleum operations to facilitate sulfur recovery in the ultra low sulfur diesel production unit partially offset by an increase in petroleum coke costs.

Depreciation and Amortization. Consolidated depreciation and amortization was $14.2 million for the three months ended March 31, 2007 as compared to $12.0 million for the three months ended March 31, 2006. The increase of $2.2 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily the result of the completion of the ultra low sulfur diesel and sulfur recovery unit projects in late 2006 in our Petroleum business.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Consolidated direct operating expenses exclusive of depreciation and amortization were $113.4 million for the three months ended March 31, 2007 as compared to $44.3 million for the three months ended March 31, 2006. This increase of $69.1 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was due to an increase in petroleum direct operating expenses of $66.0 million, primarily related to the refinery turnaround, and an increase in nitrogen fertilizer direct operating expenses of $3.1 million.

Selling, General and Administrative Expenses Exclusive of Depreciation and Amortization. Consolidated selling, general and administrative expenses were $13.2 million for the three months ended March 31, 2007 as compared to $8.5 million for the three months ended March 31, 2006. This variance was primarily the result of increases in administrative labor related to increased headcount and deferred compensation ($3.8 million), bank charges ($0.1 million), office costs ($0.1 million) and outside services ($0.3 million).

Operating Income. Consolidated operating loss was $54.0 million for the three months ended March 31, 2007 as compared to operating income of $65.4 million for the three months ended March 31, 2006. For the three months ended March 31, 2007 as compared to the three months ended March 31, 2006, petroleum operating income decreased $105.1 million and nitrogen fertilizer operating income decreased by $14.7 million.

Interest Expense. Consolidated interest expense for the three months ended March 31, 2007 was $11.9 million as compared to interest expense of $12.2 million for the three months ended March 31, 2006. This 2% decrease for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was the result of an overall decrease in the applicable margins under our Credit Facility dated December 28, 2006 as compared to our borrowing facility completed in association with the Subsequent Acquisition (see "— Liquidity and Capital Resources — Debt"). Additionally, a $3.2 million increase in capitalized interest over the comparable periods due to the increase of capital projects in progress during the three months ended March 31, 2007 also positively impacted consolidated interest expense. These positive impacts on consolidated interest expense over the comparable periods were partially offset by increases in the index rates (primarily LIBOR) and an increase in average borrowings outstanding during the comparable periods.

Interest Income. Interest income was $0.5 million for the three months ended March 31, 2007 as compared to $0.6 million for the three months ended March 31, 2006.

Gain (loss) on Derivatives. For the three months ended March 31, 2007, we incurred $137.0 million in losses on derivatives. This compares to a $17.6 million loss on derivatives for the three months ended March 31, 2006. This significant change in gain (loss) on derivatives for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily attributable to our Cash Flow Swap and the accounting treatment for all of our derivative transactions. We determined that the Cash Flow Swap and our other derivative instruments do not qualify as hedges for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Since the Cash Flow Swap had a significant term remaining as of March 31, 2007 (approximately three years and three months) and the NYMEX crack spread that is the basis for the underlying swap contracts that comprised the Cash Flow Swap had increased during this period, the unrealized losses on the Cash Flow Swap increased significantly.

Provision for Income Taxes. Income tax benefit for the three months ended March 31, 2007 was $47.3 million, or 23.37% of loss before income taxes, as compared to income tax expense of $14.1 million, or 38.94% of earnings before income taxes, for the three months ended March 31, 2006. The effective tax rate was primarily lower due to the federal income tax credit available to small business refiners related to the production of ultra low sulfur diesel fuel.

Minority Interest in (income) loss of Subsidiaries. Minority interest in (income) loss of subsidiaries for the three months ended March 31, 2007 was $0.7 million. Minority interest relates to common stock in two of our subsidiaries owned by our chief executive officer.

Net Income. For the three months ended March 31, 2007, net income decreased to a net loss of $154.4 million as compared to net income of $22.1 million for the three months ended March 31, 2006. Net income decreased $176.5 million for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006, primarily due to the refinery turnaround and a significant change in the value of the Cash Flow Swap over the comparable periods.

Year Ended December 31, 2006 Compared to the 174 Days Ended June 23, 2005 and the 233 Days Ended December 31, 2005.

Net Sales. Consolidated net sales were $3,037.6 million for the year ended December 31, 2006 compared to $980.7 million for the 174 days ended June 23, 2005 and $1,454.3 million for the 233 days ended December 31, 2005. The increase of $602.6 million for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005 was primarily due to an increase in petroleum net sales of $613.2 million that resulted from significantly higher product prices ($384.1 million) and increased sales volumes ($229.1 million) over the comparable periods. Nitrogen fertilizer net sales decreased $10.5 million for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005 due to decreased selling prices ($1.6 million) and a reduction in overall sales volumes ($8.9 million).

Cost of Product Sold Exclusive of Depreciation and Amortization. Consolidated cost of product sold exclusive of depreciation and amortization was $2,443.4 million for the year ended December 31, 2006 as compared to $768.0 million for the 174 days ended June 23, 2005 and $1,168.1 million for the 233 days ended December 31, 2005. The increase of $507.3 million for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005 was primarily due to an increase in crude oil prices, sales volumes and the impact of FIFO accounting in our petroleum business. The nitrogen fertilizer business accounted for approximately $2.3 million of the increase in cost of products sold over the comparable period primarily related to increases in freight expense.

Depreciation and Amortization. Consolidated depreciation and amortization was $51.0 million for the year ended December 31, 2006 as compared to $1.1 million for the 174 days ended June 23, 2005 and $24.0 million for the 233 days ended December 31, 2005. The increase of $25.9 million for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005 was due to an increase in petroleum depreciation and amortization of $16.6 million and an increase in nitrogen fertilizer depreciation and amortization of $8.4 million.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Consolidated direct operating expenses exclusive of depreciation and amortization were $199.0 million for the year ended December 31, 2006 as compared to $80.9 million for the 174 days ended June 23, 2005 and $85.3 million for the 233 days ended December 31, 2005. This increase of $32.8 million for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005 was due to an increase in petroleum direct operating expenses of $26.5 million and an increase in nitrogen fertilizer direct operating expenses of $6.2 million.

Selling, General and Administrative Expenses Exclusive of Depreciation and Amortization. Consolidated selling, general and administrative expenses were $62.6 million for the year ended December 31, 2006 as compared to $18.4 million for the 174 days ended June 23, 2005 and $18.4 million for the 233 days ended December 31, 2005. Consolidated selling, general and administrative expenses for the 174 days ended June 23, 2005 were negatively impacted by certain expenses associated with $3.3 million of unearned compensation related to the management equity of Immediate Predecessor in relation to the Subsequent Acquisition. Adjusting for this expense, consolidated selling, general and administrative expenses increased $29.1 million for the year ended

December 31, 2006 as compared to the combined periods ended December 31, 2005. This variance was primarily the result of increases in administrative labor related to increased headcount and share-based compensation ($18.6 million), office costs ($1.3 million), letter of credit fees due under our $150.0 million funded letter of credit facility utilized as collateral for the Cash Flow Swap which was not in place for approximately six months in the comparable period ($2.1 million), public relations expense ($0.5 million) and outside services expense ($2.4 million).

Operating Income. Consolidated operating income was $281.6 million for the year ended December 31, 2006 as compared to $112.3 million for the 174 days ended June 23, 2005 and $158.5 million for the 233 days ended December 31, 2005. For the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005, petroleum operating income increased $45.9 million and nitrogen fertilizer operating income decreased by $34.2 million.

Interest Expense. We reported consolidated interest expense for the year ended December 31, 2006 of $43.9 million as compared to interest expense of $7.8 million for the 174 days ended June 23, 2005 and $25.0 million for the 233 days ended December 31, 2005. This 34% increase for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005 was the direct result of increased average borrowings over the comparable periods associated with both our Credit Facility dated December 28, 2006 and our borrowing facility completed in association with the Subsequent Acquisition (see "— Liquidity and Capital Resources — Debt") and an increase in the actual rate of our borrowings due primarily to increases both in index rates (LIBOR and prime rate) and applicable margins. The comparability of interest expense during the comparable periods has been impacted by the differing capital structures of Successor and Immediate Predecessor periods. See "— Factors Affecting Comparability."

Interest Income. Interest income was $3.5 million for the year ended December 31, 2006 as compared to $0.5 million for the 174 days ended June 23, 2005 and $1.0 million for the 233 days ended December 31, 2005. The increase for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005 was primarily due to larger cash balances and higher yields on invested cash.

Gain (loss) on Derivatives. For the year ended December 31, 2006, we reported $94.5 million in gains on derivatives. This compares to a $7.7 million loss on derivatives for the 174 days ended June 23, 2005 and a $316.1 million loss on derivatives for the 233 days ended December 31, 2005. This significant change in gain (loss) on derivatives for the year ended December 31, 2006 as compared to the combined period ended December 31, 2005 was primarily attributable to our Cash Flow Swap and the accounting treatment for all of our derivative transactions. We determined that the Cash Flow Swap and our other derivative instruments do not qualify as hedges for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Since the Cash Flow Swap had a significant term remaining as of December 31, 2006 (approximately three years and six months) and the NYMEX crack spread that is the basis for the underlying swap contracts that comprised the Cash Flow Swap had declined during this period, the unrealized gains on the Cash Flow Swap increased significantly. The $323.7 million loss on derivatives during the combined period ended December 31, 2005 is inclusive of the expensing of a $25.0 million option entered into by Successor for the purpose of hedging certain levels of refined product margins. At closing of the Subsequent Acquisition, we determined that this option was not economical and we allowed the option to expire worthless, which resulted in the expensing of the associated premium during the year ended December 31, 2005. See "— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk."

Extinguishment of Debt. On December 28, 2006, Coffeyville Acquisition LLC refinanced its existing first lien credit facility and second lien credit facility and raised $1.075 billion in long-term debt commitments under the new Credit Facility. See "— Liquidity and Capital Resources — Debt." As a result of the retirement of the first and second lien credit facilities with the proceeds of the Credit Facility, we recognized $23.4 million as a loss on extinguishment of debt in 2006. On June 24, 2005 and in connection with the acquisition of Immediate Predecessor by Coffeyville Acquisition LLC (see "— Factors Affecting Comparability"), we raised $800.0 million in long-term debt commitments under both the first lien credit facility and second lien credit facility. See "— Liquidity and Capital Resources — Debt." As a result of the retirement of Immediate Predecessor's outstanding indebtedness consisting of $150.0 million term loan and revolving credit facilities, we recognized $8.1 million as a loss on extinguishment of debt in 2005.

Other Income (Expense). For the year ended December 31, 2006, other expense was $0.9 million as compared to other expense of $0.8 million for the 174 days ended June 23, 2005 and other expense of $0.6 million for the 233 days ended December 31, 2005.

Provision for Income Taxes. Income tax expense for the year ended December 31, 2006 was $119.8 million, or 38.5% of earnings before income taxes, as compared to a tax benefit of $26.9 million, or 28.7% of earnings before income taxes, for the combined periods ended December 31, 2005. The effective tax rate for 2005 was impacted by a realized loss on option agreements that expired unexercised. Coffeyville Acquisition LLC was party to these agreements and the loss was incurred at that level which we effectively treated as a permanent non-deductible loss.

Net Income. For the year ended December 31, 2006, net income increased to $191.6 million as compared to net income of $52.4 million for the 174 days ended June 23, 2005 and a net loss of $119.2 million for the 233 days ended December 31, 2005. Net income increased $258.4 million for the year ended December 31, 2006 as compared to the combined periods ended December 31, 2005, primarily due to improved operating income in our Petroleum operations and a significant change in the value of the Cash Flow Swap over the comparable periods.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net Sales. Consolidated net sales were $1,454.3 million for the 233 days ended December 31, 2005 and $980.7 million for the 174 days ended June 23, 2005 as compared to $1,479.9 million for the 304 days ended December 31, 2004 and $261.1 million for the 62 days ended March 2, 2004. This increase of $694.0 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily due to an increase in petroleum net sales of $634.8 million that resulted from increased refined product prices ($688.3 million) offset by reduced sales volumes ($53.5 million) as compared to 2004. Also contributing to the increase in net sales during the comparable periods was a $60.1 million increase in nitrogen fertilizer net sales primarily driven by increase in both sales volumes ($33.2 million) and selling prices of ammonia and UAN ($26.9 million).

Cost of Product Sold Exclusive of Depreciation and Amortization. Consolidated cost of product sold exclusive of depreciation and amortization was $1,168.1 million for the 233 days ended December 31, 2005 and $768.1 million for the 174 days ended June 23, 2005 as compared to $1,244.2 million for the 304 days ended December 31, 2004 and $221.4 million for the 62 days ended March 2, 2004. This increase of $470.5 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily due to increased crude oil prices partially offset by lower sales volumes and the impact of FIFO inventory valuation.

Depreciation and Amortization. Consolidated depreciation and amortization was $24.0 million for the 233 days ended December 31, 2005 and $1.1 million for the 174 days ended June 23, 2005 as compared to $2.4 million for the 304 days ended December 31, 2004 and $0.4 million for the 62 days ended March 2, 2004. This increase of $22.3 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was due to an increase in petroleum depreciation and amortization of $14.6 million and in nitrogen fertilizer depreciation and amortization of $7.7 million primarily the result of a step-up in property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Consolidated direct operating expenses exclusive of depreciation and amortization were $85.3 million for the 233 days ended December 31, 2005 and $80.9 million for the 174 days ended June 23, 2005 as compared to $117.0 million for the 304 days ended December 31, 2004 and $23.4 million for the 62 days ended March 2, 2004. This increase of $25.8 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was due to an increase in petroleum direct operating expenses of $20.5 million and an increase in nitrogen fertilizer direct operating expenses of $5.3 million.

Selling, General and Administrative Expenses Exclusive of Depreciation and Amortization. Consolidated selling, general and administrative expenses were $18.3 million for the 233 days ended December 31, 2005 and $18.3 million for the 174 days ended June 23, 2005 as compared to $16.3 million for the 304 days ended December 31, 2004 and $4.6 million for the 62 days ended March 2, 2004. This increase of $15.7 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily the result of increases in insurance costs associated with Successor's $1.25 billion property insurance limit requirement, letter of credit fees due under our $150.0 million funded letter of credit facility utilized as collateral for the Cash Flow Swap which was not in place in the prior period, management fees, discretionary bonuses and the write-off of unearned compensation associated with the Subsequent Acquisition.

Operating Income. Consolidated operating income was $158.5 million for the 233 days ended December 31, 2005 and $112.3 million for the 174 days ended June 23, 2005 as compared to $100.0 million for the 304 days ended December 31, 2004 and $11.2 million for the 62 days ended March 2, 2004. This increase of $159.6 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was the result of an increase in petroleum operating income of $114.9 million and an increase in nitrogen fertilizer operating income of $44.6 million.

Interest Expense. Consolidated interest expense was $25.0 million for the 233 days ended December 31, 2005 and $7.8 million for the 174 days ended June 23, 2005 as compared to $10.1 million for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. This increase of $22.7 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was the direct result of increased borrowings in 2005 associated with our first tier credit facility and second tier credit facility completed in association with the Subsequent Acquisition (See "— Liquidity and Capital Resources — Debt") and an increase in the actual rate of our borrowings due to both increases in index rates (LIBOR and prime rate) and applicable margins. The comparability of 2005 and 2004 interest expense has been impacted by the differing capital structures of Successor, Immediate Predecessor and Original Predecessor. See "— Factors Affecting Comparability."

Interest Income. Interest income was $1.0 million for the 233 days ended December 31, 2005 and $0.5 million for the 174 days ended June 23, 2005 as compared to $0.2 million for the 304 days ended December 31, 2004 and $0.0 million for the 62 days ended March 2, 2004. This increase of $1.3 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was the result of larger cash balances and higher yields on invested cash.

Gain (loss) on Derivatives. Gain (loss) on derivatives was a loss of $316.1 million for the 233 days ended December 31, 2005 and a loss of $7.7 million for the 174 days ended June 23, 2005 as compared to a $0.5 million gain for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. This dramatic decrease of $324.2 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 is the result of a dramatic increase in losses on derivatives primarily attributable to our Cash Flow Swap and the accounting treatment for all of our derivative transactions. We determined that the Cash Flow Swap and our other derivative instruments do not qualify as hedges for hedge accounting purposes under

SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Therefore, the net income for the year ended December 31, 2005 included both the realized and the unrealized losses on all derivatives. Since the Cash Flow Swap had a significant term remaining as of December 31, 2005 (approximately four years) and the NYMEX crack spread that is the basis for the underlying swap contracts that comprised the Cash Flow Swap had improved substantially, the unrealized losses on the Cash Flow Swap increased significantly as of December 31, 2005. The impact of these unrealized losses on all derivatives, including the Cash Flow Swap, resulted in unrealized losses of $229.8 million for 2005. Realized losses on derivative transaction comprised the balance of the losses for 2005 or $93.9 million. See "— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk."

Extinguishment of Debt. On June 24, 2005 and in connection with the acquisition of Immediate Predecessor by Coffeyville Acquisition LLC (see "— Factors Affecting Comparability"), we raised $800.0 million in long-term debt commitments under a first lien credit facility and a second lien credit facility. As a result of the retirement of Immediate Predecessor's outstanding indebtedness consisting of $150.0 million term loan and revolving credit facilities, we recognized $8.1 million as a loss on extinguishment of debt in 2005. This compares to a loss on extinguishment of debt of $7.2 million for the year ended December 31, 2004. On May 10, 2004, we used proceeds from a $150.0 million term loan to pay off our then existing debt which was originally incurred on March 3, 2004. In connection with the extinguishment of debt, we recognized $7.2 million as a loss on extinguishment of debt in the 304 day period ended December 31, 2004.

Other Income (Expense). Other income (expense) was expense of $0.6 million for the 233 days ended December 31, 2005 and expense of $0.8 million for the 174 days ended June 23, 2005 as compared to income of $0.1 million for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. This decrease of $1.4 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily the result of asbestos related accruals in 2005.

Provision for Income Taxes. Our income tax benefit in the year ended December 31, 2005 was ($26.9 million), or 28.7% of loss before income tax, as compared to $33.8 million in 2004. The effective tax rate for 2005 was impacted by a realized loss on option agreements that expired unexercised. Coffeyville Acquisition LLC was the party to these agreements and the loss was incurred at that level which we effectively treated as a permanent non-deductible loss, therefore generating a lower effective tax rate on the net loss for the year.

Net Income. Net income was a loss of $119.2 million for the 233 days ended December 31, 2005 and net income of $52.4 million for the 174 days ended June 23, 2005 as compared to net income of $49.7 million for the 304 days ended December 31, 2004 and net income of $11.2 million for the 62 days ended March 2, 2004. This decrease of $127.7 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily due to losses on derivatives offset by improved margins in the year ending December 31, 2005 as compared to 2004.

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net Sales. Consolidated net sales were $1,479.9 million for the 304 days ended December 31, 2004 and $261.1 million for the 62 days ended March 2, 2004 compared to $1,262.2 million for the year ended December 31, 2003. The increase of $478.8 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily due to an increase in petroleum net sales of $471.1 million due to both increased sales volumes ($83.2 million) and increased refined product prices ($387.9 million). Nitrogen fertilizer net sales increased $12.0 million in the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 as a result of improved nitrogen fertilizer prices ($18.8 million), offset by a decline in overall fertilizer sales volume ($6.8 million).

Cost of Product Sold Exclusive of Depreciation and Amortization. Consolidated cost of product sold exclusive of depreciation and amortization was $1,244.2 million for the 304 days ended December 31, 2004 and $221.4 million for the 62 days ended March 2, 2004 compared to $1,061.9 million for the year ended December 31, 2003. This increase of $403.8 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily due to an increase in crude oil costs and increased crude throughput in our petroleum business for the year ended December 31, 2004 as compared to the year ended December 31, 2003. Nitrogen fertilizer cost of product sold also increased in the comparable periods primarily due to the recognition of the cost of pet coke after the Initial Acquisition as compared to zero value transfer during the Original Predecessor period.

Depreciation and Amortization. Consolidated depreciation and amortization was $2.4 million for the 304 days ended December 31, 2004 and $0.4 million for the 62 days ended March 2, 2004 compared to $3.3 million for the year ended December 31, 2003. This decrease of $0.5 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was due to a decrease in petroleum depreciation and amortization of $0.3 million and a decrease in nitrogen fertilizer depreciation and amortization of $0.2 million.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Consolidated direct operating expenses exclusive of depreciation and amortization were $117.0 million for the 304 days ended December 31, 2004 and $23.4 million for the 62 days ended March 2, 2004 compared to $133.1 million for the year ended December 31, 2003. The increase of $7.2 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily due to an increase in petroleum direct operating expenses of $8.1 million. This increase in the petroleum business was partially offset by a decrease in nitrogen fertilizer direct operating expenses of $0.8 million.

Operating Income. Consolidated operating income was $100.0 million for the 304 days ended December 31, 2004 and $11.2 million for the 62 days ended March 2, 2004 compared to $29.4 million for the year ended December 31, 2003. For the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003, petroleum operating income increased $63.3 million and nitrogen fertilizer operating income increased by $18.6 million.

Selling, General and Administrative Expenses Exclusive of Depreciation and Amortization, Reorganization Expenses and Interest Expense. Consolidated selling, general and administrative expenses were $16.3 million for the 304 days ended December 31, 2004 and $4.7 million for the 62 days ended March 2, 2004 compared to $23.6 million for the year ended December 31, 2003. The $16.3 million of consolidated selling, general and administrative expenses for the 304 days ended December 31, 2004 represented the cost associated with corporate governance, legal expenses, treasury, accounting, marketing, human resources and maintaining corporate offices in New York and Kansas City. During the predecessor periods, Farmland allocated corporate overhead based on internal needs, which may not have been representative of the actual cost to operate the businesses. In addition, during the year ended December 31, 2003, Farmland incurred a number of charges related to its bankruptcy. As a result of the charges and issues related to allocations, a comparison of selling, general and administrative expenses for the year ended December 31, 2004 to the year ended December 31, 2003 is not meaningful.

Extinguishment of Debt. On May 10, 2004, we used proceeds from a $150.0 million dollar term loan to pay off our then existing debt which was originally incurred on March 3, 2004. In connection with the extinguishment of debt, we recognized $7.2 million as a loss on extinguishment of debt in the 304 day period ended December 31, 2004.

Provision for Income Taxes. Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. Farmland did not allocate income taxes to its divisions. As a result, Original Predecessor periods do not reflect any provision for income taxes.

Net Income. Net income was $49.7 million for the 304 days ended December 31, 2004 and $11.2 million for the 62 days ended March 2, 2004 compared to $27.9 million for the year ended December 31, 2003. This increase of $33.0 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was due to both the change in ownership and improved results in both the petroleum business and the nitrogen fertilizer business.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with GAAP. In order to apply these principles, management must make judgments, assumptions and estimates based on the best available information at the time. Actual results may differ based on the accuracy of the information utilized and subsequent events. Our accounting policies are described in the notes to our audited financial statements included elsewhere in this prospectus. Our critical accounting policies, which are described below, could materially affect the amounts recorded in our financial statements.

Impairment of Long-Lived Assets

During 2001, Farmland accounted for long-lived assets in accordance with SFAS No. 121, *Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of.* SFAS 121 was superseded by SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which was adopted by Farmland effective January 1, 2002.

In accordance with both SFAS 144 and SFAS 121, Farmland reviewed its long-lived assets for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeded its estimated future undiscounted net cash flows, an impairment charge was recognized by the amount by which the carrying amount of the assets exceeded the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value less cost to sell, and are no longer depreciated.

In its Plan of Reorganization, Farmland stated, among other things, its intent to dispose of its petroleum and nitrogen fertilizer assets. Despite this stated intent, these assets were not classified as held for sale under SFAS 144 until October 7, 2003 because, ultimately, any disposition must be approved by the bankruptcy court and the bankruptcy court did not approve such disposition until that date. Since Farmland determined that it was more likely than not that its assets would be disposed of, those assets were tested for impairment in 2002 pursuant to SFAS 144, using projected undiscounted net cash flows. Based on Farmland's best assumptions regarding the use and eventual disposition of those assets, primarily from indications of value received from potential bidders in the bankruptcy sales process, the assets were determined to exceed the fair value expected to be received on disposition by approximately $375.1 million. Accordingly, an impairment charge was recognized for that amount in 2002. The ultimate proceeds from disposition of these assets were decided in a bidding and auction process conducted in the bankruptcy proceedings. In 2003, as a result of receiving a bid from Coffeyville Resources, LLC, Farmland revised its estimate of the amount to be generated from the disposition of these assets and an additional impairment charge of $9.6 million was taken in the year ended December 31, 2003.

As of March 31, 2007, net property, plant and equipment totaled $1,113.6 million. To the extent events or circumstances change indicating the carrying amounts of our assets may not be recoverable, we could experience asset impairments in the future.

Derivative Instruments and Fair Value of Financial Instruments

We use futures contracts, options, and forward contracts primarily to reduce exposure to changes in crude oil prices, finished goods product prices and interest rates to provide economic hedges of inventory positions and anticipated interest payments on long term-debt. Although management considers these derivatives economic hedges, the Cash Flow Swap and our other derivative instruments do not qualify as hedges for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and accordingly are recorded at fair value in the balance sheet. Changes in the fair value of these derivative instruments are recorded into earnings as a component of other income (expense) in the period of change. The estimated fair values of forward and swap contracts are based on quoted market prices and assumptions for the estimated forward yield curves of related commodities in periods when quoted market prices are unavailable. The Company recorded net gains (losses) from derivative instruments of ($323.7 million), $94.5 million and $(137.0) million in gain (loss) on derivatives for the fiscal years ended December 31, 2005 and 2006 and for the three months ended March 31, 2007, respectively.

As of March 31, 2007, a $1.00 change in quoted prices for the crack spreads utilized in the Cash Flow Swap would result in a $61.3 million change to the fair value of derivative commodity position and the same change to net income.

Environmental Expenditures

Liabilities related to future remediation of contaminated properties are recognized when the related costs are considered probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting environmental liabilities, no offset is made for potential recoveries. All liabilities are monitored and adjusted as new facts or changes in law or technology occur. Environmental expenditures are capitalized when such costs provide future economic benefits. Changes in laws, regulations or assumptions used in estimating these costs could have a material impact to our financial statements. The amount recorded for environmental obligations at March 31, 2007 totaled $7.1 million, including $1.2 million included in current liabilities.

Share-Based Compensation

We estimated fair value of units for all applicable periods as described below.

At March 3, 2004, we determined the per unit value of the Original Predecessor common units by assessing the fair value of the preference components associated with the preferred units based on expected future cash flows of the business and subtracting that value from the total fair value of our equity to arrive at a fair value of the residual interests of the preferred and common units.

In addition to voting rights, the holders of the preferred units, who contributed all the cash into the Original Predecessor on the acquisition date, were entitled to a return of their contributed capital plus a 15% per annum preferred yield on any outstanding unreturned contributed capital. In determining the value that the preferred unit holders transferred to the common unit holders, rather than applying a waterfall method which would have resulted in no value, we applied a discounted cash flow analysis based on a range of potential earnings outcomes and assumptions. The percent of equity value transferred from the preferred unit holders to the common unit holders was based on the discounted cash flow analysis after giving effect to the preference obligations, including the 15% per annum preferred yield. Changes in assumptions such as discount rates, prices or operating plant operating conditions used to determine the forecasted cash flows used in the valuation could have a material impact on the percent of equity value allocated to the common units. In preparing the discounted cash flow analysis, the product sales price assumptions used for the fertilizer and refinery products assumed sustained prices for a five-year period at historically high levels.

In connection with its refinancing on May 10, 2004, we had obtained independent third party appraisals for the refinery and the nitrogen fertilizer plant property, plant and equipment. Taking into account the third party appraisals, we calculated an equity value for the business. The appraisals included market approach valuations and income approach valuations in the form of a discounted cash flow. The discounted cash flow analysis included assumptions for product sales prices consistent with readily available forward market indicators and reflected existing plant performance measures. Changes in assumptions such as discount rates, prices or operating plant operating conditions used to determine the forecasted cash flows used in the valuation could have a material impact on the equity value. Given the refinancing allowed us to settle the preference obligations, the equity value resulting from the appraisal was allocated pro rata to all unit holders for the 74,852,941 shares outstanding subject to a discount of 8% attributed to the common units for the non-voting status.

For the 233–day period ended December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, we account for share-based compensation in accordance with SFAS No. 123(R), *Share-Based Payments*. SFAS 123(R) requires that compensation costs relating to share-based payment transactions be recognized in a company's financial statements. SFAS 123(R) applies to transactions in which an entity exchanges its equity instruments for goods or services and also may apply to liabilities an entity incurs for goods or services that are based on the fair value of those equity instruments.

In accordance with SFAS 123(R), we apply a fair-value-based measurement method in accounting for share-based override units and phantom points. See "Management — Employment Agreements, Separation and Consulting Agreement and Other Arrangements." Override units are equity classified awards measured using the grant date fair value with compensation expense recognized over the respective vesting period. Phantom points are liability classified awards marked to market based on their fair value at the end of each reporting period with compensation expense recognized over the respective vesting period.

At June 24, 2005 an independent third party appraisal for the refinery and the nitrogen fertilizer plant were obtained. Additionally, an independent appraisal process occurred at that time, to value the management common units that were subject to redemption and our override value units, override operating units and phantom points. The Monte Carlo method of valuation was utilized to value the override operating units, override value units and phantom points that were issued on June 24, 2005.

In addition, an independent appraisal process occurs each reporting period in order to revalue the management common units and phantom points. The significant assumptions that are used each reporting period to value the phantom and performance service points are: (1) estimated forfeiture rate; (2) explicit service period or derived service period as applicable, (3) grant-date fair value–controlling basis; (4) marketability and minority interest discounts and (5) volatility.

For the independent valuations that occurred as of December 31, 2005, June 30, 2006 and September 30, 2006, a Binomial Option Pricing Model was utilized to value the phantom points. Probability-weighted values that were determined in this independent valuation process were discounted to determine the present value of the units. Prospective financial information is utilized in the valuation process. A discounted cash flow method, a variation of the income approach, and a guideline company method, which is a variation of a market approach is utilized to value the management common units.

A combination of a binomial model and a probability-weighted expected return method which utilizes the company's cash flow projections was utilized to value the additional override operating units and override value units that were issued on December 28, 2006. Additionally, this combination of a binomial model and probability-weighted expected return method was utilized to value the phantom points as of December 31, 2006. Management believes that this method is preferable for the valuation of the override units and phantom points as it allows a better integration of the cash flows with other inputs including the timing of potential exit events that impact the estimated fair value of the override units and phantom points.

There is considerable judgment in the determination of the significant assumptions used in determining the fair value for our share based compensation. Changes in these assumptions could result in material changes in the amounts recognized as compensation expense in our consolidated financial statements. For example, if we accelerated the expected term or maturity date of the override units as a result of a change in assumptions for the timeframe for when the override units begin to receive distributions (i.e., timing of an exit event), or increased the current value of the common units based on changes in the projected future cash flows of the business, the measurement date fair value of the override units and the phantom points could materially increase, which could materially increase the amount of compensation expense recognized in our consolidated financial statements. In addition, changes in the assumptions of discount rate, volatility, or free cash flows will impact the amount of compensation expense recognized. The extent of the impact is influenced by the expected term or maturity date of the override units and current value of the common units.

Assuming an override maturity date beyond ten years, which increases the strike price as a result of requiring a higher return on the common units before distributions are paid to the override units, any changes to the discount rate, volatility, or free cash flows that would increase compensation expense are largely offset by the increase in the strike price. Assuming a 25% increase in the projected free cash flows used in the analysis, additional compensation expense of approximately $10.1 million would be recognized over the vesting period related to the phantom points.

Purchase Price Accounting and Allocation

The Initial Acquisition and the Subsequent Acquisition described in Note 1 to our audited consolidated financial statements included elsewhere in this prospectus have been accounted for using the purchase method of accounting as of March 3, 2004 and June 24, 2005, respectively. The allocations of the purchase prices to the net assets acquired have been performed in accordance with SFAS No. 141, *Business Combinations.* In connection with the allocations of the purchase prices, management used estimates and assumptions to determine the fair value of the assets acquired and liabilities assumed. Changes in these assumptions and estimates such as discount rates and future cash flows used in the appraisal process could have a material impact on how the purchase prices were allocated at the dates of acquisition.

Income Taxes

Income tax expense is estimated based on the projected effective tax rate based upon future tax return filings. The amounts anticipated to be reported in those filings may change between the time the financial statements are prepared and the time the tax returns are filed. Further, because tax filings are subject to review by taxing authorities, there is also the risk that a position on a tax return may be challenged by a taxing authority. If the taxing authority is successful in asserting a position different than that taken by us, differences in a tax expense or between current and deferred tax items may arise in future periods. Any of these differences which could have a material impact on our financial statements would be reflected in the financial statements when management considers them probable of occurring and the amount reasonably estimatable.

Valuation allowances reduce deferred tax assets to an amount that will more likely than not be realized. Management's estimates of the realization of deferred tax assets is based on the information available at the time the financial statements are prepared and may include estimates of future income and other assumptions that are inherently uncertain. No valuation allowance is currently recorded, as we expect to realize our deferred tax assets.

Consolidation of Variable Interest Entities

In accordance with FASB Interpretation No. 46R, *Consolidation of Variable Interest Entities*, or FIN No. 46R, management has reviewed the terms associated with our interests in the Partnership based upon the partnership agreement as it will apply when the managing general partner interest in the Partnership is sold. Management has determined that the Partnership will be treated as a variable interest entity and as such has evaluated the criteria under FIN 46R to determine that we are the primary beneficiary of the Partnership. FIN 46R requires the primary beneficiary of a variable interest entity's activities to consolidate the VIE. FIN 46R defines a variable interest entity as an entity in which the equity investors do not have substantive voting rights and where there is not sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. As the primary beneficiary, we absorb the majority of the expected losses and/or receive a majority of the expected residual returns of the VIE's activities.

We will need to reassess our investment in the Partnership from time to time to determine whether we are the primary beneficiary. If in the future we conclude that we are no longer the primary beneficiary, we will be required to deconsolidate the activities of the Partnership on a going forward basis. The interest would then be recorded using the equity method and the Partnership gross revenues, expenses, net income, assets and liabilities as such would not be included in our consolidated financial statements.

Liquidity and Capital Resources

Our principal sources of liquidity are from cash and cash equivalents, cash from operations and borrowings under Coffeyville Resources, LLC's senior secured credit facilities.

Cash Balance and Other Liquidity

As of March 31, 2007, we had cash, cash equivalents and short-term investments of $7.6 million. We believe our March 31, 2007 cash levels, together with the availability of borrowings under our revolving loan facilities and the proceeds we receive from this offering, will be adequate to fund our cash requirements based on our current level of operations for at least the next twelve months. As of March 31, 2007, we had available up to $114.1 million under our revolving loan facilities. As of May 31, 2007, we had outstanding $42.0 million of revolver borrowings and availability of $101.6 million under our revolving credit facility.

As of March 31, 2007, our working capital and total members' equity were negatively impacted by the mark to market accounting treatment of the Cash Flow Swap. In addition, our working capital was negatively impacted by increased borrowings under our revolving credit facility and uses of cash for the refinery turnaround and significant capital expenditures. The payable to swap counterparty included in the consolidated balance sheet at March 31, 2007 was approximately $239.0 million, and the current portion included an increase of $94.2 million from December 31, 2006, resulting in an equal reduction in our working capital for that same period. If the unrealized portion of this obligation becomes realized during 2007 and we are required to satisfy the obligations associated with the realized losses, assuming the plant is operating in a commercially reasonable manner, we will have cash flows from operations sufficient to meet this obligation, as a result of the inherent nature of the Cash Flow Swap.

Debt

On December 28, 2006, our subsidiary Coffeyville Resources, LLC entered into a Credit Facility which provides financing of up to $1.075 billion. The Credit Facility consists of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap. The Credit Facility is guaranteed by all of our subsidiaries and is secured by substantially all of their assets including the equity of our subsidiaries on a first lien priority basis.

The Credit Facility refinanced our then existing first lien credit facility and second lien credit facility, which were initially entered into on June 24, 2005 in conjunction with the Subsequent Acquisition. The first lien credit facility consisted of $225.0 million of tranche B term loans; $50 million of delayed draw term loans; a $100.0 million revolving loan facility; and a $150.0 million funded letter of credit facility issued in support of the Cash Flow Swap. The second lien credit facility consisted of a $275.0 million term loan. The first lien credit facility was amended and restated on June 29, 2006 on substantially the same terms as the June 24, 2005 agreement; the primary reason for the June 2006 amendment and restatement was to reduce the applicable margin spreads for borrowings on the first lien term loans and the funded letter of credit facility.

The $775.0 million of tranche D term loans are subject to quarterly principal amortization payments of 0.25% of the outstanding balance commencing on April 1, 2007 and increasing to 23.5% of the outstanding principal balance on April 1, 2013 and the next two quarters, with a final payment of the aggregate outstanding balance on December 28, 2013. Our first lien credit facility, now repaid in full, had a similar amortization schedule and prior to repayment in full we had made all of the quarterly principal amortization payments under that facility.

The revolving loan facility of $150.0 million provides for direct cash borrowings for general corporate purposes and on a short-term basis. Letters of credit issued under the revolving loan facility are subject to a $75.0 million sub-limit. The revolving loan commitment expires on December 28, 2012. The borrower has an option to extend this maturity upon written notice to the lenders; however, the revolving loan maturity cannot be extended beyond the final maturity of the term loans, which is December 28, 2013. As of December 31, 2006, we had available $143.6 million under the revolving credit facility.

The $150.0 million funded letter of credit facility provides credit support for our obligations under the Cash Flow Swap. The funded letter of credit facility is fully cash collateralized by the funding by the lenders of cash into a credit linked deposit account. This account is held by the funded letter of credit issuing bank. Contingent upon the requirements of the Cash Flow Swap, the borrower has the ability to reduce the funded letter of credit at any time upon written notice to the lenders. The funded letter of credit facility expires on December 28, 2010.

The net proceeds of $775.0 million received on December 28, 2006 from the term loans under the Credit Facility were used to repay the term loans under our then existing first lien credit facility, repay all amounts outstanding under our then existing second lien credit facility, pay related fees and expenses, and pay a dividend to existing members of Coffeyville Acquisition LLC in the amount of $250 million.

The net proceeds received in June 2005 from the tranche B term loan of $225.0 million under our then-existing first lien credit facility, second lien term loans of $275.0 million, $12.5 million of revolving loan facilities and a $227.7 million equity contribution from Coffeyville Acquisition LLC were utilized to fund the following upon the closing of the Subsequent Acquisition:

- $685.8 million for cash proceeds to Immediate Predecessor ($1,038.9 million of assets acquired less $353.1 million of liabilities assumed), including $12.6 million of legal, accounting, advisory, transaction and other expenses associated with the Subsequent Acquisition;
- $49.6 million of other fees and expenses related to the Subsequent Acquisition, including financing fees, risk management fees associated with option premiums for crack spread swaps, and title fees; and
- $4.9 million of cash to fund our operating accounts.

The Credit Facility incorporates the following pricing by facility type:

- Tranche D term loans bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus in either case 2.00%, or, at the borrower’s option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds rate plus 1.75% or 1.50% or LIBOR plus 2.75% or 2.50%, respectively, upon achievement of certain rating conditions). Prior to the December 2006 amendment and restatement, first lien term loans accrued interest at (a) the greater of the prime rate and the federal funds rate plus 0.5%, plus in either case 1.25%, or, at the borrower’s option, (b) LIBOR plus 2.25% (with potential stepdowns to LIBOR plus 2.00% or the prime rate plus 1.00%), and second lien term loans accrued interest at a rate of LIBOR plus 6.75% or, at the borrower's option, the prime rate plus 5.75%.

- Revolving loan borrowings bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus in either case 2.00%, or, at the borrower's option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds rate plus 1.75% or 1.50% or LIBOR plus 2.75% or 2.50%, respectively, upon achievement of certain rating conditions). Prior to the December 2006 amendment and restatement, revolving loans under the then-existing first lien credit facility accrued interest at (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus in either case 1.50%, or, at the borrower's option, (b) LIBOR plus 2.50%, (with potential stepdowns to LIBOR plus 2.00% or the prime rate plus 1.00%).
- Letters of credit issued under the $75.0 million sub-limit available under the revolving loan facility are subject to a fee equal to the applicable margin on revolving LIBOR loans owing to all revolving lenders and a fronting fee of 0.25% per annum owing to the issuing lender.
- Funded letters of credit are subject to a fee equal to the applicable margin on term LIBOR loans owed to all funded letter of credit lenders and a fronting fee of 0.125% per annum owing to the issuing lender. The borrower is also obligated to pay a fee of 0.10% to the administrative agent on a quarterly basis based on the average balance of funded letters of credit outstanding during the calculation period, for the maintenance of a credit-linked deposit account backstopping funded letters of credit.

In addition to the fees stated above, the Credit Facility requires the borrower to pay 0.50% per annum in commitment fees on the unused portion of the revolving loan facility.

The Credit Facility requires the borrower to prepay outstanding loans, subject to certain exceptions, with:

- 100% of the net asset sale proceeds received from specified asset sales and net insurance/condemnation proceeds, if the borrower does not reinvest those proceeds in assets to be used in its business or make other permitted investments within 12 months or if, within 12 months of receipt, the borrower does not contract to reinvest those proceeds in assets to be used in its business or make other permitted investments within 18 months of receipt, each subject to certain limitations;
- 100% of the cash proceeds from the incurrence of specified debt obligations;
- 75% of "consolidated excess cash flow" less 100% of voluntary prepayments made during the fiscal year; provided that with respect to any fiscal year commencing with fiscal 2008 this percentage will be reduced to 50% if the total leverage ratio at the end of such fiscal year is less than 1.50:1.00 or 25% if the total leverage ratio as of the end of such fiscal year is less than 1.00:1.00; and
- 100% of the cash proceeds received by us from any initial public offering or secondary registered offering of equity interests, until the aggregate amount of such proceeds is equal to $280 million.

Mandatory prepayments will be applied first to the term loan, second to the swing line loans, third to the revolving loans, fourth to outstanding reimbursement obligations with respect to revolving letters of credit and funded letters of credit, and fifth to cash collateralize revolving letters of credit and funded letters of credit. Voluntary prepayments of loans under the Credit Facility are permitted, in whole or in part, at the borrower's option, without premium or penalty. This offering will trigger a mandatory prepayment of the Credit Facility.

The Credit Facility contains customary covenants. These agreements, among other things, restrict, subject to certain exceptions, the ability of Coffeyville Resources, LLC and its subsidiaries to incur additional indebtedness, create liens on assets, make restricted junior payments, enter into agreements that restrict subsidiary distributions, make investments, loans or advances, engage in mergers, acquisitions or sales of assets, dispose of subsidiary interests, enter into sale and leaseback transactions, engage in certain transactions with affiliates and stockholders, change the business conducted by the credit parties, and enter into hedging agreements. The Credit Facility provides that Coffeyville Resources, LLC may not enter into commodity agreements if, after giving effect thereto, the exposure under all such commodity agreements exceeds 75% of Actual Production (the borrower's estimated future production of refined products based on the actual production for the three prior months) or for a term of longer than six years from December 28, 2006. In addition, the borrower may not enter into material amendments related to any material rights under the Cash Flow Swap or the management agreements with Goldman, Sachs & Co. and Kelso & Company, L.P., without the prior written approval of the lenders. These limitations are subject to critical exceptions and exclusions and are not designed to protect investors in our common stock.

The Credit Facility also requires the borrower to maintain certain financial ratios as follows:

Fiscal quarter ending	Minimum interest coverage ratio	Maximum leverage ratio
March 31, 2007	2.25:1.00	4.75:1.00
June 30, 2007	2.50:1.00	4.50:1.00
September 30, 2007	2.75:1.00	4.25:1.00
December 31, 2007	2.75:1.00	4.00:1.00
March 31, 2008	3.25:1.00	3.25:1.00
June 30, 2008	3.25:1.00	3.00:1.00
September 30, 2008	3.25:1.00	2.75:1.00
December 31, 2008	3.25:1.00	2.50:1.00
March 31, 2009 and thereafter	3.75:1.00	2.25:1.00 to December 31, 2009, 2.00:1.00 thereafter

The computation of these ratios is governed by the specific terms of the Credit Facility and may not be comparable to other similarly titled measures computed for other purposes or by other companies. The minimum interest coverage ratio is the ratio of consolidated adjusted EBITDA to consolidated cash interest expense over a four quarter period. The maximum leverage ratio is the ratio of consolidated total debt to consolidated adjusted EBITDA over a four quarter period. The computation of these ratios requires a calculation of consolidated adjusted EBITDA. In general, under the terms of our Credit Facility, consolidated adjusted EBITDA is calculated by adding consolidated net income, consolidated interest expense, income taxes, depreciation and amortization, other non-cash expenses, any fees and expenses related to permitted acquisitions, any non-recurring expenses incurred in connection with the issuance of debt or equity, management fees, any unusual or non-recurring charges up to 7.5% of consolidated adjusted EBITDA, any net after-tax loss from disposed or discontinued operations, any incremental property taxes related to abatement non-renewal, any losses attributable to minority equity interests and major scheduled turnaround expenses. As of March 31, 2007, we were in compliance with our covenants under the Credit Facility.

We present consolidated adjusted EBITDA because it is a material component of material covenants within our current Credit Facility and significantly impacts our liquidity and ability to borrow under our revolving line of credit. However, consolidated adjusted EBITDA is not a defined term under GAAP and should not be considered as an alternative to operating income or net income as a measure of operating results or as an alternative to cash flows as a measure of liquidity. Consolidated adjusted EBITDA is calculated under the Credit Facility as follows:

	Original Predecessor	Original Predecessor and Immediate Predecessor Combined (non-GAAP)	Immediate Predecessor and Successor Combined (non-GAAP)	Successor	Successor	Successor
	Year Ended December 31,				Three Months Ended March 31,	
Consolidated Financial Results	2003	2004	2005	2006	2006	2007
		(unaudited)	(unaudited)		(unaudited)	(unaudited)
	(in millions)					
Net income (loss)	$ 27.9	$ 60.9	$ (66.8)	$ 191.6	$ 22.1	$ (154.4)
Plus:						
Depreciation and amortization	3.3	2.8	25.1	51.0	12.0	14.2
Interest expense	1.3	10.1	32.8	43.9	12.2	11.9
Income tax expense (benefit)	—	33.8	(26.9)	119.8	14.1	(47.3)
Impairment of property, plant and equipment	9.6	—	—	—	—	—
Loss on extinguishment of debt	—	7.2	8.1	23.4	—	—
Inventory fair market value adjustment	—	3.0	16.6	—	—	—
Funded letters of credit expenses and interest rate swap not included in interest expense	—	—	2.3	—	0.5	—
Major scheduled turnaround expense	—	1.8	—	6.6	—	66.0
Loss on termination of Swap	—	—	25.0	—	—	—
Unrealized (gain) or loss on derivatives	—	—	229.8	(128.5)	20.3	126.9
Non-cash compensation expense for equity awards	—	1.1	1.8	16.9	1.0	3.7
(Gain) or loss on disposition of fixed assets	—	—	—	1.2	—	—
Expenses related to acquisition	—	—	3.5	—	—	—
Minority interest in subsidiaries	—	—	—	—	—	(0.7)
Management fees	—	0.5	2.3	2.3	0.5	0.5
Consolidated adjusted EBITDA	$ 42.1	$ 121.2	$ 253.6	$ 328.2	$ 82.7	$ 20.8

In addition to the financial covenants summarized in the table above, the Credit Facility restricts the capital expenditures of Coffeyville Resources, LLC to $225 million in 2007 (plus the difference between $260 million and the amount spent on capital expenditures in 2006), $100 million in 2008, $80 million in 2009, $80 million in 2010, and $50 million in 2011 and each year thereafter. We intend to amend the Credit Facility prior to the consummation of this offering to change the capital expenditures limits to $375 million in 2007, $125 million in 2008, $125 million in 2009, $80 million in 2010, and $50 million in 2011 and thereafter. The capital expenditures covenant includes a mechanism for carrying over the excess of any previous year's capital expenditure limit. The capital expenditures limitation will not apply for any fiscal year commencing with fiscal 2009 if the borrower consummates an initial public offering and obtains a total leverage ratio of less than or equal to 1.25:1.00 for any quarter commencing with the quarter ended December 31, 2008. We believe the limitations on our capital expenditures imposed by the Credit Facility should allow us to meet our current capital expenditure needs. However, if future events require us or make it beneficial for us to make capital expenditures beyond those currently planned, we would need to obtain consent from the lenders under our Credit Facility.

The Credit Facility also contains customary events of default. The events of default include the failure to pay interest and principal when due, including fees and any other amounts owed under the Credit Facility, a breach of certain covenants under the Credit Facility, a breach of any representation or warranty contained in the Credit Facility, any default under any of the documents entered into in connection with the Credit Facility, the failure to pay principal or interest or any other amount payable under other debt arrangements in an aggregate amount of at least $20 million, a breach or default with respect to material terms under other debt arrangements in an aggregate amount of at least $20 million which results in the debt becoming payable or declared due and payable before its stated maturity, a breach or default under the Cash Flow Swap that would permit the holder or holders to terminate the Cash Flow Swap, events of bankruptcy, judgments and attachments exceeding $20 million, events relating to employee benefit plans resulting in liability in excess of $20 million, a change in control, the guarantees, collateral documents or the Credit Facility failing to be in full force and effect or being declared null and void, any guarantor repudiating its obligations, the failure of the collateral agent under the Credit Facility to have a lien on any material portion of the collateral, and any party under the Credit Facility (other than the agent or lenders under the Credit Facility) contesting the validity or enforceability of the Credit Facility.

Under the terms of our Credit Facility, this offering will be deemed a “Qualified IPO” if the offering generates at least $250 million of gross proceeds and we use the proceeds of the offering, together with cash on hand, to repay at least $275 million of term loans under the Credit Facility. Assuming that the initial public offering price is at least $20 per share and that the total number of shares does not decrease, we expect this offering to constitute a Qualified IPO. However, it is possible that due to market conditions or otherwise this offering may fail to meet the criteria of a Qualified IPO under the Credit Facility. If this offering is not a Qualified IPO, the interest margin on LIBOR loans will increase from 3.00% to 3.25%; if this offering is a Qualified IPO, the interest margin on LIBOR loans may in the future decrease from 3.00% to 2.75% (if we have credit ratings of B2/B) or 2.50% (if we have credit ratings of B1/B+). Interest on base rate loans will similarly be adjusted. In addition, if the offering is a Qualified IPO, (1) we will be allowed to borrow an additional $225 million under the Credit Facility after June 30, 2008 to finance capital enhancement projects if we are in pro forma compliance with the financial covenants in the Credit Facility and the rating agencies confirm our ratings, (2) we will be allowed to pay an additional $35 million of dividends each year, if our corporate family ratings are at least B2 from Moody’s and B from S&P, (3) we will not be subject to any capital expenditures limitations commencing with fiscal 2009 if our total leverage ratio is less than or equal to 1.25:1 for any quarter commencing with the quarter ended December 31, 2008, and (4) at any time after March 31, 2008 we will be allowed to reduce the Cash Flow Swap to not less than 35,000 barrels a day for fiscal 2008 and terminate the Cash Flow Swap for any year commencing with fiscal 2009, so long as our total leverage ratio is less than or equal to 1.25:1 and we have a corporate family rating of at least B2 from Moody’s and B from S&P.

The Credit Facility is subject to an intercreditor agreement among the lenders and the Cash Flow Swap provider, which deal with, among other things, priority of liens, payments and proceeds of sale of collateral.

At December 31, 2006 and March 31, 2007, funded long-term debt, including current maturities, totaled $775.0 million of tranche D term loans. Other commitments at December 31, 2006 and March 31, 2007 included a $150.0 million funded letter of credit facility and a $150.0 million revolving credit facility. As of December 31, 2006, the commitment outstanding on the revolving credit facility was a $6.4 million letter of credit issued to provide transitional collateral to the lender that issued $3.2 million in letters of credit in support of certain environmental obligations and $3.2 million in letters of credit to secure transportation services for a crude oil pipeline. As of March 31, 2007, the commitment outstanding on the revolving credit facility was $35.9 million, including $29.5 million in borrowings, $3.2 million in letters of credit in support of certain environmental obligations and $3.2 million in letters of credit to secure transportation services for a crude oil pipeline.

Nitrogen Fertilizer Limited Partnership

We intend to amend our Credit Facility prior to the consummation of this offering in order to permit the transfer of our nitrogen fertilizer business to the Partnership and the sale of the managing general partner in the Partnership to a new entity owned by our controlling stockholders and senior management. In connection with this amendment, the Partnership, CVR Special GP, LLC (the subsidiary through which we own our general partner interest in the Partnership) and CVR LP, LLC (the subsidiary through which we own our limited partner interest in the Partnership) will be added as guarantors and collateral grantors under the Credit Facility. In addition, the amendment will provide that we may not enter into material amendments related to any material rights under the Partnership's limited partnership agreement without the prior written approval of the lenders.

The managing general partner of the Partnership may, from time to time, seek to raise capital through a public or private offering of limited partner interests in the Partnership. Any decision to pursue such a transaction would be made in the discretion of the managing general partner, not us, and any proceeds raised in a primary offering would be for the benefit of the Partnership, not us (although in some cases, depending on the structure of the transaction, the Partnership might remit proceeds to us). If the managing general partner elects to pursue a public or private offering of limited partner interests in the Partnership, we expect that any such transaction would require amendments to our Credit Facility, as well as the Cash Flow Swap, in order to remove the Partnership and its subsidiaries as obligors under such instruments. Any such amendments could result in significant changes to the Credit Facility's pricing, mandatory repayment provisions, covenants and other terms and could result in increased interest costs and require payment by us of additional fees. We have agreed to use our commercially reasonable efforts to obtain such amendments if the managing general partner elects to cause the Partnership to pursue a public or private offering and gives us at least 90 days written notice. However, we cannot assure you that we will be able to obtain any such amendment on terms acceptable to us or at all. If we are not able to amend our Credit Facility on terms satisfactory to us, we may need to refinance it with another facility. We will not be considered to have used our "commercially reasonable efforts" to obtain such amendments if we do not effect the requested modifications due to (i) payment of fees to the lenders or the swap counterparty, (ii) the costs of this type of amendment, (iii) an increase in applicable margins or spreads or (iv) changes to the terms required by the lenders including covenants, events of default and repayment and prepayment provisions; provided that (i), (ii), (iii) and (iv) in the aggregate are not likely to have a material adverse effect on us. In order to effect the requested amendments, we may require that (1) the Partnership's initial public or private offering generate at least $140 million in net proceeds to us and (2) the Partnership repay its $75 million intercompany note due to us in full prior to or concurrently with the closing of its initial offering. If the managing general partner sells interests to third party investors, we expect that the Partnership may at such time seek to enter into its own credit facility. See "The Nitrogen Fertilizer Limited Partnership."

In addition, we may elect to sell our interests in the Partnership in a secondary public offering (either in connection with a public offering by the Partnership, but subject to priority rights in favor of the Partnership, or following completion of the Partnership's initial public offering, if any) or in a private placement. Neither the consent of the managing general partner nor the consent of the Partnership is required for any sale of our interests in the Partnership, other than customary blackout periods relating to offerings by the Partnership. Any proceeds raised would be for our benefit. The Partnership has granted us registration rights which will require the Partnership to register our interests with the SEC at our request from time to time (following any public offering by the Partnership), subject to various limitations and requirements.

Capital Spending

We divide our capital spending needs into two categories: non-discretionary, which is either capitalized or expensed, and discretionary, which is capitalized. Non-discretionary capital spending, such as for planned turnarounds and other maintenance, is required to maintain safe and reliable operations or to comply with environmental, health and safety regulations. The total non-discretionary capital spending needs for our refinery business and the nitrogen fertilizer business, including major scheduled turnaround expenses, were approximately $175 million in 2006 and we estimate that the total non-discretionary capital spending needs of our refinery business and the nitrogen fertilizer business will be approximately $242 million in 2007 and approximately $207 million in the aggregate over the three-year period beginning 2008. These estimates include, among other items, the capital costs necessary to comply with environmental regulations, including Tier II gasoline standards and on-road diesel regulations. As described above, our Credit Facility limits the amount we can spend on capital expenditures.

Compliance with the Tier II gasoline and on-road diesel standards required us to spend approximately $133 million during 2006 and we estimate that compliance will require us to spend approximately $116 million during 2007 and approximately $46 million in the aggregate between 2008 and 2010. These amounts are reflected in the table below under “Environmental capital needs.” See “Business — Environmental Matters — Fuel Regulations — Tier II, Low Sulfur Fuels.”

The following table sets forth our estimate of non-discretionary spending for our refinery business and the nitrogen fertilizer business for the years presented as of March 31, 2007 (other than 2006 which reflects actual spending). After consummation of this offering, capital spending for the fertilizer business will be determined by the managing general partner of the Partnership. The data contained in the table below represents our current plans, but these plans may change as a result of unforeseen circumstances and we may revise these estimates from time to time or not spend the amounts in the manner allocated below.

Petroleum Business

	2006	2007	2008	2009	2010	Cumulative
			(in millions)			
Environmental capital needs	$ 144.6	$ 139.5	$ 13.3	$ 27.0	$ 51.6	$ 376.0
Sustaining capital needs	11.8	21.4	13.9	15.8	15.2	78.1
	156.4	160.9	27.2	42.8	66.8	454.1
Major scheduled turnaround expenses	4.0	73.0	—	—	50.0	127.0
Total estimated non-discretionary spending	$ 160.4	$ 233.9	$ 27.2	$ 42.8	$ 116.8	$ 581.1

Nitrogen Business

	2006	2007	2008	2009	2010	Cumulative
			(in millions)			
Environmental capital needs	$ 0.1	$ 2.4	$ 2.7	$ 0.5	$ 1.1	$ 6.8
Sustaining capital needs	11.9	6.1	4.5	0.8	4.7	28.0
	12.0	8.5	7.2	1.3	5.8	34.8
Major scheduled turnaround expenses	2.6	—	2.5	—	2.9	8.0
Total estimated non-discretionary spending	$ 14.6	$ 8.5	$ 9.7	$ 1.3	$ 8.7	$ 42.8

Combined

	2006	2007	2008	2009	2010	Cumulative
			(in millions)			
Environmental capital needs	$ 144.7	$ 141.9	$ 16.0	$ 27.5	$ 52.7	$ 382.8
Sustaining capital needs	23.7	27.5	18.4	16.6	19.9	106.1
	168.4	169.4	34.4	44.1	72.6	488.9
Major scheduled turnaround expenses	6.6	73.0	2.5	—	52.9	135.0
Total estimated non-discretionary spending	$ 175.0	$ 242.4	$ 36.9	$ 44.1	$ 125.5	$ 623.9

We undertake discretionary capital spending based on the expected return on incremental capital employed. Discretionary capital projects generally involve an expansion of existing capacity, improvement in product yields, and/or a reduction in direct operating expenses. As of March 31, 2007, we had committed approximately $45 million towards discretionary capital spending in 2007.

The Partnership is also considering a $40 million fertilizer plant expansion, which we estimate could increase the nitrogen fertilizer plant's capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year. This project would also improve the cost structure of the nitrogen fertilizer business by eliminating the need for rail shipments of ammonia, thereby avoiding anticipated cost increases in such transport.

Cash Flows

Comparability of cash flows from operating activities for the years ended December 31, 2006, 2005, 2004 and 2003 has been impacted by the Initial Acquisition and the Subsequent Acquisition. See "Factors Affecting Comparability." Therefore, we have presented our discussion of cash flows from operations by comparing (1) the three months ended March 31, 2007 and 2006, (2) the year ended December 31, 2006 with the 174 days ended September 23, 2005 and the 233 days ended December 31, 2005, (3) the 233 days ended December 31, 2005, the 174 days ended September 23, 2005, the 304 days ended December 31, 2004 and the 62 days ended March 2, 2004 and (4) the year ended December 31, 2003, the 62 days ended March 2, 2004, and the 304 days ended December 31, 2004.

In addition to the cash flows discussed below, following this offering we will initially be entitled to all cash distributed by the Partnership. However, the amount of cash flows from the Partnership that we will receive in the future may be limited by a number of factors. The Partnership may enter into its own credit facility or other contracts that limit its ability to make distributions to us. Additionally, in the future Fertilizer GP will receive a greater allocation of distributions as more cash becomes available for distribution, and consequently we will receive a smaller percentage of quarterly distributions over time. Our rights to distributions may also be adversely affected if the Partnership issues equity in the future. See "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — Our rights to receive distributions from the Partnership may be limited over time" and "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — The Partnership may not have sufficient available cash to enable it to make the quarterly distributions to us following establishment of cash reserves and payment of fees and expenses."

Operating Activities

Comparison of the Three Months Ended March 31, 2007 and the Three Months Ended March 31, 2006.

Net cash flows from operating activities for the three months ended March 31, 2007 was $47.6 million. The positive cash flow from operating activities generated over this period was primarily driven by favorable changes in trade working capital and other working capital, partially offset by unfavorable changes in other assets and liabilities over the period. For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital. Net income for the period was not indicative of the operating margins for the period. This is the result of the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. See "— Consolidated Results of Operations — Three months Ended March 31, 2007 Compared to Three Months Ended March 31, 2006." We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Therefore, the net loss for the three months ended March 31, 2007 included both the realized losses and the unrealized losses on the Cash Flow Swap. Since the Cash Flow Swap had a significant term remaining as of March 31, 2007 (approximately three years and three months) and the NYMEX crack spread that is the basis for the underlying swaps had increased, the unrealized losses on the Cash Flow Swap significantly decreased our Net Income over this period. The impact of these unrealized losses on the Cash Flow Swap is apparent in the

$129.3 million increase in the payable to swap counterparty. Adding to our operating cash flow for the three months ended March 31, 2007 was a $68.2 million source of cash related to a decrease in trade working capital. For the three months ended March 31, 2007, accounts receivable decreased approximately $44.6 million while inventory increased $23.0 million and accounts payable increased $46.5 million. The change in trade working capital was primarily driven by the impact of the refinery turnaround that began in February 2007. The primary uses of cash during the period include a $0.7 million increase in prepaid expenses and other current assets and a $41.3 million use of cash for deferred income taxes primarily the result of the unrealized loss on the Cash Flow Swap.

Net cash flows provided by operating activities for the three months ended March 31, 2006 was $8.0 million. The positive cash flow from operating activities during this period was primarily the result of strong operating earnings and favorable changes in other working capital during the period partially offset by unfavorable changes in trade working capital and other assets and liabilities. Net income for the period was not indicative of the operating margins for the period. This was the result of the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. See "— Consolidated Results of Operations — Three months Ended March 31, 2007 Compared to Three Months Ended March 31, 2006." We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Therefore, the net income for the three months ended March 31, 2006 included both the realized gain and the unrealized losses on the Cash Flow Swap. Since the Cash Flow Swap had a significant term remaining as of March 31, 2006 (approximately four years and three months) and the NYMEX crack spread that is the basis for the underlying swaps had increased during the period, the unrealized losses on the Cash Flow Swap decreased our Net Income over this period. The impact of these unrealized gains on the Cash Flow Swap is apparent in the $3.4 million increase in the payable to swap counterparty. Trade working capital resulted in a use of cash of $24.7 million in cash during the three months ended March 31, 2006 as the decrease in accounts receivable was more than offset by increases in inventory and a decrease in accounts payable.

Comparison of Year Ended December 31, 2006 Compared to the 174 Days Ended June 23, 2005 and the 233 Days Ended December 31, 2005.

Comparability of cash flows from operating activities for the year ended December 31, 2006 and the year ended December 31, 2005 has been impacted by the Initial Acquisition and the Subsequent Acquisition. See "— Factors Affecting Comparability." For instance, completion of the Subsequent Acquisition by Successor required a mark up of purchased inventory to fair market value at the closing of the transaction on June 24, 2005. This had the effect of reducing overall cash flow for Successor as it capitalized that portion of the purchase price of the assets into cost of product sold. Therefore, the discussion of cash flows from operations has been broken down into three separate periods: the year ended December 31, 2006, the 174 days ended June 23, 2005 and the 233 days ended December 31, 2005.

Net cash flows from operating activities for the year ended December 31, 2006 was $186.6 million. The positive cash flow from operating activities generated over this period was primarily driven by our strong operating environment and favorable changes in other assets and liabilities, partially offset by unfavorable changes in trade working capital and other working capital over the period. For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital. Net income for the period was not indicative of the operating margins for the period. This is the result of the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. See "— Consolidated Results of Operations — Year Ended December 31, 2006 Compared to 174 Days Ended June 23, 2005 and 233 Days Ended December 31, 2005." We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Therefore, the net income for the year ended December 31, 2006 included both the realized losses and the unrealized gains on the Cash Flow Swap. Since the Cash Flow Swap had a significant term remaining as of December 31, 2006 (approximately three years and six months) and the NYMEX crack spread that is the basis for the underlying swaps had declined, the unrealized gains on the Cash Flow Swap significantly increased our net income over this period. The impact of these unrealized gains on the Cash Flow Swap is apparent in the $147.0 million decrease in the payable to swap counterparty. Reducing our operating cash flow for the year ended December 31, 2006 was a $0.3 million use of cash related to an increase in trade working capital. For the year ended December 31, 2006, accounts receivable decreased approximately $1.9 million while inventory increased $7.2 million and accounts payable increased $5.0 million. Other primary uses of cash during the period include a $5.4 million increase in prepaid expenses and other current assets and a $37.0 million reduction in accrued income taxes. Offsetting these uses of cash was an $86.8 million increase in deferred income taxes primarily the result of the unrealized gain on the Cash Flow Swap and a $15.3 million increase in other current liabilities.

Net cash flows from operating activities for the 174 days ended June 23, 2005 was $12.7 million. The positive cash flow generated over this period was primarily driven by income of $52.4 million, offset by a $54.3 million increase in trade working capital. During this period, accounts receivable and inventory increased $11.3 million and $59.0 million, respectively. These uses of cash were primarily the result of our expansion into the rack marketing business, which offered increased accounts receivable credit terms relative to bulk refined product sales, an increase in product sales prices and an increase in overall inventory levels.

Net cash flows provided by operating activities for the 233 days ended December 31, 2005 was $82.5 million. The positive cash flow from operating activities generated over this period was primarily the result of strong operating earnings during the period partially offset by the expensing of a $25.0 million option entered into by Successor for the purpose of hedging certain levels of refined product margins and the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. At the closing of the Subsequent Acquisition, we determined that this option was not economical and we allowed the option to expire worthless and thus resulted in the expensing of the associated premium. See “— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk” and “— Consolidated Results of Operations — Year Ended December 31, 2006 Compared to 174 Days Ended June 23, 2005 and 233 Days Ended December 31, 2005.” We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Therefore, the net income for the year ended December 31, 2005 included the unrealized losses on the Cash Flow Swap. Since the Cash Flow Swap became effective July 1, 2005 and had an original term of approximately five years and the NYMEX crack spread that is the basis for the underlying swaps had improved since the trade date of the Cash Flow Swap on June 16, 2005, the unrealized losses on the Cash Flow Swap significantly reduced our net income over this period. The impact of these unrealized losses on all derivatives, including the Cash Flow Swap, is apparent in the $256.7 million increase in the payable to swap counterparty. Additionally and as a result of the closing of the Subsequent Acquisition, Successor marked up the value of purchased inventory to fair market value at the closing of the transaction on June 24, 2005. This had the effect of reducing overall cash flow for Successor as it capitalized that portion of the purchase price of the assets into cost of product sold. The total impact of this for the 233 days ended December 31, 2005 was $14.3 million. Trade working capital provided $8.0 million in cash during the 233 days ended December 31, 2005 as an increase in accounts receivable was more than offset by decreases in inventory and an increase in accounts payable. Offsetting the sources of cash from operating activities highlighted above was a $98.4 million use of cash related to deferred income taxes and a $4.7 million use of cash related to other long-term assets.

Comparison of the 233 Days Ended December 31, 2005, the 174 Days Ended June 23, 2005, the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Comparability of cash flows from operating activities for the year ended December 31, 2005 to the year ended December 31, 2004 has been impacted by the Initial Acquisition and the Subsequent Acquisition. See "— Factors Affecting Comparability." Immediate Predecessor did not assume the accounts receivable or the accounts payable of Farmland. As a result, Farmland collected and made payments on these accounts after March 3, 2004 and these transactions are not included on our consolidated statements of cash flows. In addition, Coffeyville Acquisition LLC's acquisition of the subsidiaries of Coffeyville Group Holdings, LLC required a mark up of purchased inventory to fair market value at the closing of the Initial Acquisition on June 24, 2005. This had the effect of reducing overall cash flow for Coffeyville Acquisition LLC as it capitalized that portion of the purchase price of the assets into cost of product sold. Therefore, the discussion of cash flows from operations has been broken down into four separate periods: the 233 days ended December 31, 2005, the 174 days ended June 23, 2005, the 304 days ended December 31, 2004 and the 62 days ended March 2, 2004.

Net cash flows provided by operating activities for the 233 days ended December 31, 2005 was $82.5 million. The positive cash flow from operating activities generated over this period was primarily driven by our strong operating environment and favorable changes in other working capital over the period. For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital. The net income for the period was not indicative of the excellent operating margins for the period. This is the result of the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. See "— Consolidated Results of Operations — 233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004." We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Therefore, the net income for the 233 days ended December 31, 2005 included both the realized and the unrealized losses on the Cash Flow Swap. Since the Cash Flow Swap had a significant term remaining as of December 31, 2005 (approximately four and one-half years) and the NYMEX crack spread that is the basis for the underlying swaps had improved substantially, the unrealized losses on the Cash Flow Swap significantly reduced our Net Income over this period. The impact of these unrealized losses on all derivatives, including the Cash Flow Swap, is apparent in the $256.7 million unrealized loss in the period related to the increase in the payable to swap counterparty. Contributing to the sources of cash for operating activities during the period was a decrease of trade working capital of $8.0 million and an increase in both deferred revenue and other current liabilities of $10.0 million and $10.5 million, respectively. Primary uses of cash during the period were related to increases in prepaid expenses and other current assets of $6.5 million due to increases in insurance and other prepaids and an increase in deferred income taxes associated with purchase price accounting for the transaction of $98.4 million.

Net cash flows for operating activities for the 174 days ended June 23, 2005 was $12.7 million. The positive cash flow generated over this period was primarily driven by income of $52.4 million, offset by a $54.3 million increase in trade working capital. During this period, accounts receivable and inventory increased $11.3 million and $59.0 million, respectively. These uses of cash were primarily the result of our expansion into the rack marketing business, which offered increased accounts receivable credit terms relative to bulk refined product sales, an increase in product sales prices and an increase in overall inventory levels.

Net cash flow from operating activities for the 304 days ended December 31, 2004 was $89.8 million. The primary driver for the positive cash flow from operations over this period was cash earnings and favorable changes in trade working capital. During this period, we experienced favorable market conditions in our petroleum business and the nitrogen fertilizer business. Changes in trade working capital produced cash flow of approximately $27.6 million during this period. For the 304 days ended December 31, 2004, we experienced a $20.1 million decrease in inventory due to an effort to reduce inventory carrying levels and a $31.1 million increase in accounts payable due to the extension of credit terms by several crude oil vendors and a large electricity vendor. These positive cash flows from operations were partially offset by an increase in accounts receivable of $23.6 million as Immediate Predecessor assumed ownership of the business from Farmland. In addition, changes in other working capital generated approximately $8.7 million in cash during the period. This was primarily the result of increases in other current liabilities by $13.0 million as a result of accruals for personnel, taxes other than income taxes, leases, freight and professional services, offset by reductions in certain prepaid expenses and other current assets.

Net cash from operating activities for the 62 days ended March 2, 2004 was $53.2 million. The positive cash flow generated over this period was primarily driven by cash earnings and favorable changes in other working capital of $34.4 million. With respect to other working capital, $25.7 million in cash resulted from reductions in prepaid expenses and other current assets due to the reduction in prepaid crude oil required by Farmland due to the Initial Acquisition by Coffeyville Group Holdings, LLC and $8.3 million of deferred revenue resulting primarily from prepaid fertilizer contract activity of the nitrogen fertilizer operations. The $6.5 million of cash flows generated from trade working capital was mainly the result of a $19.6 million decrease in accounts receivable due to the collection of a large petroleum account, which had been past due.

Comparison of the Year Ended December 31, 2003, the 62 Days Ended March 2, 2004 and the 304 Days Ended December 31, 2004.

Comparability of cash flows from operating activities for the year ended December 31, 2004 to 2003 has been impacted by the closing of the Initial Acquisition on March 3, 2004. We did not assume the accounts receivable or the accounts payable of Farmland. As a result, Farmland collected and made payments on these accounts after March 3, 2004 and these transactions are not included on our consolidated statements of cash flows. Therefore, this discussion of the cash flow from operations has been separated into three periods: the year ended December 31, 2003, the 62 days ended March 2, 2004 and the 304 days ended December 31, 2004.

Net cash flow from operating activities for the 304 days ended December 31, 2004 was $89.8 million. The primary driver for the positive cash flow from operations over this period was cash earnings and favorable changes in trade working capital. For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital. During this period, we experienced favorable market conditions in our petroleum business and the nitrogen fertilizer business. Changes in trade working capital produced cash flow of approximately $27.6 million during this period. For the 304 days ended December 31, 2004, we experienced a $20.1 million decrease in inventory due to an effort to reduce inventory carrying levels and a $31.1 million increase in accounts payable due to the extension of credit terms by several crude oil vendors and a large electricity vendor. These positive cash flows from operations were partially offset by an increase in accounts receivable of $23.6 million as Immediate Predecessor assumed ownership of the business from Farmland. In addition, changes in other working capital generated approximately $8.7 million in cash during the period. This was primarily the result of increases in other current liabilities by $13.0 million as a result of accruals for personnel, taxes other than income taxes, leases, freight and professional services, offset by reductions in certain prepaid expenses and other current assets.

Net cash flow from operating activities for the 62 days ended March 2, 2004 was $53.2 million. The positive cash flow generated over this period was primarily driven by cash earnings and favorable changes in other working capital of $34.4 million. With respect to other working capital, $25.7 million in cash resulted from reductions in prepaid expenses and other current assets due to the reduction in prepaid crude oil required by Farmland due to the Initial Acquisition by Coffeyville Group Holdings, LLC and $8.3 million of deferred revenue resulting primarily from prepaid fertilizer contract activity of the nitrogen fertilizer operations. The $6.5 million of cash flows generated from trade working capital was mainly the result of a $19.6 million decrease in accounts receivable due to the collection of a large petroleum account, which had been past due.

Net cash flow from operating activities for the year ended December 31, 2003 was $20.3 million. The positive cash flow from operations over this period was directly attributable to cash earnings offset by unfavorable changes in trade and other working capital. The positive cash earnings were the result of an improvement in the environment for both our petroleum business and the nitrogen fertilizer business versus the prior period. The $6.6 million cash outflow resulting from changes in trade working capital was primarily attributable to a $25.3 million increase in accounts receivable due to the delinquency of a large petroleum customer. This increase in accounts receivable was partially offset by a reduction in inventory by $10.4 million and an $8.3 million increase in accounts payable. The increase in other working capital of $21.8 million was primarily driven by a $23.8 million increase in prepaid expenses and other current assets directly attributable to the necessity for Farmland to prepay its crude oil supply during its bankruptcy.

Investing Activities

Comparison of the Three Months Ended March 31, 2007 and the Three Months Ended March 31, 2006.

Net cash used in investing activities for the three months ended March 31, 2007 was $111.4 million compared to $29.3 million for the three months ended March 31, 2006. The increase in investing activities for the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was the result of increased capital expenditures associated with various capital projects in progress in our Petroleum business.

Year Ended December 31, 2006 Compared to the 174 Days Ended June 23, 2005 and the 233 Days Ended December 31, 2005.

Net cash used in investing activities for the year ended December 31, 2006 was $240.2 million compared to $12.3 million for the 174 days ended June 23, 2005 and $730.3 million for the 233 days ended December 31, 2005. Investing activities for the year ended December 31, 2006 was the result of a capital spending increase associated with Tier II fuel compliance and other capital expenditures. Investing activities for the combined period ended December 31, 2005 included $685.1 million related to the Subsequent Acquisition. The other primary use of cash for investing activities for the year ended December 31, 2005 was approximately $57.4 million in capital expenditures.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net cash used in investing activities was $730.3 million for the 233 days ended December 31, 2005 and $12.3 million for the 174 days ended June 23, 2005 as compared to $130.8 million for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. For the combined years ended December 31, 2005 and December 31, 2004, net cash used in investing activities was $742.6 million as compared to $130.8 million. Both periods included acquisition costs associated with successive owners of the assets. Investing activities for the year ended December 31, 2005 included the $685.1 million related to the Subsequent Acquisition. Investing activities for the year ended December 31, 2004 included the $116.6 million acquisition of our assets by Immediate Predecessor from Original Predecessor on March 3, 2004. The other primary use of cash for investing activities was $57.4 million for capital expenditures in 2005 as compared to $14.2 million for 2004. This increase in capital expenditures was primarily the result of a capital spending increase associated with Tier II fuel compliance and other capital expenditures.

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net cash used in investing activities for the 304 days ended December 31, 2004 was $130.8 million and $0 for the 62 days ended March 2, 2004 as compared to $0.8 million in 2003. This difference in the combined periods for the year ended December 31, 2004 and the year ended December 31, 2003 of $130.0 million is directly attributable to an increase in capital expenditures and the acquisition of the Farmland assets during the comparable periods. Throughout its bankruptcy, Farmland maintained capital expenditures for its petroleum and nitrogen assets at a minimum.

Financing Activities

Comparison of the Three Months Ended March 31, 2007 and the Three Months Ended March 31, 2006.

Net cash provided by financing activities for the three months ended March 31, 2007 was $29.5 million as compared to net cash provided by financing activities of $9.6 million for the three months ended March 31, 2006. The primary sources of cash for the three months ended March 31, 2007 were obtained through borrowings under the revolving credit facility. (see "— Liquidity and Capital Resources — Debt"). For the three months ended March 31, 2006, the primary source of cash was the result of $10.0 million of delayed draw term loans specifically generated to fund a portion of two discretionary capital expenditures at our Petroleum operations. During the three months ended March 31, 2006, we also paid $0.6 million of scheduled principal payments.

Year Ended December 31, 2006 Compared to the 174 Days Ended June 23, 2005 and the 233 Days Ended December 31, 2005.

Net cash provided by financing activities for the twelve months ended December 31, 2006 was $30.8 million as compared to net cash used by financing activities for the 174 days ended June 23, 2005 of $52.4 million and net cash provided by financing activities of $712.5 million for the 233 days ended December 31, 2005. The primary sources of cash for the year ended December 31, 2006 were obtained through a refinancing of the Successor's first and second lien credit facilities into a new long term debt Credit Facility of $1.075 billion, of which $775.0 million was outstanding as of December 31, 2006 (see "— Liquidity and Capital Resources — Debt"). The $775.0 million term loan under the Credit Facility was used to repay approximately $527.7 million in first and second lien debt outstanding, fund $5.5 million in prepayment penalties associated with the second lien credit facility and fund a $250.0 million cash distribution to Coffeyville Acquisition LLC. Other sources of cash included $20.0 million of additional equity contributions into Coffeyville Acquisition LLC, which was subsequently contributed to our operating subsidiaries, and $30.0 million of additional delayed draw term loans issued under the first lien credit facility. These sources of cash were specifically generated to fund a portion of two discretionary capital expenditures at our petroleum operations. During this period, we also paid $1.7 million of scheduled principal payments on the first lien term loans.

For the combined period ended December 31, 2005, net cash provided by financing activities was $660.0 million. The primary sources of cash for the combined periods ended December 31, 2005 related to the funding of Successor's acquisition of the assets on June 24, 2005 in the form of $500.0 million in long-term debt and $227.7 million of equity. Additional equity of $10.0 million was contributed into Coffeyville Acquisition LLC subsequent to the aforementioned acquisition, which was subsequently contributed to our operating subsidiaries, in order to fund a portion of two discretionary capital expenditures at our refining operations. Additional sources of funds during the year ended December 31, 2005 were obtained through the borrowing of $0.2 million in revolving loan proceeds, net of $69.6 million of repayments. Offsetting these sources of cash from financing activities during the year ended December 31, 2005 were $24.6 million in deferred financing costs associated with the first and second lien debt commitments raised by Successor in connection with the Subsequent Acquisition (see "— Liquidity and Capital Resources — Debt") and a $52.2 million cash distribution to Immediate Predecessor prior to the Subsequent Acquisition.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net cash provided by financing activities for the 233 days ended December 31, 2005 was $712.5 million and net cash used by financing activities for the 174 days ended June 23, 2005 was $52.4 million. Net cash provided by financing activities for the 304 days ended December 31, 2004 was $93.6 million and net cash used by financing activities was $53.2 million. For the combined periods ended December 31, 2005 and December 31, 2004, net cash used in financing activities was $660.0 million and $40.4 million, respectively. The primary sources of cash for the combined periods of 2005 related to the funding of Successor's acquisition of the assets on June 24, 2005 in the form of $500.0 million in long-term debt and $227.7 million of equity. Additional equity of $10.0 million was contributed into Coffeyville Acquisition LLC subsequent to the aforementioned acquisition, which was subsequently contributed to our operating subsidiaries, in order to fund a portion of two discretionary capital expenditures at our refining operations. Additional sources of funds during the year ended December 31, 2005 were obtained through the borrowing of $0.2 million in revolving loan proceeds, net of $69.6 million of repayments. Offsetting these sources of cash from financing activities during the year ended December 31, 2005 were $24.7 million in deferred financing costs associated with the first and second lien debt commitments raised by Coffeyville Acquisition LLC in connection with the Subsequent Acquisition (see "— Liquidity and Capital Resources — Debt") and a $52.2 million cash distribution to the owners of Coffeyville Group Holdings, LLC prior to the Subsequent Acquisition.

The uses of cash for financing activities for the combined periods ended December 31, 2004 related primarily to the prepayment of the $23.0 million term loan, a $100.0 million cash distribution to the holders of the preferred and common units issued by Coffeyville Group Holdings, LLC, $1.2 million repayment of a capital lease obligation, $16.3 million in financing costs and $53.2 million in net divisional equity distribution to Farmland. We used cash from operations, a $63.3 million equity contribution related to the Initial Acquisition and a new term loan for $150.0 million completed on May 10, 2004 to finance the aforementioned cash outflows in 2004.

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net cash provided by financing activities for the 304 days ended December 31, 2004 was $93.6 million and net cash used by financing activities was $53.2 million for the 62 days ended March 2, 2004. For the combined period ended December 31, 2004, net cash provided by financing activities in 2004 was $40.4 million. The uses of cash for financing activities for the combined period ended December 31, 2004 related primarily to the prepayment of the $23.0 million term loan, a $100.0 million cash distribution to the holders of the preferred and common units issued by Coffeyville Group Holdings, LLC, $1.2 million repayment of a capital lease obligation, $16.3 million in financing costs and $53.2 million in net divisional equity distribution to Farmland. We used cash from operations, a $63.3 million equity contribution related to the Initial Acquisition and a new term loan for $150.0 million completed on May 10, 2004 to finance the aforementioned cash outflows in 2004. In 2003, we used $19.5 million in cash to fund a net divisional equity distribution.

Prior to the Initial Acquisition, our petroleum business and the nitrogen fertilizer business were organized as divisions within Farmland. As such, these divisions did not have a discreet legal structure from Farmland and the cash flows from these operations were collected and disbursed under Farmland's centralized approach to cash management and the financing of its operations. The net divisional equity distribution characterized on the accompanying financial statements represents the net cash generated by these divisions and funded to Farmland to finance its overall operations.

Capital and Commercial Commitments

In addition to long-term debt, we are required to make payments relating to various types of obligations. The following table summarizes our minimum payments as of March 31, 2007 relating to long-term debt, operating leases, unconditional purchase obligations and other specified capital and commercial commitments for the nine months ending December 31, 2007, the four-year period following December 31, 2007 and thereafter.

Our ability to make payments on and to refinance our indebtedness, to fund planned capital expenditures and to satisfy our other capital and commercial commitments will depend on our ability to generate cash flow in the future. This, to a certain extent, is subject to refining spreads, fertilizer margins, receipt of distributions from the Partnership and general economic financial, competitive, legislative, regulatory and other factors that are beyond our control. Based on our current level of operations, we believe our cash flow from operations, available cash and available borrowings under our revolving loan facility and the proceeds we receive from this offering will be adequate to meet our future liquidity needs for at least the next twelve months.

	Payments Due by Period						
	Total	Nine Months Ending December 31, 2007	2008	2009	2010	2011	Thereafter
	(in millions)						
Contractual Obligations							
Long-term debt(1)	$ 775.0	$ 5.8	$ 7.7	$ 7.6	$ 7.5	$ 7.4	$739.0
Operating leases(2)	12.0	2.6	3.9	2.9	1.6	0.9	0.1
Unconditional purchase obligations(3)	241.1	19.0	20.7	20.7	18.3	16.4	146.0
Environmental liabilities(4)	9.7	1.0	1.0	0.9	0.6	0.3	5.9
Funded letter of credit fees(5)	15.9	3.7	4.9	4.9	2.4	—	—
Interest payments(6)	407.5	49.2	64.9	64.1	63.4	62.8	103.1
Total	$1,461.2	$81.3	$103.1	$101.1	$93.8	$87.8	$994.1
Other Commercial Commitments							
Standby letters of credit(7)	$ 6.4	$ 6.4	$ —	$ —	$ —	$ —	$ —

(1) Long-term debt amortization is based on the contractual terms of our Credit Facility. We may be required to amend our Credit Facility in connection with an offering by the Partnership. See “Description of Our Indebtedness and the Cash Flow Swap.”
(2) The nitrogen fertilizer business leases various facilities and equipment, primarily railcars, under non-cancelable operating leases for various periods.
(3) The amount includes (1) commitments under several agreements in our petroleum operations related to pipeline usage, petroleum products storage and petroleum transportation and (2) commitments under an electric supply agreement with the City of Coffeyville.
(4) Environmental liabilities represents our estimated payments required by federal and/or state environmental agencies related to closure of hazardous waste management units at our sites in Coffeyville and Phillipsburg, Kansas. We also have other environmental liabilities which are not contractual obligations but which would be necessary for our continued operations. See “Business — Environmental Matters.”
(5) This amount represents the total of all fees related to the funded letter of credit issued under our Credit Facility. The funded letter of credit is utilized as credit support for the Cash Flow Swap. See “— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk.”
(6) Interest payments are based on interest rates in effect at March 31, 2007 and assume contractual amortization payments.
(7) Standby letters of credit include our obligations under $3.2 million of letters of credit issued in connection with environmental liabilities and $3.2 million in letters of credit to secure transportation expenses related to the Transportation Services Agreement with CCPS Transportation, LLC.

Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us under our revolving credit facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may seek to sell additional assets to fund our liquidity needs but may not be able to do so. We may also need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all.

Recently Issued Accounting Standards

In December 2004, the Financial Accounting Standards Board, or FASB, issued SFAS No. 151, *Inventory Costs*, which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and spoilage. Under SFAS 151, such items will be recognized as current-period charges. In addition, SFAS 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. We adopted SFAS 151 effective January 1, 2006. There was no impact on our financial position or results of operations as a result of adopting this standard.

The Emerging Issues Task Force, or EITF, reached a consensus on Issue No. 04-13, *Accounting for Purchases and Sales of Inventory with the Same Counterparty*, and the FASB ratified it on September 28, 2005. This Issue addresses accounting matters that arise when one company both sells inventory to and buys inventory from another company in the same line of business, specifically, when it is appropriate to measure purchases and sales of inventory at fair value and record them in cost of sales and revenues, and when they should be recorded as an exchange measured at the book value of the item sold. This Issue is to be applied to new arrangements entered into in reporting periods beginning after March 15, 2006. There was no significant impact on our financial position or results of operations as a result of adoption of this Issue.

In June 2006, the FASB ratified its consensus on EITF Issue No. 06-3, *How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement.* EITF 06-3 includes any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer and may include sales, use, value added, and some excise taxes. These taxes should be presented on either a gross or net basis, and if reported on a gross basis, a company should disclose amounts on those taxes in interim and annual financial statements for each period for which an income statement is presented. The guidance in EITF 06-3 is effective for all periods beginning after December 15, 2006 and is not expected to significantly affect our financial position or results of operations.

In June 2006, the FASB issued Interpretation (FIN) No. 48, *Accounting for Uncertain Tax Positions — an interpretation of FASB Statement No. 109.* FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*, by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. If a tax position is more likely than not to be sustained upon examination, then an enterprise would be required to recognize in its financial statements the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. FIN No. 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The application of FIN No. 48 is effective for fiscal years beginning after December 15, 2006 and is not expected to have a material impact on our financial position or results of operations.

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections*, which replaces APB Opinion No. 20, *Accounting Changes* and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements.* SFAS 154 retained accounting guidance related to changes in estimates, changes in a reporting entity and error corrections. However, changes in accounting principles must be accounted for retrospectively by modifying the financial statements of prior periods unless it is impracticable to do so. SFAS 154 is effective for accounting changes made in fiscal years beginning after December 15, 2005. The adoption of SFAS 154 did not have a material impact on our financial position or results of operations.

The SEC issued Staff Accounting Bulletin, or SAB, No. 108, *Considering the Effects of Prior Year Misstatements, When Quantifying Misstatements in Current Year Financial Statements*, on September 13, 2006. SAB No. 108 was issued to address diversity in practice in quantifying financial statement misstatements and the potential under current practice for the build-up of improper amounts on the balance sheet. The effects of applying the guidance issued in SAB No. 108 are to be reflected in annual financial statements covering the first fiscal year ending after November 15, 2006. The initial adoption of SAB No. 108 in 2006 did not have an impact on our financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements,* which establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. SFAS No. 157 states that fair value is "the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price)." The statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently evaluating the effect that this statement will have on our financial statements.

In September 2006, the FASB issued FASB Staff Position, or FSP, No. AUG AIR-1, *Accounting for Planned Major Maintenance Activities*, that disallowed the accrue-in-advance method for planned major maintenance activities. Our scheduled turnaround activities are considered planned major maintenance activities. Since we do not use the accrue-in-advance method of accounting for our turnaround activities, this FSP has no impact on our financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). Under this standard, an entity is required to provide additional information that will assist investors and other users of financial information to more easily understand the effect of the company's choice to use fair value on its earnings. Further, the entity is required to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. This standard does not eliminate the disclosure requirements about fair value measurements included in SFAS 157 and SFAS No. 107, Disclosures about Fair Value of Financial Instruments. SFAS 159 is effective for fiscal years beginning after November 15, 2007, and early adoption is permitted as of January 1, 2007, provided that the entity makes that choice in the first quarter of 2007 and also elects to apply the provisions of SFAS 157. We are currently evaluating the potential impact that SFAS 159 will have on our financial condition, results of operations and cash flows.

Off-Balance Sheet Arrangements

We do not have any "off-balance sheet arrangements" as such term is defined within the rules and regulations of the SEC.

Quantitative and Qualitative Disclosures About Market Risk

The risk inherent in our market risk sensitive instruments and positions is the potential loss from adverse changes in commodity prices and interest rates. None of our market risk sensitive instruments are held for trading.

Commodity Price Risk

Our petroleum business, as a manufacturer of refined petroleum products, and the nitrogen fertilizer business, as a manufacturer of nitrogen fertilizer products, all of which are commodities, have exposure to market pricing for products sold in the future. In order to realize value from our processing capacity, a positive spread between the cost of raw materials and the value of finished products must be achieved (i.e., gross margin or crack spread). The physical commodities that comprise our raw materials and finished goods are typically bought and sold at a spot or index price that can be highly variable.

We use a crude oil purchasing intermediary which allows us to take title and price of our crude oil at the refinery, as opposed to the crude origination point, reducing our risk associated with volatile commodity prices by shortening the commodity conversion cycle time. The commodity conversion cycle time refers to the time elapsed between raw material acquisition and the sale of finished goods. In addition, we seek to reduce the variability of commodity price exposure by engaging in hedging strategies and transactions that will serve to protect gross margins as forecasted in the annual operating plan. Accordingly, we use financial derivatives to economically hedge future cash flows (i.e., gross margin or crack spreads) and product inventories. With regard to our hedging activities, we may enter into, or have entered into, derivative instruments which serve to:

- lock in or fix a percentage of the anticipated or planned gross margin in future periods when the derivative market offers commodity spreads that generate positive cash flows; and
- hedge the value of inventories in excess of minimum required inventories.

Further, we intend to engage only in risk mitigating activities directly related to our business.

Basis Risk. The effectiveness of our derivative strategies is dependent upon the correlation of the price index utilized for the hedging activity and the cash or spot price of the physical commodity for which price risk is being mitigated. Basis risk is a term we use to define that relationship. Basis risk can exist due to several factors including time or location differences between the derivative instrument and the underlying physical commodity. Our selection of the appropriate index to utilize in a hedging strategy is a prime consideration in our basis risk exposure.

Examples of our basis risk exposure are as follows:

- Time Basis — In entering over-the-counter swap agreements, the settlement price of the swap is typically the average price of the underlying commodity for a designated calendar period. This settlement price is based on the assumption that the underling physical commodity will price ratably over the swap period. If the commodity does not move ratably over the periods then weighted average physical prices will be weighted differently than the swap price as the result of timing.
- Location Basis — In hedging NYMEX crack spreads, we experience location basis as the settlement of NYMEX refined products (related more to New York Harbor cash markets) which may be different than the prices of refined products in our Group 3 pricing area.

Price and Basis Risk Management Activities. Our most prevalent risk management activity is to sell forward the crack spread when opportunities exist to lock in a margin sufficient to meet our cash obligations or our operating plan. Selling forward derivative contracts for which the underlying commodity is the crack spread enables us to lock in a margin on the spread between the price of crude oil and price of refined products. The commodity derivative contracts are either exchange-traded contracts in the form of futures contracts or over-the-counter contracts in the form of commodity price swaps.

In the event our inventories exceed our target base level of inventories, we may enter into commodity derivative contracts to manage our price exposure to our inventory positions that are in excess of our base level. Excess inventories are typically the result of plant operations such as a turnaround or other plant maintenance. The commodity derivative contracts are either exchange-traded contracts in the form of futures contracts or over-the-counter contracts in the form of commodity price swaps.

To reduce the basis risk between the price of products for Group 3 and that of the NYMEX associated with selling forward derivative contracts for NYMEX crack spreads, we may enter into basis swap positions to lock the price difference. If the difference between the price of products on the NYMEX and Group 3 (or some other price benchmark as we may deem appropriate) is different than the value contracted in the swap, then we will receive from or owe to the counterparty the difference on each unit of product contracted in the swap, thereby completing the locking of our margin. An example of our use of a basis swap is in the winter heating oil season. The risk associated with not hedging the basis when using NYMEX forward contracts to fix future margins is if the crack spread increases based on prices traded on NYMEX while Group 3 pricing remains flat or decreases then we would be in a position to lose money on the derivative position while not earning an offsetting additional margin on the physical position based on the Group 3 pricing.

On March 31, 2007, we had the following open commodity derivative contracts whose unrealized gains and losses are included in gain (loss) on derivatives in the consolidated statements of operations:

- Successor’s Petroleum Segment holds commodity derivative contracts in the form of three swap agreements for the period from July 1, 2005 to June 30, 2010 with J. Aron, a subsidiary of The Goldman Sachs Group, Inc. and a related party of ours. The swap agreements were originally executed on June 16, 2005 in conjunction with the Subsequent Acquisition of Immediate Predecessor and required under the terms of our long-term debt agreements. These agreements were subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. The total notional quantities on the date of execution were 100,911,000 barrels of crude oil; 2,348,802,750 gallons of unleaded gasoline and 1,889,459,250 gallons of heating oil; pursuant to these swaps, we receive a fixed price with respect to the heating oil and the unleaded gasoline while we pay a fixed price with respect to crude oil. In June 2006, a subsequent swap was entered into with J. Aron to effectively reduce our unleaded notional quantity and increase our heating oil notional quantity by 229,671,750 gallons over the period July 2, 2007 to June 30, 2010. Additionally, several other swaps were entered into with J. Aron to adjust effective net notional amounts of the aggregate position to better align with actual production volumes. The swap agreements were executed at the prevailing market rate at the time of execution and management believed the swap agreements would provide an economic hedge on future transactions. At March 31, 2007 the net notional open amounts under these swap agreements were 61,278,500 barrels of crude oil, 1,278,973,500 gallons of heating oil and 1,294,723,500 gallons of unleaded gasoline. The purpose of these contracts is to economically hedge 30,451,750 barrels of heating oil crack spreads, the price spread between crude oil and heating oil, and 30,826,750 barrels of unleaded gas crack spreads, the price spread between crude oil and unleaded gasoline. These open contracts had a total unrealized net loss at March 31, 2007 of approximately $228.8 million.
- Successor’s Petroleum Segment also holds various NYMEX positions through UBS Securities LLC. At March 31, 2007, we were short 818 crude contracts, 76 heating oil contracts and 170 unleaded contracts, reflecting an unrealized loss of $4.6 million on that date.

As of March 31, 2007, a $1.00 change in quoted futures price for the crack spreads described in the first bullet point would result in a $61.3 million change to the fair value of the derivative commodity position and the same change in net income.

Interest Rate Risk

As of March 31, 2007, all of our $775.0 million of outstanding term debt was at floating rates. An increase of 1.0% in the LIBOR rate would result in an increase in our interest expense of approximately $7.9 million per year.

As of March 31, 2007, all of our $29.5 million of outstanding revolving debt was at floating rates based on prime. If this amount remained outstanding for an entire year, an increase of 1.0% in the prime rate would result in an increase in our interest expense of approximately $0.3 million per year.

In an effort to mitigate the interest rate risk highlighted above and as required under our then-existing first and second lien credit agreements, we entered into several interest rate swap agreements in 2005. These swap agreements were entered into with counterparties that we believe to be creditworthy. Under the swap agreements, we pay fixed rates and receive floating rates based on the three-month LIBOR rates, with payments calculated on the notional amounts set for in the table below. The interest rate swaps are settled quarterly and marked to market at each reporting date.

Notional Amount	Effective Date	Termination Date	Fixed Rate
$325.0 million	3/31/07	6/29/07	4.038%
$325.0 million	6/29/07	3/30/08	4.195%
$250.0 million	3/31/08	3/30/09	4.195%
$180.0 million	3/31/09	3/30/10	4.195%
$110.0 million	3/31/10	6/29/10	4.195%

We have determined that these interest rate swaps do not qualify as hedges for hedge accounting purposes. Therefore, changes in the fair value of these interest rate swaps are included in income in the period of change. Net realized and unrealized gains or losses are reflected in the gain (loss) for derivative activities at the end of each period. For the year ended December 31, 2006, we had $3.7 million of realized and unrealized gains on these interest rate swaps and for the three months ended March 31, 2007, we had $0.6 million of realized and unrealized losses.

INDUSTRY OVERVIEW

Oil Refining Industry

Oil refining is the process of separating the wide spectrum of hydrocarbons present in crude oil, and in certain processes, modifying the constituent molecular structures, for the purpose of converting them into marketable finished, or refined, petroleum products optimized for specific end uses. Refining is primarily a margin-based business where both the feedstocks (the petroleum products such as crude oil or natural gas liquids that are processed and blended into refined products) and the refined finished products are commodities. It is important for a refinery to maintain high throughput rates (the volume per day processed through the refinery) and capacity utilization given the substantial fixed component in the total operating costs. There are also material variable costs associated with the fuel and by-product components that become increasingly expensive as crude prices increase. The refiner's goal is to achieve highest profitability by maximizing the yields of high value finished products and by minimizing feedstock and operating costs.

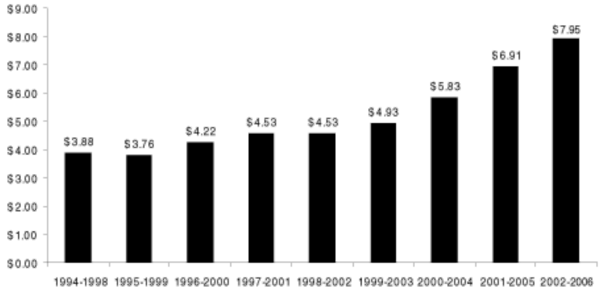
According to the Energy Information Administration, or the EIA, as of January 1, 2006, there were 142 oil refineries operating in the United States, with the 15 smallest each having a capacity of 11,000 bpd or less, and the 10 largest having capacities ranging from 306,000 to 562,500 bpd. Refiners typically are structured as part of a fully or partially integrated oil company, or as an independent entity, such as our Company.

Refining Margins

A variety of so called "crack spread" indicators are used to track the profitability of the refining industry. Among those of most relevance to our refinery are (1) the gas crack spread, (2) the heat crack spread, and (3) the 2-1-1 crack spread. The gas crack spread is the simple difference in per barrel value between reformulated gasoline (gasoline the compounds or properties of which meet the requirements of the reformulated gasoline regulations) in New York Harbor as traded on the New York Mercantile Exchange, or NYMEX, and the NYMEX prompt price of West Texas Intermediate, or WTI, crude oil on any given day. This provides a measure of the profitability when producing gasoline. The heat crack spread is the similar measure of the price of Number 2 heating oil in New York Harbor as traded on the NYMEX, relative to the value of WTI crude which provides a measure of the profitability of producing diesel and heating oil. The 2-1-1 crack spread is a composite spread that assumes for simplification and comparability purposes that for every two barrels of WTI consumed, a refinery produces one barrel of gasoline and one barrel of heating oil; the spread is based on the NYMEX price and delivery of gasoline and heating oil in New York Harbor. The 2-1-1 crack spread provides a measure of the general profitability of a medium high complexity refinery on the day that the spread is computed. The ability of a crack spread to measure profitability is affected by the absolute crude price.

Our refinery uses a consumed 2-1-1 crack spread to measure its specific daily performance in the market. The consumed 2-1-1 crack spread assumes the same relative production of gasoline and heating oil from crude, so like the NYMEX based 2-1-1 crack spread, it has an inherent inaccuracy because the refinery does not produce exactly two barrels of high valued products for each two barrels of crude oil, and the relative proportions of gasoline to heating oil will vary somewhat from the 1:1 relationship. However, the consumed 2-1-1 crack spread is an economically more accurate measure of performance than the NYMEX based 2-1-1 crack spread since the crude price used represents the price of our actual charged crude slate and is based on the actual sale values in our marketing region, rather than on New York Harbor NYMEX numbers. Average 2-1-1 crack spreads vary from region to region depending on the supply and demand balances of crude oils and refined products and can vary seasonally and from year to year reflecting more macroeconomic factors.

Although refining margins, the difference between the per barrel prices for refined products and the cost of crude oil, can be volatile during short term periods of time due to seasonality of demand, refinery outages, extreme weather conditions and fluctuations in levels of refined product held in storage, longer-term averages have steadily increased over the last 10 years as a result of the improving fundamentals for the refining industry. For example, the NYMEX based 2-1-1 crack spread averaged $3.88 per barrel from 1994 through 1998 compared to $9.07 per barrel from 2003 to March 31, 2007. The following chart shows a rolling average of the NYMEX based 2-1-1 crack spread from 1994 through 2006:



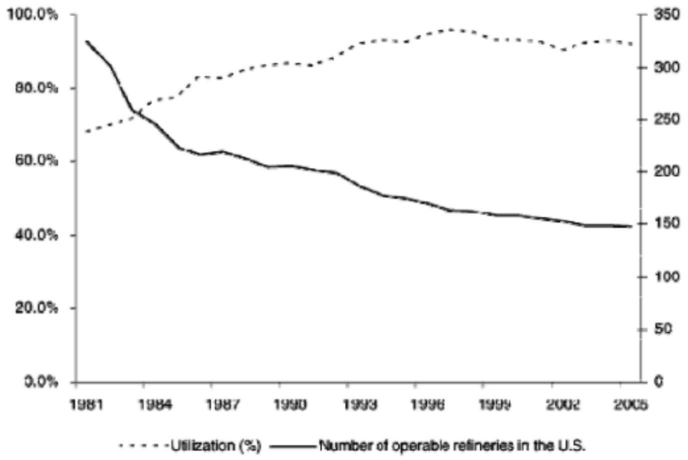
Source: Platts

Refining Market Trends

The supply and demand fundamentals of the domestic refining industry have improved since the 1990s and are expected to remain favorable as the growth in demand for refined products continues to exceed increases in refining capacity. Over the next two decades, the EIA projects that U.S. demand for refined products will grow at an average of 1.5% per year compared to total domestic refining capacity growth of only 1.3% per year. Approximately 83.3% of the projected demand growth is expected to come from the increased consumption of light refined products (including gasoline, diesel, jet fuel and liquefied petroleum gas), which are more difficult and costly to produce than heavy refined products (including asphalt and carbon black oil).

High capital costs, historical excess capacity and environmental regulatory requirements have limited the construction of new refineries in the United States over the past 30 years. According to the EIA, domestic refining capacity decreased approximately 8% between January 1981 and January 2006 from 18.6 million bpd to 17.1 million bpd, as more than 175 generally small and unsophisticated refineries that were unable to process heavy crude into a marketable product mix have been shut down, and no new major refinery has been built in the United States. The implementation of the federal Tier II low sulfur fuel regulations is expected to further reduce existing refining capacity.

In order to meet the increasing demands of the market, U.S. refineries have pursued efficiency measures to improve existing production levels. These efficiency measures and other initiatives, generally known as capacity creep, have raised productive capacity of existing refineries by approximately 1% per year since 1993. According to the EIA, between 1981 and 2004, refinery utilization increased from 69% to 93%. Over the next 20 years, the EIA projects that utilization will remain high relative to historic levels, ranging from 92% to 95% of design capacity.



Source: EIA

The price discounts available to refiners of heavy sour crude oil have widened as many refiners have turned to sweeter and lighter crude oils to meet lower sulfur fuel specifications, which has resulted in increasing the surplus of sour and heavy crude oils. As the global economy has improved, worldwide crude oil demand has increased, and OPEC and other producers have tended to incrementally produce more of the sour or heavier crude oil varieties. We believe that the combination of increasing worldwide supplies of lower cost sour and heavy crude oils and increasing demand for sweet and light crude oils will provide a cost advantage to refineries with configurations that are able to process sour crude oils.

We expect refined products that meet new and evolving fuel specifications will account for an increasing share of total fuel demand, which will benefit refiners who are able to efficiently produce these fuels. As part of the Clean Air Act, major metropolitan areas in the United States with air pollution problems must require the sale and use of reformulated gasoline meeting certain environmental standards in their jurisdictions. Boutique fuels, such as low vapor pressure Kansas City gasoline, enable refineries capable of producing such refined products to achieve higher margins.

Due to the ongoing supply and demand imbalance, the United States continues to be a net refined products importer. Imports, largely from northwest Europe and Asia, accounted for over 13% of total U.S. consumption in 2004. The level of imports generally increases during periods when refined product prices in the United States are materially higher than in Europe and Asia.

Based on the strong fundamentals for the global refining industry, capital investments for refinery expansions and new refineries in international markets have increased during the recent year. However, the competitive threat faced by domestic refiners is limited by U.S. fuel specifications and increasing foreign demand for refined products, particularly for light transportation fuels.

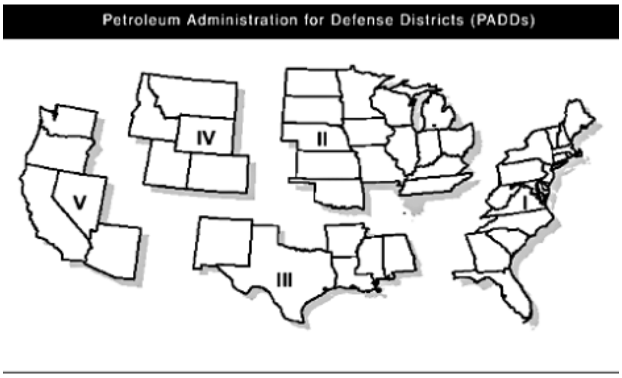
Certain regional markets in the United States, such as the Coffeyville supply area, do not have the necessary refining capacity to produce a sufficient amount of refined products to meet area demand and therefore rely on pipelines and other modes of transportation for incremental supply from other regions of the United States and globally. The shortage of refining capacity is a factor that results in local refiners serving these markets earning generally higher margins on their product sales than those who have to transport their products to this region over long distances.

Notwithstanding the trends described above, the refining industry is cyclical and volatile and has undergone downturns in the past. See “Risk Factors.”

Refinery Locations

A refinery’s location can have an important impact on its refining margins because location can influence access to feedstocks and efficient distribution. There are five regions in the United States, the Petroleum Administration for Defense Districts (PADDs), that have historically experienced varying levels of refining profitability due to regional market conditions. Refiners located in the U.S. Gulf Coast region operate in a highly competitive market due to the fact that this region (PADD III) accounts for approximately 37% of the total number of U.S. refineries and approximately 48% of the country’s refining capacity. PADD I represents the East Coast, PADD IV the Rocky Mountains and PADD V is the West Coast.

Coffeyville operates in the Midwest (PADD II) region of the US. In 2006, demand for gasoline and distillates (primarily diesel fuels, kerosene and jet fuel) exceeded refining production in the Coffeyville supply area by approximately 22%, which created a need to import a significant portion of the region’s requirement for petroleum products from the U.S. Gulf Coast and other regions. The deficit of local refining capacity benefits local refined product pricing and could generally lead to higher margins for local refiners such as our company.



Nitrogen Fertilizer Industry

Plant Nutrition and Nitrogen Fertilizers

Commercially produced fertilizers give plants the primary nutrients needed in a form they can readily absorb and use. Nitrogen is an essential element for plant growth. Absorbed by plants in larger amounts than other nutrients, nitrogen makes plants green and healthy and is the nutrient most responsible for increasing yields in crop plants. Although plants will absorb nitrogen from organic matter and soil materials, this is usually not sufficient to satisfy the demands of crop plants. The supply of nutrients must, accordingly, be supplemented with fertilizers to meet the requirements of crops during periods of plant growth, to replenish nutrients removed from the soil through crop harvesting and to provide those nutrients that are not already available in appropriate amounts in the soil. The two most important sources of nutrients are manufactured or mineral fertilizers and organic manures. Farmers determine the types, quantities and proportions of fertilizer to apply to their fields depending on, among other factors, the crop, soil and weather conditions, regional farming practices, and fertilizer and crop prices.

Nitrogen, which typically accounts for approximately 60% of worldwide fertilizer consumption in any planting season, is an essential element for most organic compounds in plants as it promotes protein formation and is a major component of chlorophyll, which helps to promote green healthy growth and high yields. There are no substitutes for nitrogen fertilizers in the cultivation of high-yield crops such as corn, which on average requires 100-160 pounds of nitrogen for each acre of plantings. The four principal nitrogen based fertilizer products are:

Ammonia. Ammonia is used in limited quantities as a direct application fertilizer, and is primarily used as a building block for other nitrogen products, including intermediate products for industrial applications and finished fertilizer products. Ammonia, consisting of 82% nitrogen, is stored either as a refrigerated liquid at minus 27 degrees, or under pressure if not refrigerated. It is gaseous at ambient temperatures and is injected into the soil as a gas. The direct application of ammonia requires farmers to make a considerable investment in pressurized storage tanks and injection machinery, and can take place only under a narrow range of ambient conditions.

Urea. Urea is formed by reacting ammonia with carbon dioxide, or CO_2, at high pressure. From the warm urea liquid produced in the first, wet stage of the process, the finished product is mostly produced as a coated, granular solid containing 46% nitrogen and suitable for use in bulk fertilizer blends containing the other two principal fertilizer nutrients, phosphate and potash. We do not produce merchant urea.

Ammonium Nitrate. Ammonium nitrate is another dry, granular form of nitrogen based fertilizer. It is produced by converting ammonia to nitric acid in the presence of a platinum catalyst reaction, then further reacting the nitric acid with additional volumes of ammonia to form ammonium nitrate. We do not produce this product.

Urea Ammonium Nitrate Solution (UAN). Urea can be combined with ammonium nitrate solution to make liquid nitrogen fertilizer (urea ammonium nitrate or UAN). These solutions contain 32% nitrogen and are easy to store and transport and provide the farmer with the most flexibility in tailoring fertilizer, pesticide and fungicide applications.

In 2006, we produced approximately 369,300 tons of ammonia, of which approximately two-thirds was upgraded into approximately 633,100 tons of UAN.

Ammonia Production Technology — Advantages of Coke Gasification

Ammonia is produced by reacting gaseous nitrogen with hydrogen at high pressure and temperature in the presence of a catalyst. Traditionally, nearly all hydrogen produced for the manufacture of nitrogen based fertilizers is produced by reforming natural gas at a high temperature and pressure in the presence of water and a catalyst. This process consumes a significant amount of natural gas and is believed to become unprofitable as the natural gas input costs increase.

Alternatively, hydrogen for ammonia can also be produced by gasifying pet coke. Pet coke is a coal-like substance that is produced during the refining process. The coke gasification process, which the nitrogen fertilizer business commercially employs at its fertilizer plant, the only such plant in North America, takes advantage of the large cost differential between pet coke and natural gas in current markets. The plant's coke gasification process allows it to use less than 1% of the natural gas relative to other nitrogen based fertilizer facilities that are heavily dependent upon natural gas and are thus heavily impacted by natural gas price swings. The nitrogen fertilizer business also benefits from the ready availability of pet coke supply from our refinery plant. Pet coke is a refinery by-product which if not used in the fertilizer plant would otherwise be sold as fuel, generating less value to the company.

Fertilizer Consumption Trends

Global demand for fertilizers typically grows at predictable rates and tends to correspond to growth in grain production. Global fertilizer demand is driven in the long-term primarily by population growth, increases in disposable income and associated improvements in diet. Short-term demand depends on world economic growth rates and factors creating temporary imbalances in supply and demand. These factors include weather patterns, the level of world grain stocks relative to consumption, agricultural commodity prices, energy prices, crop mix, fertilizer application rates, farm income and temporary disruptions in fertilizer trade from government intervention, such as changes in the buying patterns of large countries like China or India. According to the International Fertilizer Industry Association, or IFA, from 1960 to 2005, global fertilizer demand has grown 3.7% annually and global nitrogen demand has grown at a faster rate of 4.8% annually. According to the IFA, during that 45-year period, North American fertilizer demand has grown 2.4% annually with North American nitrogen demand growing at a faster rate of 3.3% annually.

In 2000, the FAO projected an increase in major world crop production from 1995/97 to 2030 of approximately 76%. The annual growth rate for fertilizer consumption through 2030 is projected by the FAO to be between 0.7% and 1.3% per year. This forecast assumes a slowdown in the growth of the world's population and crop production, and an improvement in fertilizer use efficiency.

The United States Department of Agriculture recently forecast a 10 million acre increase in 2007 planted corn acres over similar plantings in 2006, the majority of which is expected to be generated on vacant land or through displacement of soybean crops. The net effect of these additional plantings is expected to increase demand for nitrogen fertilizers by 700,000 tons per year. This equates to an annual increase of 2.2 million tons of UAN, or approximately three times our total annual UAN production.

The Farm Belt Nitrogen Market

All of the nitrogen fertilizer business' product shipments target freight advantaged destinations located in the U.S. farm belt. The farm belt refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin. Because shipping ammonia requires refrigerated or pressured containers and UAN is more than 65% water, transportation cost is substantial for ammonia and UAN producers. As a result, locally based fertilizer producers, such as the nitrogen fertilizer business, enjoy a distribution cost advantage over U.S. Gulf Coast ammonia and UAN importers. Southern Plains ammonia and Corn Belt UAN 32 prices averaged $272/ton and $157/ton, respectively, for the 2002 through 2005 period, based on data provided by Blue Johnson & Associates. The volumes of ammonia and UAN sold into certain farm belt markets are set forth in the table below:

Recent United States Ammonia and UAN Demand in Selected Mid-continent Areas

State	Ammonia Quantity	UAN 32 Quantity
	(thousand tons per year)	
Texas	2,300	850
Oklahoma	80	225
Kansas	370	670
Missouri	325	250
Iowa	690	865
Nebraska	335	1,100
Minnesota	335	195

Source: Blue Johnson & Associates Inc.

Fertilizer Pricing Trends

The nitrogen fertilizer industry is cyclical and relatively volatile, reflecting the commodity nature of ammonia and the major finished fertilizer products (e.g., urea). Although domestic industry-wide sales volumes of nitrogen based fertilizers vary little from one fertilizer season to the next due to the need to apply nitrogen every year to maintain crop yields, in the normal course of business industry participants are exposed to fluctuations in supply and demand, which can have significant effects on prices across all participants' commodity business areas and products and, in turn, their operating results and profitability. Changes in supply can result from capacity additions or reductions and from changes in inventory levels. Demand for fertilizer products is dependent on demand for crop nutrients by the global agricultural industry, which, in turn, depends on, among other things, weather conditions in particular geographical regions. Periods of high demand, high capacity utilization and increasing operating margins tend to result in new plant investment, higher crop pricing and increased production until supply exceeds demand, followed by periods of declining prices and declining capacity utilization, until the cycle is repeated. Due to dependence of the prevalent nitrogen fertilizer technology on natural gas, the marginal cost and pricing of fertilizer products also tend to exhibit positive correlation with the price of natural gas.

The historical average annual U.S. Corn Belt ammonia prices as well as natural gas and crude oil prices are detailed in the table below.

Year	Natural Gas ($/million btu)	WTI ($/bbl)	Ammonia ($/ton)
1990	1.78	24.53	125
1991	1.53	21.55	130
1992	1.73	20.57	134
1993	2.11	18.43	139
1994	1.94	17.16	197
1995	1.69	18.38	238
1996	2.50	22.01	217
1997	2.48	20.59	220
1998	2.16	14.43	162
1999	2.32	19.26	145
2000	4.32	30.28	208
2001	4.06	25.92	262
2002	3.39	26.19	191
2003	5.49	31.03	292
2004	5.90	41.47	326
2005	8.92	56.58	394
2006	6.73	66.09	379
2007 (through March 31)	7.19	58.10	424

Source: Bloomberg (natural gas and WTI) and Blue Johnson & Associates, Inc. (ammonia)

BUSINESS

We are an independent refiner and marketer of high value transportation fuels and, through a limited partnership in which we will initially own all of the interests (other than the managing general partner interest and associated IDRs), a producer of ammonia and UAN fertilizers. We are one of only seven petroleum refiners and marketers in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa) and, at current natural gas prices, the nitrogen fertilizer business is the lowest cost producer and marketer of ammonia and UAN in North America.

Our petroleum business includes a 108,000 bpd, complex full coking sour crude refinery in Coffeyville, Kansas (with capacity expected to reach approximately 115,000 bpd by the end of 2007). In addition, our supporting businesses include (1) a crude oil gathering system serving central Kansas and northern Oklahoma, (2) storage and terminal facilities for asphalt and refined fuels in Phillipsburg, Kansas, and (3) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville and Phillipsburg, and to customers at throughput terminals on Magellan refined products distribution systems. In addition to rack sales (sales which are made at terminals into third party tanker trucks), we make bulk sales (sales through third party pipelines) into the mid-continent markets via Magellan and into Colorado and other destinations utilizing the product pipeline networks owned by Magellan, Enterprise and NuStar. Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States, served by numerous pipelines from locations including the U.S. Gulf Coast and Canada, providing us with access to virtually any crude variety in the world capable of being transported by pipeline.

The nitrogen fertilizer business is the only operation in North America that utilizes a coke gasification process to produce ammonia (based on data provided by Blue Johnson & Associates). A majority of the ammonia produced by the fertilizer plant is further upgraded to UAN fertilizer (a solution of urea and ammonium nitrate in water used as a fertilizer). By using pet coke (a coal-like substance that is produced during the refining process) instead of natural gas as raw material, at current natural gas prices the nitrogen fertilizer business is the lowest cost producer of ammonia and UAN in North America. Furthermore, on average, over 80% of the pet coke utilized by the fertilizer plant is produced and supplied to the fertilizer plant as a by-product of our refinery. As such, the nitrogen fertilizer business benefits from high natural gas prices, as fertilizer prices increase with natural gas prices, without a directly related change in cost (because pet coke rather than more expensive natural gas is used as a primary raw material).

We have two business segments: petroleum and nitrogen fertilizer. For the fiscal years ended December 31, 2004, 2005, 2006 and for the twelve months ended March 31, 2007, we generated combined net sales of $1.7 billion, $2.4 billion, $3.0 billion and $2.8 billion, respectively, and operating income of $111.2 million, $270.8 million, $281.6 million and $162.2 million, respectively. Our petroleum business generated $1.6 billion, $2.3 billion, $2.9 billion and $2.6 billion of our combined net sales, respectively, over these periods, with the nitrogen fertilizer business generating substantially all of the remainder. In addition, during these periods, our petroleum business contributed $84.8 million, $199.7 million, $245.6 million and $140.5 million of our combined operating income, respectively, with the nitrogen fertilizer business contributing substantially all of the remainder.

Significant Milestones Since the Change of Control in June 2005

Following the acquisition by certain affiliates of the Goldman Sachs Funds and the Kelso Funds in June 2005, a new senior management team led by John J. Lipinski, our Chief Executive Officer, was formed that combined selected members of existing management with experienced new members. Our new senior management team has executed several key strategic initiatives that we believe have significantly enhanced our competitive position and improved our financial and operational performance.

Increased Refinery Throughput and Yields. Management's focus on crude slate optimization (the process of determining the most economic crude oils to be refined), reliability, technical support and operational excellence coupled with prudent expenditures on equipment has significantly improved the operating metrics of the refinery. The refinery's crude throughput rate (the volume per day processed through the refinery) has increased from an average of less than 90,000 bpd to an average of greater than 102,000 bpd in the second quarter of 2006, with peak daily rates in excess of 108,000 bpd of crude. Crude throughputs averaged 94,500 bpd for 2006, an improvement of over 3,400 bpd over 2005. Recent operational improvements at the refinery have also allowed us to produce higher volumes of favorably priced distillates (primarily No. 1 diesel fuel and kerosene), premium gasoline and boutique gasoline grades.

Diversified Crude Feedstock Variety. We have expanded the variety of crude grades processed in any given month from a limited few to over a dozen, including onshore and offshore domestic grades, various Canadian sours, heavy sours and sweet synthetics, and a variety of South American and West African imported grades. This has improved our crude purchase cost discount to WTI from $3.08 per barrel in 2005 to $4.58 per barrel in 2006.

Expanded Direct Rack Sales. We have significantly expanded and intend to continue to expand rack marketing of refined products (petroleum products such as gasoline and diesel fuel) directly to customers rather than origin bulk sales. Today, we sell over 23% of our produced transportation fuels throughout the Coffeyville supply area within the mid-continent, at enhanced margins, through our proprietary terminals and at Magellan's throughput terminals. With the expanded rack sales program, we improved our net income for 2006 compared to 2005.

Significant Plant Improvement and Capacity Expansion Projects. Management has identified and developed several significant capital projects since June 2005 primarily aimed at (1) expanding refinery and nitrogen fertilizer plant capacity (throughput that the plants are capable of sustaining on a daily basis), (2) enhancing operating reliability and flexibility, (3) complying with more stringent environmental, health and safety standards, and (4) improving our ability to process heavier sour crude feedstock varieties (petroleum products that are processed and blended into refined products). We completed most of these capital projects by April 2007 and expect to complete the remainder prior to the end of 2007. The estimated total cost of these programs is $520 million, the majority of which has already been spent and the remainder of which will be spent by the end of 2007.

The following major projects under this program were completed in 2006:

- Construction of a new 23,000 bpd high pressure diesel hydrotreater and associated new sulfur recovery unit, which will allow the facility to meet the EPA Tier II Ultra Low Sulfur Diesel federal regulations; and
- Expansion of one of the two gasification units within the fertilizer complex, which is expected to increase ammonia production by over 6,500 tons per year.

The following major projects under this program, substantially all of which are completed with the remainder expected to be completed prior to the end of 2007, are intended to increase refinery processing capacity to up to approximately 115,000 bpd, increase gasoline production and improve our liquid volume yield:

- Refinery-wide capacity expansion by increasing throughput of the existing fluid catalytic cracking unit (the unit that converts gas oil from the crude unit or coker unit into liquified petroleum gas, distillates and gasoline blendstocks), the delayed coker (the unit that processes heavy feedstock and produces lighter products and pet coke), and other major process units; and
- Construction of a new grass roots 24,000 bpd continuous catalytic reformer to be completed by the end of 2007.

Once completed, these projects are intended to significantly enhance the profitability of the refinery in environments of high crack spreads and allow the refinery to operate more profitably at lower crack spreads than is currently possible. We intend to finance these capital projects with cash from our operations and occasional borrowings from our revolving credit facility. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt” and “Description of Our Indebtedness and the Cash Flow Swap.”

Our Competitive Strengths

Regional Advantage and Strategic Asset Location. Our refinery is one of only seven refineries located in the Coffeyville supply area within the mid-continent region, where demand for refined products exceeded refining production by approximately 22% in 2006. We estimate that this favorable supply/demand imbalance combined with our lower pipeline transportation cost as compared to the U.S. Gulf Coast refiners has allowed us to generate refining margins, as measured by the 2-1-1 crack spread, that have exceeded U.S. Gulf Coast refining margins by approximately $1.63 per barrel on average for the last four years. The 2-1-1 crack spread is a general industry standard that approximates the per barrel refining margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel.

In addition, the nitrogen fertilizer business is geographically advantaged to supply products to markets in Kansas, Missouri, Nebraska, Iowa, Illinois and Texas without incurring intermediate transfer, storage, barge or pipeline freight charges. Because the nitrogen fertilizer business does not incur these costs, this geographic advantage provides it with a distribution cost benefit over U.S. Gulf Coast ammonia and UAN importers, assuming in each case freight rates and pipeline tariffs for U.S. Gulf Coast importers as recently in effect.

Access to and Ability to Process Multiple Crude Oils. Since June 2005 we have significantly expanded the variety of crude grades processed in any given month and have reduced our acquisition cost of crude relative to WTI by approximately $1.50 per barrel in 2006 compared to 2005. While our proximity to the Cushing crude oil trading hub minimizes the likelihood of an interruption to our supply, we intend to further diversify our sources of crude oil. Among other initiatives in this regard, we have secured shipper rights on the newly built Spearhead pipeline, owned by CCPS Transportation, LLC (which is ultimately owned by Enbridge), which connects Chicago to the Cushing hub and provides us with an ability to secure incremental oil supplies from Canada. We also own and operate a crude gathering system located in northern Oklahoma and central Kansas, which allows us to acquire quality crudes at a discount to WTI.

High Quality, Modern Asset Base with Solid Track Record. We operate a complex full coking sour crude refinery. Complexity is a measure of a refinery’s ability to process lower quality crude in an economic manner; greater complexity makes a refinery more profitable. Our refinery’s complexity allows us to optimize the yields (the percentage of refined product that is produced from crude and other feedstocks) of higher value transportation fuels (gasoline and distillate), which currently account for approximately 94% of our liquid production output. From 1995 through April 30, 2007, we have invested approximately $586 million to modernize our oil refinery and to meet more stringent U.S. environmental, health and safety requirements. As a result, we have achieved significant increases in our refinery crude throughput rate from an average of less than 90,000 bpd prior to June 2005 to over 102,000 bpd in the second quarter of 2006 and over 94,500 bpd for 2006 with peak daily rates in excess of 108,000 bpd. In addition, we have substantially completed our scheduled 2007 refinery turnaround and expect that plant capacity will reach approximately 115,000 bpd by the end of 2007. Management’s consistent focus on reliability and safety earned us the NPRA Gold Award for safety in 2005. The fertilizer plant, completed in 2000, is the newest fertilizer facility in North America, utilizes less than 1% of the natural gas relative to natural gas-based fertilizer producers and, since 2003, has demonstrated a consistent record of operating near full capacity. (The percentage of natural gas used compared to the fertilizer plant’s competitors was calculated using the nitrogen fertilizer business’ own internal data regarding its own natural gas usage and industry data from Blue Johnson regarding typical natural gas use by other ammonia manufacturers.) The fertilizer plant underwent a scheduled turnaround (a periodically required procedure to refurbish and maintain the facility that involves the shutdown and inspection of major processing units) in 2006, and the plant's spare gasifier was recently expanded to increase its production capacity.

Near Term Internal Expansion Opportunities. Since June 2005, we have identified and developed several significant capital improvements primarily aimed at (1) expanding refinery capacity, (2) enhancing operating reliability and flexibility, (3) complying with more stringent environmental, health and safety standards and (4) improving our ability to process heavy sour crude feedstock varieties. With the completion of approximately $520 million of significant capital improvements, we expect to significantly enhance the profitability of our refinery during periods of high crack spreads while enabling the refinery to operate more profitably at lower crack spreads than is currently possible.

Unique Coke Gasification Fertilizer Plant. The nitrogen fertilizer plant is the only one of its kind in North America utilizing a coke gasification process to produce ammonia. The coke gasification process allows the plant to produce ammonia at a lower cost than natural gas-based fertilizer plants because it uses significantly less natural gas then its competitors. We estimate that the facility's production cost advantage over U.S. Gulf Coast ammonia producers is sustainable at natural gas prices as low as $2.50 per million Btu. This cost advantage has been more pronounced in today's environment of high natural gas prices, as the reported Henry Hub natural gas price has fluctuated between approximately $4.20 and $15.00 per million Btu since the end of 2003. The nitrogen fertilizer business has a secure raw material supply with an average of more than 80% of the pet coke required by the fertilizer plant historically supplied by our refinery. After this offering, we will continue to supply pet coke to the nitrogen fertilizer business pursuant to a 20-year intercompany agreement. The sustaining capital requirements for this business are low relative to earnings and are expected to range between $3 million and $5 million per year as compared to $36.8 million of operating income in the nitrogen fertilizer segment for the year ended December 31, 2006. The nitrogen fertilizer business is also considering a $40 million fertilizer plant expansion, which we estimate could increase the nitrogen fertilizer plant's capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year.

Experienced Management Team. In conjunction with the acquisition of our business by Coffeyville Acquisition LLC in June 2005, a new senior management team was formed that combined selected members of existing management with experienced new members. Our senior management team averages over 27 years of refining and fertilizer industry experience and, in coordination with our broader management team, has increased our operating income and stockholder value since the acquisition of Coffeyville Resources. Mr. John J. Lipinski, our Chief Executive Officer, has 35 years of experience in the refining and chemicals industries, and prior to joining us in connection with the acquisition of Coffeyville Resources in June 2005, was in charge of a 550,000 bpd refining system and a multi-plant fertilizer system. Mr. Stanley A. Riemann, our Chief Operating Officer, has over 32 years of experience, and prior to joining us in March 2004, was in charge of one of the largest fertilizer manufacturing systems in the United States. Mr. James T. Rens, our Chief Financial Officer, has over 15 years experience in the energy and fertilizer industries, and prior to joining us in March 2004, was the chief financial officer of two fertilizer manufacturing companies.

Our Business Strategy

The primary business objectives for our refinery business are to increase value for our stockholders and to maintain our position as an independent refiner and marketer of refined fuels in our markets by maximizing the throughput and efficiency of our petroleum refining assets. In addition, management's business objectives on behalf of the Partnership are to increase value for our stockholders and maximize the production and efficiency of the nitrogen fertilizer facilities. We intend to accomplish these objectives through the following strategies:

Pursuing organic expansion opportunities. We continually evaluate opportunities to expand our existing asset base and consider capital projects that accentuate our core competitiveness in petroleum refining. In our petroleum business, we are currently engaged in a refinery-wide capacity expansion project that is expected to increase our operating refinery throughput to up to approximately 115,000 barrels per day by the end of 2007. We are also evaluating projects that will improve our ability to process heavy crude oil feedstocks and to increase our overall operating flexibility with respect to crude oil slates. In addition, management also continually evaluates capital projects that are intended to accentuate the Partnership's competitiveness in nitrogen fertilizer manufacturing.

Increasing the profitability of our existing assets. We strive to improve our operating efficiency and to reduce our costs by controlling our cost structure. We intend to make investments to improve the efficiency of our operations and pursue cost saving initiatives. Currently, we are in the process of completing the construction of a new grass roots continuous catalytic reformer to be completed by the end of 2007. This project is expected to increase the profitability of our petroleum business through increased refined product yields and the elimination of scheduled downtime associated with the reformer that is being replaced. In addition, this project is intended to reduce the dependence of our refinery on hydrogen supplied by the fertilizer facility, thereby allowing the fertilizer business to generate higher margins by increasing its capacity to produce ammonia and UAN rather than hydrogen.

Seeking both strategic and accretive acquisitions. We intend to consider both strategic and accretive acquisitions within the energy industry. We will seek acquisition opportunities in our existing areas of operation that have the potential for operational efficiencies. We may also examine opportunities in the energy industry outside of our existing areas of operation and in new geographic regions. In addition, working on behalf of the Partnership, management also intends to pursue strategic and accretive acquisitions within the fertilizer industry, including opportunities in different geographic regions. We have no agreements or understandings with respect to any acquisitions at the present time.

Pursuing opportunities to maximize the value of the nitrogen fertilizer limited partnership. Our management, acting on behalf of the Partnership, will continually evaluate opportunities that are intended to enable the Partnership to grow its distributable cash flow. Management's strategies specifically related to the growth opportunities of the Partnership include the following:

- *Pursuing opportunities to expand UAN production and other efficiency-based projects.* The nitrogen fertilizer business is pursuing a project that is expected to increase UAN production through the addition of a nitric acid plant, as a result of which the UAN manufacturing facility would substantially consume all of our net ammonia production. The UAN expansion is expected to be completed in 2010 and would result in an approximate 400,000 ton increase in annual UAN production. We believe that this expansion would help to improve our margins as UAN is a higher margin product as compared to ammonia. In addition, the nitrogen fertilizer business is expected to pursue several efficiency-based capital projects in order to reduce overall operating costs, or incrementally increase ammonia production for the nitrogen fertilizer business.
- *Leveraging the Partnership's relationship with our petroleum business.* We expect that over time, as our petroleum business grows, it will need incremental pipeline transportation and storage infrastructure services. The Partnership will be well-situated to meet these needs due to its historic relationship with and proximity to our petroleum facilities, combined with management's knowledge and expertise in hydrocarbon storage and related disciplines. The Partnership may seek to acquire new assets (including pipeline assets and storage facilities) in order to service this potential new source of revenue from our petroleum business.
- *Acquiring assets from the petroleum business.* The Partnership may seek to purchase specific assets from our petroleum business and enter into agreements with the refinery for crude oil transportation, crude oil storage and refined fuels terminalling services. Examples of assets under consideration include our crude gathering pipeline operations in Kansas and

Oklahoma, the refined fuels terminal operations in Phillipsburg, Kansas and our real estate in Cushing, Oklahoma purchased for the future construction of crude oil storage tanks. We have no agreements or understandings with respect to any such acquisitions or agreements at the present time.

- *Pursuing opportunities in CO_2 sequestration.* The nitrogen fertilizer business is currently evaluating a development plan to either sell the currently vented 850,000 tons per year of high purity anthropogenic CO_2 produced by the nitrogen fertilizer facilities into the enhanced oil recovery market or to pursue an economic means of geologically sequestering the CO_2. This project is currently in development, but is expected to result in economic benefits including the direct sale of CO_2 and the sale of verified emission credits on the open market should the credits accrete value in the future due to the implementation of mandatory emission caps for CO_2.
- *Constructing a third gasification unit in the nitrogen fertilizer plant.* The nitrogen fertilizer business intends to pursue the feasibility of the construction and operation of an additional gasification unit to produce a synthesis gas from petroleum coke. It is expected that the addition of a third gasification unit and an additional ammonia and UAN manufacturing facility to the nitrogen fertilizer operations could result, on a long-term basis, in an approximate 1.0 million ton per year increase in UAN production. This project is in its earliest stages of review and is still subject to numerous levels of internal analysis.

Our History

Our business was founded in 1906 by The National Refining Company, which at the time was the largest independent oil refiner in the United States. In 1944 the Coffeyville refinery was purchased by the Cooperative Refinery Association, a subsidiary of a parent company that in 1966 renamed itself Farmland Industries, Inc. Our refinery assets and the nitrogen fertilizer plant were operated as a small component of Farmland Industries, Inc., an agricultural cooperative, until March 3, 2004. Farmland filed for bankruptcy protection on May 31, 2002.

Coffeyville Resources, LLC, a subsidiary of Coffeyville Group Holdings, LLC, won the bankruptcy court auction for Farmland's petroleum business and a nitrogen fertilizer plant and completed the purchase of these assets on March 3, 2004. On October 8, 2004, Coffeyville Group Holdings, LLC, through two of its wholly owned subsidiaries, Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc., acquired an interest in Judith Leiber business, a designer handbag business, through an investment in CLJV Holdings, LLC (CLJV), a joint venture with The Leiber Group, Inc., whose majority stockholder was also the majority stockholder of Coffeyville Group Holdings, LLC. On June 23, 2005, the entire interest in the Judith Leiber business held by CLJV was returned to The Leiber Group, Inc. in exchange for all of its ownership interest in CLJV, resulting in a complete separation of the Immediate Predecessor and the Judith Leiber business.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC, which was formed in Delaware on May 13, 2005, acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. With the exception of crude oil, heating oil and gasoline option agreements entered into with J. Aron as of May 16, 2005, Coffeyville Acquisition LLC had no operations from its inception until the acquisition on June 24, 2005.

Prior to this offering, Coffeyville Acquisition LLC directly or indirectly owned all of our subsidiaries. We were formed in Delaware in September 2006 as a wholly owned subsidiary of Coffeyville Acquisition LLC.

- Prior to the consummation of this offering, Coffeyville Acquisition LLC will redeem all of its outstanding common units held by the Goldman Sachs Funds, who will receive the same number of common units in Coffeyville Acquisition II LLC, a newly formed limited liability company to which Coffeyville Acquisition LLC will transfer half of its interests in each of

Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc. and CVR Energy. In addition, half of the common units and half of the profits interests in Coffeyville Acquisition LLC held by our executive officers will be redeemed in exchange for an equal number and type of limited liability interests in Coffeyville Acquisition II LLC. Following these redemptions, the Kelso Funds will own substantially all of the common units of Coffeyville Acquisition LLC, the Goldman Sachs Funds will own substantially all of the common units of Coffeyville Acquisition II LLC and our executive officers will own an equal number and type of interests in both Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. Each of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC will own 50% of each of Coffeyville Refining & Marketing, Coffeyville Nitrogen Fertilizers and CVR Energy.

- Following the redemptions by Coffeyville Acquisition LLC, we will merge a newly formed direct subsidiary of ours with Coffeyville Refining & Marketing and merge a separate newly formed direct subsidiary of ours with Coffeyville Nitrogen Fertilizers which will make Coffeyville Refining & Marketing and Coffeyville Nitrogen Fertilizers direct wholly owned subsidiaries of ours. These transactions will result in a structure with CVR Energy below Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC and above its two operating subsidiaries, so that CVR Energy will become the parent of the two operating subsidiaries. CVR Energy has not commenced operations and has no assets or liabilities. In addition, there are no contingent liabilities and commitments attributable to CVR Energy. The mergers of the two operating subsidiaries with subsidiaries of CVR Energy provide a tax free means to put an appropriate organizational structure in place to go public and give the Company the flexibility to simplify its structure in a tax efficient manner in the future if necessary.
- In addition, we will transfer our nitrogen fertilizer business into a newly formed limited partnership and we will sell all of the interests of the managing general partner of this partnership to an entity owned by our controlling stockholders and senior management at fair market value on the date of the transfer.

We refer to these pre-IPO reorganization transactions in the prospectus as the “Transactions.”

Petroleum Business

Asset Description

We operate one of the seven refineries located in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa). The Company’s complex cracking and coking oil refinery has the capacity to produce 108,000 bpd which accounts for approximately 14% of the region’s output and employs techniques such as hydro processing, isomerization, alkylation and reforming in the production process. As part of our comprehensive capital expenditure program, we expect to increase the refinery capacity to up to approximately 115,000 bpd in 2007. The facility is situated on approximately 440 acres in southeast Kansas, approximately 100 miles from the Cushing, Oklahoma crude oil trading and storage hub.

The Coffeyville refinery is a complex facility. Complexity is a measure of a refinery’s ability to process lower quality crude in an economic manner. It is also a measure of a refinery’s ability to convert lower cost, more abundant heavier and sour crudes into greater volumes of higher valued refined products such as gasoline, thereby providing a competitive advantage over less complex refineries. At the time of the Subsequent Acquisition we had a modified Solomon complexity score of approximately 10.0. “Modified Solomon complexity” is a standard industry measure of a refinery’s ability to process less-expensive feedstock, such as heavier and higher-sulfur content crude oils, into value-added products. Modified Solomon complexity is the weighted average of the Solomon complexity factors for each operating unit multiplied by the throughput of each refinery unit, divided by the crude capacity of the refinery. Due to the refinery’s complexity, higher value products such as gasoline and diesel represent approximately an 88% product yield on a total throughput basis. Other products include slurry, light cycle oil, vacuum tower bottom, or VTB, reformer feeds, gas oil, pet coke and sulfur. All of our pet coke by-product is consumed by the adjacent nitrogen fertilizer business, which enables the fertilizer plant to be cost effective, because pet coke is utilized in lieu of higher priced natural gas. Following completion of our present capital expenditure program we expect the Solomon complexity score to rise from 10.0 to 11.2.

The refinery consists of two crude units and two vacuum units. A vacuum unit is a secondary unit which processes crude oil by separating product from the crude unit according to boiling point under high heat and low pressure to recover various hydrocarbons. The availability of more than one crude and vacuum unit creates redundancy in the refinery system and enables us to continue to run the refinery even if one of these units were to shut down for scheduled or unscheduled plant maintenance and upgrades. However, the maximum combined capacity of the crude units is limited by the overall downstream capacity of the vacuum units and other units.

Our petroleum business also includes the following auxiliary operating assets:

- ***Crude Oil Gathering System.*** We own and operate a 25,000 bpd crude oil gathering system comprised of over 300 miles of feeder and trunk pipelines, 40 trucks and associated storage facilities for gathering light, sweet Kansas and Oklahoma crude oils purchased from independent crude producers. We have also leased a section of a pipeline from Magellan Pipeline Company, L.P. that will allow us to gather additional volumes of attractively priced quality crudes.
- ***Phillipsburg Terminal.*** We own storage and terminalling facilities for asphalt and refined fuels at Phillipsburg, Kansas. Our asphalt storage and terminalling facilities are used to receive, store and redeliver asphalt for another oil company for a fee pursuant to an asphalt services agreement.

Feedstocks Supply

Our refinery has the capability to process a blend of heavy sour as well as light sweet crudes. Currently, our refinery processes crude from a broad array of sources, approximately two-thirds domestic and one-third foreign. We purchase foreign crudes from Latin America, South America, West Africa, the North Sea and Canada. We purchase domestic crudes that meet pipeline specifications from Kansas, Oklahoma, Texas, and offshore deepwater Gulf of Mexico production. Given our refinery's ability to process a wide variety of crudes and ready access to multiple sources of crude, we have never curtailed production due to lack of crude access. Other feedstocks (petroleum products that are processed and blended into refined products) include natural gasoline, various grades of butanes, vacuum gas oil, vacuum tower bottom, or VTB, and others which are sourced from the Conway/Group 140 storage facility or regional refinery suppliers. Below is a summary of our historical feedstock inputs:

	Year Ended December 31,					Three Months Ended March 31,	
	2002	2003	2004	2005	2006	2006	2007
	(in barrels)						
Crude oil	27,172,830	31,207,718	33,227,971	33,250,518	34,501,288	7,674,797	4,254,030
Natural gasoline	1,093,629	483,362	317,874	455,587	373,667	150,581	37,152
Normal butane	—	—	530,575	467,176	483,131	163,116	124,956
Isobutane	1,037,855	1,627,989	1,615,898	1,398,694	1,460,893	305,916	112,975
Alky feed	—	—	—	68,636	170,542	—	8,117
Gas oil	—	—	—	155,344	425,319	79,200	51,211
Vacuum tower bottom	98,371	109,974	105,981	99,362	30,717	14,924	—
Total Inputs	29,402,685	33,429,043	35,798,299	35,895,317	37,445,557	8,388,534	4,588,441

Crude is supplied to our refinery through our wholly owned gathering system and by pipeline.

Our crude gathering system was expanded in 2006 and now supplies in excess of 22,000 bpd of crude to the refinery (approximately 20% of total supply). We leased a pipeline in 2006 from Magellan Pipeline Company, L.P. that will serve as part of our pipeline system and will allow for further buying of attractively priced locally produced crudes. Locally produced crudes are delivered to the refinery at a discount to WTI and are of similar quality to WTI. These lighter sweet crudes allow us to blend higher percentages of low cost crudes such as heavy sour Canadian while maintaining our target medium sour blend with an API gravity of 28-32 degrees and 1-1.2% sulfur.

Crude oils sourced outside of our proprietary gathering system are first delivered by common carrier pipelines (primarily Seaway) into various terminals in Cushing, Oklahoma, where they are blended and then delivered to Caney, Kansas via a pipeline owned by Plains All American L.P. Crudes are delivered to our refinery from Caney, Kansas via a 145,000 bpd proprietary pipeline system, which we own. We also maintain capacity on the Spearhead Pipeline owned ultimately by Enbridge from Canada. As part of our crude supply optimization efforts, we lease approximately 1,550,000 barrels of crude oil storage in Cushing, and recently purchased 65 acres of land and contracted to purchase an additional 120 acres of land in the heart of the Cushing crude storage district, which we expect will provide us a storage expansion option should the addition of crude storage be required in the future.

The following table sets forth the feedstock pipelines used by the oil refinery as of March 31, 2007:

Pipeline	Nominal Capacity (bpd)
Seaway Pipeline (TEPPCO) from U.S. Gulf Coast to Cushing, Oklahoma	350,000
Spearhead (CCPS/Enbridge) from Griffith (Chicago) to Cushing, Oklahoma	125,000
Coffeyville Crude Oil Pipeline System from Caney, Kansas to Oil Refinery	145,000
Coffeyville Crude Oil Gathering and Trucking System	25,000
Natural Gas Liquid (NGL) Connection from/to Conway, Kansas through MAPCO and ONEOK	15,000
Plains-Cushing to Caney, Kansas	97,000
Sun Logistics Pipeline from U.S.G.C. to Cushing, Oklahoma	120,000

We purchase most of our crude oil requirements outside of our proprietary gathering system under a credit intermediation agreement with J. Aron. The credit intermediation agreement helps us reduce our inventory position and mitigate crude pricing risk. Once we identify cargos of crude oil and pricing terms that meet our requirements, we notify J. Aron which then provides, for a fee, credit, transportation and other logistical services for delivery of the crude to the crude oil tank farm. Generally, we select crude oil approximately 30 to 45 days in advance of the time the related refined products are to be marketed, except for Canadian and West African crude purchases which require an additional 30 days of lead time due to transit considerations.

Transportation Fuels

- ***Gasoline.*** Gasoline typically accounts for approximately 47% of our refinery's production. Our oil refinery produces various grades of gasoline, ranging from 84 sub-octane regular unleaded to 91 octane premium unleaded and uses a computerized component blending system to optimize gasoline blending.
- ***Distillates.*** Distillates typically account for approximately 41% of the refinery's production. The majority of the diesel fuel we produce is ultra low-sulfur.

The following table summarizes our historical oil refinery yields:

	Year Ended December 31,					Three Months Ended March 31,	
	2002	2003	2004	2005	2006	2006	2007
			(in barrels)				
Gasoline:							
Regular unleaded	14,071,304	16,531,362	16,703,566	16,154,172	16,836,946	4,161,177	2,087,559
Premium unleaded	306,334	298,789	220,908	261,467	479,211	20,094	27,379
Sub-octane unleaded	754,264	773,831	797,416	109,774	294,356	—	—
Total gasoline	15,131,902	17,603,982	17,721,890	16,525,413	17,610,513	4,181,271	2,114,939
Distillate:							
Kerosene	26,085	25,149	23,256	32,302	22,195	4,220	16,689
Jet fuel	—	—	—	—	—	—	—
No. 1 distillate	124,741	342,363	99,832	261,048	319,920	(2,625)	30,925
No. 2 low sulfur distillate	6,526,883	7,899,132	8,896,701	9,129,518	11,583,942	2,459,226	1,813,100
No. 2 high sulfur distillate	2,268,116	3,017,785	3,500,351	3,916,658	3,441,683	1,039,822	—
Diesel	1,923,370	1,258,279	1,425,897	1,259,308	26,113	23,565	117,156
Total distillate	10,869,195	12,542,708	13,946,037	14,598,834	15,393,853	3,524,208	1,977,870
Liquid by-products:							
NGL (propane, butane)	583,095	734,737	1,137,645	696,637	705,869	153,527	80,373
Slurry	445,784	532,236	500,692	562,657	706,332	173,665	73,869
Light cycle oil sales	84,146	42,571	—	—	—	—	—
VTB sales	8,212	26,438	150,700	134,899	74,979	25,654	—
Reformer feed sales	—	—	79,906	230,785	357,411	7,330	25,841
Gas oil sales	84,673	—	—	66,274	—	—	—
Total liquid by-products	1,205,910	1,335,982	1,868,943	1,691,252	1,844,591	360,176	180,082
Solid by-products:							
Coke	2,068,031	1,956,619	2,384,414	2,439,297	2,491,867	639,611	270,564
Sulfur	74,226	131,137	88,744	100,035	94,117	23,280	13,129
Total solid by-products	2,142,257	2,087,756	2,473,158	2,539,332	2,585,984	662,891	283,693
NGL production	52,682	(8,539)	—	548,883	519,986	33,514	(1,044)
In process change	114,945	(120,122)	(12,369)	265,280	(243,553)	(243,543)	74,543
Produced fuel	1,268,388	1,489,030	1,636,665	1,557,689	1,719,345	342,320	202,046
Processing loss (gain)	(1,382,594)	(1,501,754)	(1,836,025)	(1,831,366)	(1,985,162)	(472,303)	(243,688)
Total yields	29,402,685	33,429,043	35,798,299	35,895,317	37,445,557	8,388,534	4,588,441

Our oil refinery's long-term capacity utilization (ratio of total refinery throughput to the refinery's rated capacity) has steadily improved over the years. To further enhance capacity utilization, our operations management initiatives and capital expenditures program are focused on improving crude slate flexibility, increasing inbound NGL pipeline capacity and optimizing use of raw materials and in-process feedstock.

The following table summarizes storage capacity at the oil refinery as of March 31, 2007 which we believe is sufficient for our current needs:

Product	Capacity (barrels)
Gasoline	767,000
Distillates	1,068,000
Intermediates	1,004,000
Crude oil(1)	2,594,000

(1) Crude oil storage consists of 674,000 barrels of refinery storage capacity, 520,000 barrels of field storage capacity and 1,400,000 barrels of leased storage at Cushing, Oklahoma.

Distribution Pipelines and Product Terminals

We focus our marketing efforts on the midwestern states of Oklahoma, Kansas, Missouri, Nebraska, and Iowa for the sale of our petroleum products because of their relative proximity to our oil refinery and their pipeline access. Since the Subsequent Acquisition, we have significantly expanded our rack sales directly to the customers as opposed to origin bulk sales. Rack sales are sales which are made using tanker trucks via either a proprietary or third party terminal facility designed for truck loading. In contrast, bulk sales are sales made through pipelines. Currently, approximately 23% of the refinery's products are sold through the rack system directly to retail and wholesale customers while the remaining 77% is sold through pipelines via bulk spot and term contracts.

We are able to distribute gasoline, diesel fuel, and natural gas liquids produced at the refinery either into the Magellan or Enterprise pipeline and further on through Valero and other Magellan systems or via the trucking system. The Magellan #2 and #3 pipelines are connected directly to the refinery and transport products to Kansas City and other northern cities. The Valero and Magellan (Mountain) pipelines are accessible via the Enterprise outbound line or through the Magellan system at El Dorado, Kansas. Our modern three-bay, bottom-loading fuels loading rack has been in service since July 1998 with a maximum delivery capability of 225 trucks per day or 40,000 bpd of finished gasoline and diesel fuels. We own and operate refined fuels and asphalt storage and terminalling facilities in Phillipsburg, Kansas. Our asphalt storage and terminalling facilities are used to receive, store and redeliver asphalt for another oil company for a fee pursuant to an asphalt services agreement. Our refined fuels truck terminal includes two loading locations with a capacity of approximately 95 trucks per day.

Below is a detailed summary of our product distribution pipelines and their capacities:

Pipeline	Capacity (bpd)
Magellan Pipeline #3-8" Line (from Coffeyville to northern cities via Caney, Kansas)	32,000
Magellan Pipeline #2-10" Line (from Coffeyville to northern cities via Barnsdall, Oklahoma)	81,000
Enterprise Pipeline (provides accessibility to Magellan (Mountain) and Valero systems at El Dorado, Kansas)	12,000
Truck Loading Rack Delivery System	40,000

The following map depicts part of the Magellan pipeline, which the oil refinery uses for the majority of its distribution.

Source: Magellan Midstream Partners, L.P.

Nitrogen Fertilizer Business

The nitrogen fertilizer business operates the only nitrogen fertilizer plant in North America that utilizes a coke gasification process to generate hydrogen feedstock that is further converted to ammonia for the production of nitrogen fertilizers. The nitrogen fertilizer business is also considering a fertilizer plant expansion, which we estimate could increase the facility's capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year.

The facility uses a gasification process licensed from an affiliate of The General Electric Company, or General Electric, to convert pet coke to high purity hydrogen for subsequent conversion to ammonia. It uses between 950 to 1,050 tons per day of pet coke from the refinery and another 250 to 300 tons per day from unaffiliated, third-party sources such as other Midwestern refineries or pet coke brokers and converts it all to approximately 1,200 tons per day of ammonia. The fertilizer plant has demonstrated consistent levels of production at levels close to full capacity and has the following advantages compared to competing natural gas-based facilities:

Significantly Lower Cost Position. The coke gasification process allows the nitrogen fertilizer business to use less than 1% of the natural gas relative to other nitrogen based fertilizer facilities that are heavily dependent upon natural gas and are thus heavily impacted by natural gas price swings. Because the plant uses pet coke, the nitrogen fertilizer business has a significant cost advantage over other North American natural gas-based fertilizer producers. The adjacent refinery supplies on average more than 80% of the plant's raw material.

Strategic Location with Transportation Advantage. The nitrogen fertilizer business believes that selling products to customers in close proximity to the UAN plant and reducing transportation costs are keys to maintaining its profitability. Due to the plant's favorable location relative to end users and high product demand relative to production volume all of the product shipments are targeted to freight advantaged destinations located in the U.S. farm belt. The available ammonia production at the nitrogen fertilizer plant is small and easily sold into truck and rail delivery points. The products leave the plant either in trucks for direct shipment to customers or in railcars for principally Union Pacific Railroad destinations. The nitrogen fertilizer business does not incur any intermediate transfer, storage, barge freight or pipeline freight charges. Consequently, because these costs are not incurred, we estimate that the plant enjoys a distribution cost advantage over U.S. Gulf Coast ammonia and UAN importers, assuming in each case freight rates and pipeline tariffs for U.S. Gulf Coast importers as recently in effect.

High and Increasing Capacity Utilization. Capacity utilization has increased steadily over the past few years of operation. The gasifier on-stream factor (a measure of how long the gasifier has been operational over a period) was 98.1% and 92.5% for 2005 and 2006, respectively. We expect that efficiency of the plant will continue to improve with operator training, replacement of unreliable equipment, and reduced dependence on contract maintenance.

	Year Ended December 31,					Three Months Ended March 31,	
	2002	**2003**	**2004**	**2005**	**2006**	**2006**	**2007**
Gasifier on-stream(1)	78.6%	90.1%	92.4%	98.1%	92.5%	98.6%	91.8%
Ammonia capacity utilization(2)	66.0%	83.6%	76.8%	102.9%	92.0%	103.8%	87.0%
UAN capacity utilization(3)	79.4%	93.3%	97.0%	121.2%	115.6%	118.8%	122.7%

(1) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period.

(2) Based on nameplate capacity of 1,100 tons per day.

(3) Based on nameplate capacity of 1,500 tons per day.

Raw Material Supply

The nitrogen fertilizer facility's primary input is pet coke, of which more than 80% on average is supplied by our adjacent oil refinery at market prices. Historically the nitrogen fertilizer business has obtained a small amount of pet coke from third parties such as other Midwestern refineries or pet coke brokers at spot prices. We believe that optimization of the use of our oil refinery's coker should reduce the need for purchasing pet coke from third parties. In connection with the transfer of the nitrogen fertilizer business to the Partnership, we will enter into a 20-year coke supply agreement with the Partnership under which we will sell pet coke to the nitrogen fertilizer facility. If necessary, the gasifier can also operate on low grade coal, which provides an additional raw material source. There are significant supplies of low grade coal within a 60 mile radius of the plant.

The BOC Group owns, operates, and maintains the air separation plant that provides contract volumes of oxygen, nitrogen, and compressed dry air to the gasifier for a monthly fee. The nitrogen fertilizer business provides and pays for all utilities required for operation of the air separation plant. The air separation plant has not experienced any long-term operating problems. The nitrogen fertilizer plant is covered for business interruption insurance for up to $25 million in case of any interruption in the supply of oxygen from The BOC Group from a covered peril. The agreement with The BOC Group expires in 2020. The agreement also provides that if our requirements for liquid or gaseous oxygen, liquid or gaseous nitrogen or clean dry air exceed specified instantaneous flow rates by at least 10%, we can solicit bids from The BOC Group and third parties to supply our incremental product needs. We are required to provide notice to The BOC Group of the approximate quantity of excess product that we will need and the approximate date by which we will need it; we and The BOC Group will then jointly develop a request for proposal for soliciting bids from third parties and The BOC Group. The bidding procedures may be limited under specified circumstances.

The nitrogen fertilizer business imports start-up steam for the fertilizer plant from our adjacent oil refinery, and then exports steam back to the oil refinery once all units are in service. Monthly charges and credits are booked with steam valued at the gas price for the month. In connection with the transfer of the nitrogen fertilizer business to the Partnership, we will enter into a feedstock and shared services agreement with the Partnership which will regulate among other things the import and export of start-up steam between the refinery and the fertilizer plant.

Production Process

The nitrogen fertilizer plant was built in 2000 with a pair of gasifiers to provide reliability. Following a turnaround completed in the second quarter of 2006, the plant is capable of processing approximately 1,300 tons per day of pet coke from the oil refinery and third-party sources and converting it into approximately 1,200 tons per day of ammonia. It uses a gasification process licensed from General Electric to convert the pet coke to high purity hydrogen for subsequent conversion to ammonia. A majority of the ammonia is converted to approximately 2,075 tons per day of UAN. Typically 0.41 tons of ammonia are required to produce one ton of UAN.

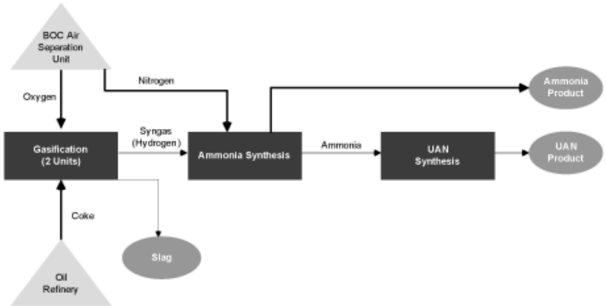
Pet coke is first ground and blended with water and a fluxant (a mixture of fly ash and sand) to form a slurry that is then pumped into the partial oxidation gasifier. The slurry is then contacted with oxygen from an air separation unit, or ASU. Partial oxidation reactions take place and the synthesis gas, or syngas, consisting predominantly of hydrogen and carbon monoxide, is formed. The mineral residue from the slurry is a molten slag (a glasslike substance containing the metal impurities originally present in coke) and flows along with the syngas into a quench chamber. The syngas and slag are rapidly cooled and the syngas is separated from the slag.

Slag becomes a by-product of the process. The syngas is scrubbed and saturated with moisture. The syngas next flows through a shift unit where the carbon monoxide in the syngas is reacted with the moisture to form hydrogen and carbon dioxide. The heat from this reaction generates saturated steam. This steam is combined with steam produced in the ammonia unit and the excess steam not consumed by the process is sent to the adjacent oil refinery.

After additional heat recovery, the high-pressure syngas is cooled and processed in the acid gas removal, or AGR, unit. The syngas is then fed to a pressure swing absorption, or PSA, unit, where the remaining impurities are extracted. The PSA unit reduces residual carbon monoxide and carbon dioxide levels to trace levels, and the moisture-free, high-purity hydrogen is sent directly to the ammonia synthesis loop.

The hydrogen is reacted with nitrogen from the ASU in the ammonia unit to form the ammonia product. A portion of the ammonia is converted to UAN.

The following is an illustrative Nitrogen Fertilizer Plant Process Flow Chart:



Critical equipment is set up on routine maintenance schedules using the nitrogen fertilizer business' own maintenance technicians. Pursuant to a Technical Services Agreement with General Electric, which licensed the gasification technology, General Electric experts provide technical advice and technological updates from their ongoing research as well as other licensees' operating experiences.

The coke gasification process is licensed from General Electric Company pursuant to a license agreement that will be fully paid up as of June 1, 2007. The license grants the nitrogen fertilizer business perpetual rights to use the coke gasification process on specified terms and conditions. The license is important because it allows the nitrogen fertilizer facility to operate at a low cost compared to facilities which rely on natural gas.

Distribution

The primary geographic markets for the fertilizer products are Kansas, Missouri, Nebraska, Iowa, Illinois, and Texas. Ammonia products are marketed to industrial and agricultural customers and UAN products are marketed to agricultural customers. The direct application agricultural demand from the nitrogen fertilizer plant occurs in three main use periods. The summer wheat pre-plant occurs in August and September. The fall pre-plant occurs in late October and November. The highest level of ammonia demand is traditionally observed in the spring pre-plant period, from March through May. There are also small fill volumes that move in the off-season to fill the available storage at the dealer level.

Ammonia and UAN are distributed by truck or by railcar. If delivered by truck, products are sold on a freight-on-board basis, and freight is normally arranged by the customer. The nitrogen fertilizer business also owns and leases a fleet of railcars. It also negotiates with distributors that have their own leased railcars to utilize these assets to deliver products. The business owns all of the truck and rail loading equipment at the facility. It operates two truck loading and eight rail loading racks for each of ammonia and UAN.

Sales and Marketing

Petroleum Business

We focus our marketing efforts on the Midwestern states of Oklahoma, Kansas, Missouri, Nebraska, and Iowa and frequently Colorado, as economics dictate, for the sale of our petroleum products because of their relative proximity to our refinery and their pipeline access. Our refinery produces approximately 88,000 bpd of gasoline and distillates, which we estimate was approximately 10% of the demand for gasoline and distillates in our target market area in 2006.

Nitrogen Fertilizer Business

The primary geographic markets for the fertilizer products are Kansas, Missouri, Nebraska, Iowa, Illinois, and Texas. The nitrogen fertilizer business markets the ammonia products to industrial and agricultural customers and the UAN products to agricultural customers. The direct application agricultural demand from the nitrogen fertilizer plant occurs in three main use periods. The summer wheat pre-plant occurs in August and September. The fall pre-plant occurs in late October and in November. The highest level of ammonia demand is traditionally in the spring pre-plant period, from March through May. There are also small fill volumes that move in the off-season to fill the available storage at the dealer level.

The nitrogen fertilizer business markets agricultural products to destinations that produce the best margins for the business. These markets are primarily located on the Union Pacific railroad or destinations which can be supplied by truck. By securing this business directly, the nitrogen fertilizer business reduces its dependence on distributors serving the same customer base, which enables it to capture a larger margin and allows it to better control its product distribution. Most of the agricultural sales are made on a competitive spot basis. The nitrogen fertilizer business also offers products on a prepay basis for in-season demand. The heavy in-season demand periods are spring and fall in the corn belt and summer in the wheat belt. The corn belt is the primary corn producing region of the

United States, which includes Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. The wheat belt is the primary wheat producing region of the United States, which includes Oklahoma, Kansas, North Dakota, South Dakota and Texas. Some of the industrial sales are spot sales, but most are on annual or multiyear contracts. Industrial demand for ammonia provides consistent sales and allows the nitrogen fertilizer business to better manage inventory control and generate consistent cash flow.

Customers

Petroleum Business

Customers for our petroleum products include other refiners, convenience store companies, railroads and farm cooperatives. We have bulk term contracts in place with most of these customers, which typically extend from a few months to one year in length. Our shipments to these customers are typically in the 10,000 to 60,000 barrel range (420,000 to 2,520,000 gallons) and are delivered by pipeline. We enter into these types of contracts in order to lock in a committed volume at market prices to ensure an outlet for our refinery production. For the year ended December 31, 2005, CHS Inc., SemFuel LP, QuikTrip Corporation and GROWMARK, Inc. accounted for 16.2%, 15.9%, 15.8% and 10.8%, respectively, of our petroleum business sales and for the year ended December 31, 2006, they accounted for 2.0%, 10.0%, 15.5% and 10.0%, respectively. For the three months ended March 31, 2007, they accounted for 3.5%, 4.1%, 8.9% and 6.0%, respectively, of our petroleum business sales. We sell bulk products based on industry market related indexes such as Platt's or NYMEX related Group Market (Midwest) prices.

In addition to bulk sales, we have implemented an aggressive rack marketing initiative. Utilizing the Magellan pipeline system we are able to reach customers such as QuikTrip, Casey's, Murphy, Hy-Vee, Pilot Travel Centers, Flying J Truck Stops, Krause-Gentel (Kum and Go) and others. Our longer term, target customers include industrial and commercial end users, railroads, and farm cooperatives that buy in truckload quantities. Truck terminal sales are at daily posted prices which are influenced by competitor pricing and spot market factors. Rack prices are typically higher than bulk prices.

Nitrogen Fertilizer Business

The nitrogen fertilizer business sells ammonia to agricultural and industrial customers. It sells approximately 80% of the ammonia it produces to agricultural customers, such as farmers in the mid-continent area between North Texas and Canada, and approximately 20% to industrial customers. Agricultural customers include distributors such as MFA, United Suppliers, Inc., Brandt Consolidated Inc., Interchem, GROWMARK, Inc., Mid West Fertilizer Inc., DeBruce Grain, Inc., and Agriliance, LLC. Industrial customers include Tessenderlo Kerley, Inc. and Truth Chemical. The nitrogen fertilizer business sells UAN products to retailers and distributors. For the year ended December 31, 2005 and the year ended December 31, 2006 and for the three months ended March 31, 2007, the top five ammonia customers in the aggregate represented 55.2%, 51.9% and 70.3% of the business's ammonia sales, respectively, and the top five UAN customers in the aggregate represented 43.1%, 30.0% and 43.5% of the business's UAN sales, respectively. During the year ended December 31, 2005, Brandt Consolidated Inc. and MFA accounted for 23.3% and 13.6% of the business's ammonia sales, respectively, and Agriliance and ConAgra Fertilizer accounted for 14.7% and 12.7% of its UAN sales, respectively. During the year ended December 31, 2006, Brandt Consolidated Inc. and MFA accounted for 22.2% and 13.1% of the business's ammonia sales, respectively, and Agriliance and ConAgra Fertilizer accounted for 6.3% and 8.4% of its UAN sales, respectively. During the three months ended March 31, 2007, Brandt Consolidated Inc. and MFA accounted for 23.1% and 18.9% of the business's ammonia sales, respectively and Agriliance and ConAgra Fertilizer accounted for 2.2% and 22.9% of its UAN sales, respectively.

Competition

We have experienced and expect to continue to meet significant levels of competition from current and potential competitors, many of whom have significantly greater financial and other resources. See "Risk Factors — Risks Related to Our Petroleum Business — We face significant competition, both within and outside of our industry. Competitors who produce their own supply of feedstocks, have extensive retail outlets, make alternative fuels or have greater financial resources than we do may have a competitive advantage over us" and "Risk Factors — Risks Related to The Nitrogen Fertilizer Business — Fertilizer products are global commodities, and the nitrogen fertilizer business faces intense competition from other nitrogen fertilizer producers."

Petroleum Business

Our oil refinery in Coffeyville, Kansas ranks third in processing capacity and fifth in refinery complexity, among the seven mid-continent fuels refineries. The following table presents certain information about us and the six other major mid-continent fuel oil refineries with which we compete:

Company	Location	Crude Capacity (barrels per calendar day)	Solomon Complexity Index
ConocoPhillips	Ponca City, OK	187,000	12.5
Frontier Oil	El Dorado, KS	110,000	13.3
CVR Energy	Coffeyville, KS	108,000	10.0
Valero	Ardmore, OK	88,000	11.3
NCRA	McPherson, KS	82,200	14.1
Gary Williams Energy	Wynnewood, OK	52,500	8.0
Sinclair	Tulsa, OK	50,000	8.3
Mid-continent Total:		677,700	

Source: Oil and Gas Journal. A Sunoco refinery located in Tulsa, Oklahoma was excluded from this table because it is not a stand-alone fuels refinery. The Solomon Complexity Index of each of these facilities has been calculated based on data from the Oil and Gas Journal together with Company estimates and assumptions.

We compete with our competitors primarily on the basis of price, reliability of supply, availability of multiple grades of products and location. The principal competitive factors affecting our refining operations are costs of crude oil and other feedstock costs, refinery complexity (a measure of a refinery's ability to convert lower cost heavy and sour crudes into greater volumes of higher valued refined products such as gasoline), refinery efficiency, refinery product mix and product distribution and transportation costs. The location of our refinery provides us with a reliable supply of crude oil and a transportation cost advantage over our competitors.

Our competitors include trading companies such as SemFuel, L.P., Western Petroleum, Center Oil, Tauber Oil Company, Morgan Stanley and others. In addition to competing refineries located in the mid-continent United States, our oil refinery also competes with other refineries located outside the region that are linked to the mid-continent market through an extensive product pipeline system. These competitors include refineries located near the U.S. Gulf Coast and the Texas Panhandle region.

Our refinery competition also includes branded, integrated and independent oil refining companies such as BP, Shell, ConocoPhillips, Valero, Sunoco and Citgo, whose strengths include their size and access to capital. Their branded stations give them a stable outlet for refinery production although the branded strategy requires more working capital and a much more expensive marketing organization.

Nitrogen Fertilizer Business

Competition in the nitrogen fertilizer industry is dominated by price considerations. However, during the spring and fall application seasons, farming activities intensify and delivery capacity is a significant competitive factor. The nitrogen fertilizer plant maintains a large fleet of rail cars and seasonally adjusts inventory to enhance its manufacturing and distribution operations.

Domestic competition, mainly from regional cooperatives and integrated multinational fertilizer companies, is intense due to customers' sophisticated buying tendencies and production strategies that focus on cost and service. Also, foreign competition exists from producers of fertilizer products manufactured in countries with lower cost natural gas supplies. In certain cases, foreign producers of fertilizer who export to the United States may be subsidized by their respective governments. The nitrogen fertilizer business' major competitors include Koch Nitrogen, Terra and CF Industries, among others.

The nitrogen fertilizer plant's main competition in ammonia marketing are Koch's plants at Beatrice, Nebraska, Dodge City, Kansas and Enid, Oklahoma, as well as Terra's plants in Verdigris and Woodward, Oklahoma and Port Neal, Iowa.

Based on Blue Johnson data regarding total U.S. demand for UAN and ammonia, we estimate that the nitrogen fertilizer plant's UAN production in 2005 represented approximately 5.5% of the total U.S. demand and that the net ammonia produced and marketed at Coffeyville represents less than 1% of the total U.S. demand.

Seasonality

Petroleum Business

Our petroleum business experiences seasonal effects as demand for gasoline products is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and road construction work. Demand for diesel fuel during the winter months also decreases due to agricultural work declines during the winter months. As a result, our results of operations for the first and fourth calendar quarters are generally lower than for those for the second and third calendar quarters. In addition, unseasonably cool weather in the summer months and/or unseasonably warm weather in the winter months in the markets in which we sell our petroleum products can reduce demand for gasoline and diesel fuel.

Nitrogen Fertilizer Business

A significant portion of nitrogen fertilizer product sales consists of sales of agricultural commodity products, exposing the business to seasonal fluctuations in demand for nitrogen fertilizer products in the agricultural industry. As a result, the nitrogen fertilizer business typically generates greater net sales and operating income in the spring. In addition, the demand for fertilizers is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers who make planting decisions based largely on the prospective profitability of a harvest. The specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted.

Environmental Matters

The petroleum and nitrogen fertilizer businesses are subject to extensive and frequently changing federal, state and local laws and regulations relating to the protection of the environment. These laws, their underlying regulatory requirements and the enforcement thereof impact our petroleum business and operations and the nitrogen fertilizer business by imposing:

- restrictions on operations and/or the need to install enhanced or additional controls;

- the need to obtain and comply with permits and authorizations;
- liability for the investigation and remediation of contaminated soil and groundwater at current and former facilities and off-site waste disposal locations; and
- specifications for the products marketed by our petroleum business and the nitrogen fertilizer business, primarily gasoline, diesel fuel, UAN and ammonia.

The petroleum refining industry is subject to frequent public and governmental scrutiny of its environmental compliance. As a result, the laws and regulations to which we are subject are often evolving and many of them have become more stringent or become subject to more stringent interpretation or enforcement by federal and state agencies. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that our operations may change over time and certain implementing regulations for laws such as the Resource Conservation and Recovery Act, or the RCRA, and the Clean Air Act have not yet been finalized, are under governmental or judicial review or are being revised. These regulations and other new air and water quality standards and stricter fuel regulations could result in increased capital, operating and compliance costs.

The principal environmental risks associated with our petroleum operations and the nitrogen fertilizer business are air emissions, releases of hazardous substances into the environment, and the treatment and discharge of wastewater. The legislative and regulatory programs that affect these areas are outlined below.

The Clean Air Act

The Clean Air Act and its underlying regulations as well as the corresponding state laws and regulations that regulate emissions of pollutants into the air affect our petroleum operations and the nitrogen fertilizer business both directly and indirectly. Direct impacts may occur through Clean Air Act permitting requirements and/or emission control requirements relating to specific air pollutants. The Clean Air Act indirectly affects our petroleum operations and the nitrogen fertilizer business by extensively regulating the air emissions of sulfur dioxide, or SO_2, volatile organic compounds, nitrogen oxides and other compounds including those emitted by mobile sources, which are direct or indirect users of our products.

The Clean Air Act imposes stringent limits on air emissions, establishes a federally mandated permit program and authorizes civil and criminal sanctions and injunctions for any failure to comply. The Clean Air Act also establishes National Ambient Air Quality Standards, or NAAQS, that states must attain. If a state cannot attain the NAAQS (i.e., is in nonattainment), the state will be required to reduce air emissions to bring the state into attainment. A geographic area's attainment status is based on the severity of air pollution. A change in the attainment status in the area where our facilities are located could necessitate the installation of additional controls. At the current time, all areas where our petroleum business and the nitrogen fertilizer business operate in are classified as attainment for NAAQS.

There have been numerous other recently promulgated National Emission Standards for Hazardous Air Pollutants, NESHAP or MACT, including, but not limited to, the Organic Liquid Distribution MACT, the Miscellaneous Organic NESHAP, Gasoline Distribution Facilities MACT, Reciprocating Internal Combustion Engines MACT, Asphalt Processing MACT, Commercial and Institutional Boilers and Process Heaters standards. Some or all of these MACT standards or future promulgations of MACT standards may require the installation of controls or changes to our petroleum operations or the nitrogen fertilizer facilities in order to comply. If new controls or changes to operations are needed, the costs could be significant. These new requirements, other requirements of the Clean Air Act, or other presently existing or future environmental regulations could cause us to expend substantial amounts to comply and/or permit our refinery to produce products that meet applicable requirements.

Air Emissions. The regulation of air emissions under the Clean Air Act requires us to obtain various operating permits and to incur capital expenditures for the installation of certain air pollution control devices at our refinery. Various regulations specific to, or that directly impact, our industry have been implemented, including regulations that seek to reduce emissions from refineries' flare systems, sulfur plants, large heaters and boilers, fugitive emission sources and wastewater treatment systems. Some of the applicable programs are the Benzene Waste Operations NESHAP, New Source Performance Standards, New Source Review, and Leak Detection and Repair. We have incurred, and expect to continue to incur, substantial capital expenditures to maintain compliance with these and other air emission regulations.

In March 2004, we entered into a Consent Decree with the EPA and the KDHE to resolve air compliance concerns raised by the EPA and KDHE related to Farmland's prior operation of our oil refinery. Under the Consent Decree, we agreed to install controls on certain process equipment and make certain operational changes at our refinery. As a result of our agreement to install certain controls and implement certain operational changes, the EPA and KDHE agreed not to impose civil penalties, and provided a release from liability for Farmland's alleged noncompliance with the issues addressed by the Consent Decree. Pursuant to the Consent Decree, in the short term, we have increased the use of catalyst additives to the fluid catalytic cracking unit at the facility to reduce emissions of SO_2. We will begin adding catalyst to reduce oxides of nitrogen, or NOx, in 2007. In the long term, we will install controls to minimize both SO_2 and NOx emissions, which under terms of the Consent Decree require that final controls be in place by January 1, 2011. In addition, pursuant to the Consent Decree, we assumed certain cleanup obligations at the Coffeyville refinery and the Phillipsburg terminal. We agreed to retrofit certain heaters at the refinery with Ultra Low NOx burners. All heater retrofits have been performed and we are currently verifying that the heaters meet the Ultra Low NOx standards required by the Consent Decree. The Ultra Low NOx heater technology is in widespread use throughout the industry. There are other permitting, monitoring, record-keeping and reporting requirements associated with the Consent Decree. The overall cost of complying with the Consent Decree is expected to be approximately $41 million, of which approximately $35 million is expected to be capital expenditures and which does not include the cleanup obligations. No penalties are expected to be imposed as a result of the Consent Decree.

The EPA recently embarked on a Petroleum Refining Initiative alleging industry-wide noncompliance with four "marquee" issues: New Source Review, flaring, leak detection and repair, and Benzene Waste Operations NESHAP. The Petroleum Refining Initiative has resulted in many refiners entering into consent decrees imposing civil penalties and requiring substantial expenditures for additional or enhanced pollution control. At this time, we do not know how, if at all, the Petroleum Refining Initiative will affect us as our current Consent Decree covers some, but not all, of the "marquee" issues.

Fertilizer Plant Audit. The nitrogen fertilizer business conducted an air permitting compliance audit of its fertilizer plant pursuant to agreements with EPA and KDHE immediately after Immediate Predecessor acquired the fertilizer plant in 2004. The audit revealed that the fertilizer plant was not properly permitted under the Clean Air Act and its implementing regulations and corresponding Kansas environmental statutes and regulations. As a result, the fertilizer plant performed air modeling to demonstrate that the current emissions from the facility are in compliance with federal and state air quality standards, and that the air pollution controls that are in place are the controls that are required to be in place. In the event that the EPA or KDHE determines that additional controls are required, the nitrogen fertilizer business may incur significant expenditures to comply. The completion of this process requires that the nitrogen fertilizer business submit a new permit application, which it has done. The nitrogen fertilizer business is now awaiting the final permit approval from KDHE at which time it will file a Title V air operating permit application that will include the relevant terms and conditions of the new air permit.

Air Permitting. The petroleum refinery is a "major source" of air emissions under the Title V permitting program of the federal Clean Air Act. A final Class I (major source) operating permit was issued for our oil refinery in August 2006. We are currently in the process of amending the Title V permit to include the recently approved expansion project permit and the continuous catalytic reformer permit.

The fertilizer plant has agreed to file a new Title V operating air permit application because the voluntary fertilizer plant audit (described in more detail above) revealed that the fertilizer plant should be permitted as a “major source” of certain air pollutants. In the meantime, the fertilizer plant is operating under the Clean Air Act’s “application shield” (which protects permittees from enforcement while an operating permit is being issued as long as the permittee complies with the permit conditions contained in the permit application), the current construction permits, other KDHE approvals and the protections of the federal and state audit policies. Once the current air permit application is approved, the nitrogen fertilizer business will file the final Title V permit application that will contain all terms and conditions imposed under the new permit and any other permits and/or approvals in place. We do not anticipate significant cost or difficulty in obtaining these permits. However, in the event that the EPA or KDHE determines that additional controls are required, the nitrogen fertilizer business may incur significant expenditures to comply.

We believe that we hold all material air permits required to operate the Phillipsburg Terminal and our crude oil transportation company’s facilities.

Release Reporting

The release of hazardous substances or extremely hazardous substances into the environment is subject to release reporting of threshold quantities under federal and state environmental laws. Our petroleum operations and the nitrogen fertilizer business periodically experience releases of hazardous substances and extremely hazardous substances that could cause our petroleum business and/or the nitrogen fertilizer business to become the subject of a government enforcement action or third-party claims. We and the nitrogen fertilizer business report such releases promptly to federal and state environmental agencies.

Prior to the acquisition of the nitrogen fertilizer plant by Immediate Predecessor in 2004 and during the period the plant was owned by Immediate Predecessor, the facility experienced heat exchanger equipment deterioration at an unanticipated rate, resulting in upset/malfunction air releases of ammonia into the environment. The equipment was replaced in August 2004 with a new metallurgy design that also experienced an unanticipated deterioration rate. The new equipment was subsequently replaced in 2005 by a redesigned exchanger with upgraded metallurgy, which has operated without additional ammonia emissions. Other critical exchanger metallurgy was upgraded during the facility’s most recent July 2006 turnaround. We have reported the excess emissions of ammonia to EPA and KDHE as part of an air permitting audit of the facility. Additional equipment, repairs to existing equipment, changes to current operations, government enforcement or third-party claims could result in significant expenditures and liability.

Fuel Regulations

Tier II, Low Sulfur Fuels. The EPA interprets the Clean Air Act to authorize the EPA to require modifications in the formulation of the refined transportation fuel products we manufacture in order to limit the emissions associated with their final use. The EPA believes such limits are necessary to protect new automobile emission control systems that may be inhibited by sulfur in the fuel. For example, in February 2000, EPA promulgated the Tier II Motor Vehicle Emission Standards Final Rule for all passenger vehicles, establishing standards for sulfur content in gasoline. These regulations mandate that the sulfur content of gasoline at any refinery shall not exceed 30 ppm during any calendar year beginning January 1, 2006. Such compliant gasoline is referred to as Ultra Low Sulfur Gasoline, or ULSG. Phase-in of these requirements began during 2004. In addition, in January 2001, EPA promulgated its on-road diesel regulations, which required a 97% reduction in the sulfur content of diesel sold for highway use by June 1, 2006, with full compliance by January 1, 2010. EPA adopted a rule for off-road diesel in May 2004. The off-road diesel regulations will generally require a 97% reduction in the sulfur content of diesel sold for off-road use by June 1, 2010. Such compliant diesel is referred to as Ultra Low Sulfur Diesel, or ULSD. We believe that our production of ULSG and ULSD will make us eligible for significant tax benefits in 2007 and 2008.

Modifications will be required at our refinery as a result of the Tier II gasoline and low sulfur diesel standards. In February 2004 EPA granted us approval under a "hardship waiver" that would defer meeting final low sulfur Tier II gasoline standards until January 1, 2011 in exchange for our meeting low sulfur highway diesel requirements by January 1, 2007. We are currently in the startup phase of our Ultra Low Sulfur Diesel Hydrodesulfurization unit, which utilizes technology with widespread use throughout the industry. Compliance with the Tier II gasoline and on-road diesel standards required us to spend approximately $133 million during 2006 and we estimate that compliance will require us to spend approximately $116 million during 2007 and approximately $46 million between 2008 and 2010.

Methyl Tertiary Butyl Ether (MTBE). The EPA previously required gasoline to contain a specified amount of oxygen in certain regions that exceed the National Ambient Air Quality Standards for either ozone or carbon monoxide. This oxygen requirement had been satisfied by adding to gasoline one of many oxygen-containing materials including, among others, methyl tertiary butyl ether, or MTBE. As a result of growing public concern regarding possible groundwater contamination resulting from the use of MTBE as a source of required oxygen in gasoline, MTBE has been banned for use as a gasoline additive. Neither we nor, to the best of our knowledge, the Successor, the Immediate Predecessor or Farmland used MTBE in our petroleum products. We cannot make any assurance as to whether MTBE was added to our petroleum products after those products left our facilities or whether MTBE-containing products were distributed through our pipelines.

The Clean Water Act

The federal Clean Water Act of 1972 affects our petroleum operations and the nitrogen fertilizer business by regulating the treatment of wastewater and imposing restrictions on effluent discharge into, or impacting, navigable water. Regular monitoring, reporting requirements and performance standards are preconditions for the issuance and renewal of permits governing the discharge of pollutants into water. The petroleum and nitrogen fertilizer businesses maintain numerous discharge permits as required under the National Pollutant Discharge Elimination System program of the Clean Water Act and have implemented internal programs to oversee our compliance efforts.

All of our facilities and the facilities of the nitrogen fertilizer business are subject to Spill Prevention, Control and Countermeasures, or SPCC, requirements under the Clean Water Act. The SPCC rules were modified in 2002 with the modifications to go into effect in 2004. In 2004, certain requirements of the rule were extended. Changes to our operations may be required to comply with the modified SPCC rule.

In addition, we are regulated under the Oil Pollution Act. Among other requirements, the Oil Pollution Act requires the owner or operator of a tank vessel or facility to maintain an emergency oil response plan to respond to releases of oil or hazardous substances. We have developed and implemented such a plan for each of our facilities covered by the Oil Pollution Act. Also, in case of such releases, the Oil Pollution Act requires responsible parties to pay the resulting removal costs and damages, provides for substantial civil penalties, and authorizes the imposition of criminal and civil sanctions for violations. States where we have operations have laws similar to the Oil Pollution Act.

Wastewater Management. We have a wastewater treatment plant at our refinery permitted to handle an average flow of 2.2 million gallons per day. The facility uses a complete mix activated sludge, or CMAS, system with three CMAS basins. The plant operates pursuant to a KDHE permit. We are also implementing a comprehensive spill response plan in accordance with the EPA rules and guidance.

Ongoing fuels terminal and asphalt plant operations at Phillipsburg generate only limited wastewater flows (e.g., boiler blowdown, asphalt loading rack condensate, groundwater treatment). These flows are handled in a wastewater treatment plant that includes a primary clarifier, aerated secondary clarifier, and a final clarifier to a lagoon system. The plant operates pursuant to a KDHE Water Pollution Control Permit. To control facility runoff, management implements a comprehensive Spill Response Plan. Phillipsburg also has a timely and current application on file with the KDHE for a separate storm water control permit.

Resource Conservation and Recovery Act (RCRA)

Our operations are subject to the RCRA requirements for the generation, treatment, storage and disposal of hazardous wastes. When feasible, RCRA materials are recycled instead of being disposed of on-site or off-site. RCRA establishes standards for the management of solid and hazardous wastes. Besides governing current waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the regulation of underground storage tanks containing regulated substances.

Waste Management. There are two closed hazardous waste units at the refinery and eight other hazardous waste units in the process of being closed pending state agency approval. In addition, one closed interim status hazardous waste landfarm located at the Phillipsburg terminal is under long-term post closure care.

We have set aside approximately $3.2 million in financial assurance for closure/post-closure care for hazardous waste management units at the Phillipsburg terminal and the Coffeyville refinery.

Impacts of Past Manufacturing. We are subject to a 1994 EPA administrative order related to investigation of possible past releases of hazardous materials to the environment at the Coffeyville refinery. In accordance with the order, we have documented existing soil and ground water conditions, which require investigation or remediation projects. The Phillipsburg terminal is subject to a 1996 EPA administrative order related to investigation of possible past releases of hazardous materials to the environment at the Phillipsburg terminal, which operated as a refinery until 1991. The Consent Decree that we signed with EPA and KDHE requires us to complete all activities in accordance with federal and state rules.

The anticipated remediation costs through 2011 were estimated, as of March 31, 2007, to be as follows (in millions):

Facility	Site Investigation Costs	Capital Costs	Total O&M Costs Through 2011	Total Estimated Costs Through 2011
Coffeyville Oil Refinery	$ 0.3	$ –	$ 0.6	$ 0.9
Phillipsburg Terminal	0.4	–	1.6	2.0
Total Estimated Costs	$ 0.7	$ –	$ 2.2	$ 2.9

These estimates are based on current information and could go up or down as additional information becomes available through our ongoing remediation and investigation activities. At this point, we have estimated that, over ten years, we will spend between $5.4 and $6.8 million to remedy impacts from past manufacturing activity at the Coffeyville refinery and to address existing soil and groundwater contamination at the Phillipsburg terminal. It is possible that additional costs will be required after this ten year period.

Environmental Insurance. We have entered into several environmental insurance policies as part of our overall risk management strategy. Our pollution legal liability policy provides us with an aggregate limit of $50.0 million subject to a $1.0 million self-insured retention. This policy covers cleanup costs resulting from pre-existing or new pollution conditions and bodily injury and property damage resulting from pollution conditions. It also includes a $25.0 million business interruption sub-limit subject to a ten day waiting period. We also have a financial assurance policy that provides a $4.0 million limit per pollution incident and an $8.0 million aggregate policy limit related specifically to closed RCRA units at the Coffeyville refinery and the Phillipsburg terminal. Each of these policies contains substantial exclusions; as such, we cannot guarantee that we will have coverage for all or any particular liabilities.

Financial Assurance. We were required in the Consent Decree to establish $15 million in financial assurance to cover the projected cleanup costs posed by the Coffeyville and Phillipsburg facilities in the event our company ceased to operate as a going concern. In accordance with the Consent Decree, this financial assurance is currently provided by a bond posted by Original Predecessor, Farmland. We will be required to replace the financial assurance currently provided by Farmland. We are currently negotiating with Farmland and the EPA to replace the financial assurance. At this point, it is not clear what the amount of financial assurance will be when replaced. Although it may be significant, it is unlikely to be more than $15 million. The form of this financial assurance that will be required by EPA (cash, letter of credit, financial test, etc.) has not been determined.

Environmental Remediation

Under the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, RCRA, and related state laws, certain persons may be liable for the release or threatened release of hazardous substances. These persons include the current owner or operator of property where a release or threatened release occurred, any persons who owned or operated the property when the release occurred, and any persons who disposed of, or arranged for the disposal of, hazardous substances at a contaminated property. Liability under CERCLA is strict, retroactive and joint and several, so that any responsible party may be held liable for the entire cost of investigating and remediating the release of hazardous substances. The liability of a party is determined by the cost of investigation and remediation, the portion of the hazardous substance(s) the party contributed, the number of solvent potentially responsible parties, and other factors.

As is the case with all companies engaged in similar industries, we face potential exposure from future claims and lawsuits involving environmental matters. These matters include soil and water contamination, personal injury and property damage allegedly caused by hazardous substances which we, or potentially Farmland, manufactured, handled, used, stored, transported, spilled, released or disposed of. We cannot assure you that we will not become involved in future proceedings related to our release of hazardous or extremely hazardous substances or that, if we were held responsible for damages in any existing or future proceedings, such costs would be covered by insurance or would not be material.

Safety and Health Matters

We operate a comprehensive safety program, involving active participation of employees at all levels of the organization. We measure our success in this area primarily through the use of injury frequency rates administered by the Occupational Safety and Health Administration, or OSHA. In 2006, our oil refinery experienced a 92% reduction in injury frequency rates and the nitrogen fertilizer plant experienced a 24% reduction in such rate as compared to the average of the previous three years. The recordable injury rate reflects the number of recordable incidents (injuries as defined by OSHA) per 200,000 hours worked, and for the year ended December 31, 2006, we had a recordable injury rate of 0.30 in our petroleum business and 4.90 in the nitrogen fertilizer business. In 2006, our refinery achieved one year worked without a lost-time accident, which based on available records, had never been achieved in the 100 year history of the facility. Despite our efforts to achieve excellence in our safety and health performance, we cannot assure you that there will not be accidents resulting in injuries or even fatalities. We have implemented a new incident investigation program that is intended to improve the safety for our employees by identifying the root cause of accidents and potential accidents and by correcting conditions that could cause or contribute to accidents or injuries. We routinely audit our programs and consider improvements in our management systems.

Process Safety Management. We maintain a Process Safety Management program. This program is designed to address all facets associated with OSHA guidelines for developing and maintaining a Process Safety Management program. We will continue to audit our programs and consider improvements in our management systems.

We have evaluated and continue to implement improvements at our refinery's process units, underground process piping and emergency isolation valves for control of process flows. We currently estimate the costs for implementing any recommended improvements to be between $7 and $9 million over a period of four years. These improvements, if warranted, would be intended to reduce the risk of releases, spills, discharges, leaks, accidents, fires or other events and minimize the potential effects thereof. We are currently completing the addition of a new $27 million refinery flare system that will replace atmospheric sumps in our refinery. We are also assessing the potential impacts on building occupancy caused by the location and design of our refinery and fertilizer plant control rooms and operator shelters. We expect the costs to upgrade or relocate these areas to be between $4 and $6 million over two to five years. The current plan would consolidate the refinery control boards and equipment into a central control building that would also house operations and technical personnel and would lead to improved communication and efficiency for operation of the refinery.

Emergency Planning and Response. We have an emergency response plan that describes the organization, responsibilities and plans for responding to emergencies in the facilities. This plan is communicated to local regulatory and community groups. We have on-site warning siren systems and personal radios. We will continue to audit our programs and consider improvements in our management systems and equipment.

Community Advisory Panel (CAP). We developed and continue to support ongoing discussions with the community to share information about our operations and future plans. Our CAP includes wide representation of residents, business owners and local elected representatives for the city and county.

Employees

As of March 31, 2007, 402 employees were employed in our petroleum business, 109 were employed by the nitrogen fertilizer business and 66 employees were employed at our offices in Sugar Land, Texas and Kansas City, Kansas.

We entered into collective bargaining agreements which cover approximately 39% of our employees (all of whom work in our petroleum business) with the Metal Trades Union and the United Steelworkers of America, which expire in March 2009. We believe that our relationship with our employees is good.

Prior to the consummation of this offering, we will enter into a management services agreement with the Partnership and the managing general partner of the Partnership pursuant to which we will provide certain management and other services to the Partnership, the managing general partner of the Partnership, and the Partnership's nitrogen fertilizer business. The services we will provide under the agreement include the following services, among others:

- services by our employees in capacities equivalent to the capacities of corporate executive officers, except that those who serve in such capacities under the agreement shall serve the Partnership on a shared, part-time basis only, unless we and the Partnership agree otherwise;
- administrative and professional services, including legal, accounting services, human resources, insurance, tax, credit, finance, government affairs and regulatory affairs;
- managing the property of the Partnership and Coffeyville Resources Nitrogen Fertilizers, LLC, a subsidiary of the Partnership, in the ordinary course of business;

- recommending capital raising activities to the board of directors of the managing general partner of the Partnership including the issuance of debt or equity securities, the entry into credit facilities and other capital market transactions;
- managing or overseeing litigation and administrative or regulatory proceedings, and establishing appropriate insurance policies for the Partnership, and providing safety and environmental advice;
- recommending the payment of dividends or other distributions on equity securities; and
- managing or providing advice for other projects as may be agreed by us and the managing general partner of the Partnership from time to time.

It is expected that the employees who will manage the nitrogen fertilizer business will remain at CVR Energy and their services will be provided to the Partnership pursuant to the management services agreement. As a result, certain of our employees may be employed on a full-time or part-time basis to conduct the day-to-day business operations of the Partnership and the nitrogen fertilizer business. However, personnel performing the actual day-to-day business and operations of the Partnership at the plant level will be employed directly by the Partnership and its subsidiaries, which will bear all personnel costs for these employees. For more information on this management services agreement, see "The Nitrogen Fertilizer Limited Partnership — Other Intercompany Agreements."

Properties

Our executive offices are located at 2277 Plaza Drive in Sugar Land, Texas. We lease approximately 22,000 square feet at that location. Rent under the lease is currently approximately $515,000 annually, plus operating expenses, increasing to approximately $550,000 in 2009. The lease expires in 2011. The following table contains certain information regarding our other principal properties

Location	Acres	Own/Lease	Use
Coffeyville, KS	440	Own	Oil refinery, fertilizer plant and office buildings
Phillipsburg, KS	200	Own	Terminal facility
Montgomery County, KS (Coffeyville Station)	20	Own	Crude oil storage
Montgomery County, KS (Broome Station)	20	Own	Crude oil storage
Bartlesville, OK	25	Own	Truck storage and office buildings
Winfield, KS	5	Own	Truck storage
Cushing, OK	185	Own	Crude oil storage
Cowley County, KS (Hooser Station)	80	Own	Crude oil storage
Holdrege, NE	7	Own	Crude oil storage
Stockton, KS	6	Own	Crude oil storage
Kansas City, KS	18,400 (square feet)	Lease	Office space

Rent under our lease for the Kansas City office space is approximately $240,000 annually, plus a portion of operating expenses and taxes, increasing to approximately $268,000 in 2008. The lease expires in 2009. We expect that our current owned and leased facilities will be sufficient for our needs over the next twelve months.

Prior to the consummation of this offering, we will transfer ownership of certain parcels of land, including land that the fertilizer plant is situated on, to the Partnership so that the Partnership will be able to operate the fertilizer plant on its own land. Additionally, we will enter into a new cross easement agreement with the Partnership so that both we and the Partnership will be able to access and utilize each other's land in certain circumstances in order to operate our respective businesses in a manner to provide flexibility for both parties to develop their respective properties, without depriving either party of the benefits associated with the continuous reasonable use of the other parties' property. For more information on this cross-easement agreement, see "The Nitrogen Fertilizer Limited Partnership — Other Intercompany Agreements."

Legal Proceedings

We are, and will continue to be, subject to litigation from time to time in the ordinary course of our business, including matters such as those described above under "— Environmental Matters." We are not party to any pending legal proceedings that we believe will have a material impact on our business, and there are no existing legal proceedings where we believe that the reasonably possible loss or range of loss is material.

MANAGEMENT

Executive Officers and Directors

Prior to this offering, our business was operated by Coffeyville Acquisition LLC and its subsidiaries. In connection with the offering, Coffeyville Acquisition LLC formed a wholly owned subsidiary, CVR Energy, Inc., which will own all of Coffeyville Acquisition LLC's subsidiaries and which will conduct our business through its subsidiaries following this offering. The following table sets forth the names, positions and ages (as of March 31, 2007) of each person who has been an executive officer or director of Coffeyville Acquisition LLC and who will be an executive officer or director of CVR Energy upon completion of this offering. We also indicate in the biographies below which executive officers and directors of CVR Energy will also hold similar positions with the managing general partner of the Partnership. Senior management of CVR will manage the Partnership pursuant to a management services agreement to be entered into among us, the Partnership and the managing general partner.

Name	Age	Position
John J. Lipinski	56	Chairman of the Board of Directors, Chief Executive Officer and President
Stanley A. Riemann	55	Chief Operating Officer
James T. Rens	41	Chief Financial Officer
Edmund S. Gross	56	Vice President, General Counsel and Secretary
Robert W. Haugen	48	Executive Vice President Refining Operations
Wyatt E. Jernigan	55	Executive Vice President Crude Oil Acquisition and Petroleum Marketing
Kevan A. Vick	53	Executive Vice President, General Manager Nitrogen Fertilizer
Christopher G. Swanberg	49	Vice President, Environmental, Health and Safety
Wesley Clark	62	Director
Scott Lebovitz	31	Director
Regis B. Lippert	67	Director
George E. Matelich	50	Director
Stanley de J. Osborne	36	Director
Kenneth A. Pontarelli	36	Director
Mark Tomkins	51	Director

John J. Lipinski has served as our chief executive officer and president and a member of our board of directors since September 2006 and as chief executive officer and president of Coffeyville Acquisition LLC since June 24, 2005. Mr. Lipinski also served as a director of Coffeyville Acquisition LLC from June 24, 2005 until immediately prior to this offering. Mr. Lipinski will also become chairman of our board of directors, the chief executive officer and a director of the managing general partner of the Partnership and the chief executive officer and president of Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC prior to the consummation of this offering. Mr. Lipinski has 35 years of experience in the petroleum refining and nitrogen fertilizer industries. He began his career with Texaco Inc. In 1985, Mr. Lipinski joined The Coastal Corporation eventually serving as Vice President of Refining with overall responsibility for Coastal Corporation's refining and petrochemical operations. Upon the merger of Coastal with El Paso Corporation in 2001, Mr. Lipinski was promoted to Executive Vice President of Refining and Chemicals, where he was responsible for all refining, petrochemical, nitrogen based chemical processing, and lubricant operations, as well as the corporate engineering and construction group. Mr. Lipinski left El Paso in 2002 and became an independent management consultant. In 2004, he became a Managing Director and Partner of Prudentia Energy, an advisory and management firm. Mr. Lipinski graduated from Stevens Institute of Technology with a Bachelor of Engineering (Chemical) and received a Juris Doctor degree from Rutgers University School of Law.

Stanley A. Riemann has served as chief operating officer of our company and its predecessors since March 3, 2004 and chief operating officer of Coffeyville Acquisition LLC since June 24, 2005. Mr. Riemann will also become the chief operating officer of the managing general partner of the Partnership and chief operating officer of Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC prior to the consummation of this offering. Prior to joining our company in March 2004, Mr. Riemann held various positions associated with the Crop Production and Petroleum Energy Division of Farmland Industries, Inc. over 29 years, including, most recently, Executive Vice President of Farmland Industries and President of Farmland's Energy and Crop Nutrient Division. In this capacity, he was directly responsible for managing the petroleum refining operation and all domestic fertilizer operations, which included the Trinidad and Tobago nitrogen fertilizer operations. His leadership also extended to managing Farmland's interests in SF Phosphates in Rock Springs, Wyoming and Farmland Hydro, L.P., a phosphate production operation in Florida, and managing all company-wide transportation assets and services. On May 31, 2002, Farmland Industries, Inc. filed for Chapter 11 bankruptcy protection. Mr. Riemann served as a board member and board chairman on several industry organizations including Phosphate Potash Institute, Florida Phosphate Council, and International Fertilizer Association. He currently serves on the Board of The Fertilizer Institute. Mr. Riemann received a bachelor of science from the University of Nebraska and an MBA from Rockhurst University.

James T. Rens has served as chief financial officer of our company and its predecessors since March 3, 2004 and as chief financial officer and treasurer of Coffeyville Acquisition LLC since June 24, 2005. Mr. Rens will also become the chief financial officer of the managing general partner of the Partnership and chief financial officer of Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC prior to the consummation of this offering. Before joining our company, Mr. Rens was a consultant to the Original Predecessor's majority shareholder from November 2003 to March 2004, assistant controller at Koch Nitrogen Company from June 2003, which was when Koch acquired the majority of Farmland's nitrogen fertilizer business, to November 2003 and Director of Finance of Farmland's Crop Production and Petroleum Divisions from January 2002 to June 2003. From May 1999 to January 2002, Mr. Rens was Controller and chief financial officer of Farmland Hydro L.P. Mr. Rens has spent 15 years in various accounting and financial positions associated with the fertilizer and energy industry. Mr. Rens received a Bachelor of Science degree in accounting from Central Missouri State University.

Edmund S. Gross has served as general counsel of our company and its predecessors since July 2004 and as secretary of Coffeyville Acquisition LLC since June 24, 2005. Mr. Gross will also become the general counsel of the managing general partner of the Partnership and secretary of Coffeyville II LLC and Coffeyville Acquisition III LLC prior to the consummation of this offering. Prior to joining Coffeyville Resources, Mr. Gross was Of Counsel at Stinson Morrison Hecker LLP in Kansas City, Missouri from 2002 to 2004, was Senior Corporate Counsel with Farmland Industries, Inc. from 1987 to 2002 and was an associate and later a partner at Weeks,Thomas & Lysaught, a law firm in Kansas City, Kansas, from 1980 to 1987. Mr. Gross received a Bachelor of Arts degree in history from Tulane University, a Juris Doctor from the University of Kansas and an MBA from the University of Kansas.

Robert W. Haugen joined our business on June 24, 2005 and has served as executive vice president, refining operations at our company since September 2006 and at Coffeyville Acquisition LLC since April 2006. Mr. Haugen brings 25 years of experience in the refining, petrochemical and nitrogen fertilizer business to our company. Prior to joining us, Mr. Haugen was a Managing Director and Partner of Prudentia Energy, an advisory and management firm focused on mid-stream/downstream energy sectors, from January 2004 to June 2005. On leave from Prudentia, he served as the Senior Oil Consultant to the Iraqi Reconstruction Management Office for the U.S. Department of State. Prior to joining Prudentia Energy, Mr. Haugen served in numerous engineering, operations, marketing and management positions at the Howell Corporation and at the Coastal Corporation. Upon the merger of Coastal and El Paso in 2001, Mr. Haugen was named Vice President and General Manager for the Coastal Corpus Christi Refinery, and later held the positions of Vice President of Chemicals and Vice President of Engineering and Construction. Mr. Haugen received a B.S. in Chemical Engineering from the University of Texas.

Wyatt E. Jernigan has served as executive vice president of crude oil acquisition and petroleum marketing at our company since September 2006 and at Coffeyville Acquisition LLC since June 24, 2005. Mr. Jernigan has 30 years of experience in the areas of crude oil and petroleum products related to trading, marketing, logistics and business development. Most recently, Mr. Jernigan was Managing Director with Prudentia Energy, an advisory and management firm focused on mid-stream/downstream energy sectors, from January 2004 to June 2005. Most of his career was spent with Coastal Corporation and El Paso, where he held several positions in crude oil supply, petroleum marketing and asset development, both domestic and international. Following the merger between Coastal Corporation and El Paso in 2001, Mr. Jernigan assumed the role of Managing Director for Petroleum Markets Originations. Mr. Jernigan attended Virginia Wesleyan College, majoring in Sociology, and has training in petroleum fundamentals from the University of Texas.

Kevan A. Vick has served as executive vice president, general manager nitrogen fertilizer at our company since September 2006 and at Coffeyville Resources LLC since March 3, 2004. Mr. Vick will also become an executive vice president and general manager of the managing general partner of the Partnership prior to the consummation of this offering. He has served on the board of directors of Farmland MissChem Limited in Trinidad and SF Phosphates. He has nearly 30 years of experience in the Farmland organization and is one of the most highly respected executives in the nitrogen fertilizer industry, known for both his technical expertise and his in-depth knowledge of the commercial marketplace. Prior to joining Coffeyville Resources LLC, he was general manager of nitrogen manufacturing at Farmland from January 2001 to February 2004. Mr. Vick received a bachelor of science in chemical engineering from the University of Kansas and is a licensed professional engineer in Kansas, Oklahoma, and Iowa.

Christopher G. Swanberg has served as vice president environmental, health and safety at our company since September 2006 and at Coffeyville Resources LLC since June 24, 2005. He has served in numerous management positions in the petroleum refining industry such as Manager, Environmental Affairs for the refining and marketing division of Atlantic Richfield Company (ARCO), and Manager, Regulatory and Legislative Affairs for Lyondell-Citgo Refining. Mr. Swanberg's experience includes technical and management assignments in project, facility and corporate staff positions in all environmental, safety and health areas. Prior to joining Coffeyville Resources, he was Vice President of Sage Environmental Consulting, an environmental consulting firm focused on petroleum refining and petrochemicals, from September 2002 to June 2005 and Senior HSE Advisor of Pilko & Associates, LP from September 2000 to September 2002. Mr. Swanberg received a B.S. in Environmental Engineering Technology from Western Kentucky University and an MBA from the University of Tulsa.

Wesley Clark has been a member of our board of directors since September 2006. He also was a member of the board of directors of Coffeyville Acquisition LLC from September 20, 2005 until immediately prior to this offering. Since March 2003 he has been the Chairman and Chief Executive Officer of Wesley K. Clark & Associates, a business services and development firm based in Little Rock, Arkansas. Mr. Clark also serves as senior advisor to GS Capital Partners V Fund, L.P. From March 2001 to February 2003 he was a Managing Director of the Stephens Group Inc. From July 2000 to March 2001 he was a consultant for Stephens Group Inc. Prior to that time, Mr. Clark served as the Supreme Allied Commander of NATO and Commander-in-Chief for the United States European Command and as the Director of the Pentagon's Strategic Plans and Policy operation. Mr. Clark retired from the United States Army as a four-star general in July 2000 after 38 years in the military and received many decorations and honors during his military career. Mr. Clark is a graduate of the United States Military Academy and studied as a Rhodes Scholar at the Magdalen College at the University of Oxford. Mr. Clark is a director of Argyle Security Acquisition Corp.

Scott Lebovitz has been a member of our board of directors since September 2006. He also was a member of the board of directors of Coffeyville Acquisition LLC from June 24, 2005 until immediately prior to this offering. Mr. Lebovitz will also become a director of the managing general partner of the Partnership and of Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC prior to the consummation of this offering. Mr. Lebovitz is a Vice President in the Merchant Banking Division of Goldman, Sachs & Co. Mr. Lebovitz joined Goldman Sachs in 1997. He is a director of Village Voice Media Holdings, LLC. He received his B.S. in Commerce from the University of Virginia.

Regis B. Lippert has been a member of our board of directors since June 2007. He is the founder, principal shareholder and a director of INTERCAT, Inc., a specialty chemicals company which primarily develops, manufactures, markets and sells specialty catalysts used in petroleum refining. Mr. Lippert serves as President and Chief Executive Officer of INTERCAT, Inc. and its affiliate companies and is a Managing Director of INTERCAT Europe B.V. Mr. Lippert is also a director of Indo Cat Private Limited, an Indian company which is part of a joint venture between INTERCAT, Inc. and Indian Oil Corporation Limited. Prior to founding INTERCAT, Mr. Lippert served from 1981 to 1985 as President, Chief Executive Officer and a director of Katalistiks, Inc., a manufacturer of fluid cracking catalysts which ultimately became a subsidiary of Union Carbide Corporation. From 1979 to 1981, Mr. Lippert was an Executive Vice President with Catalysts Recovery, Inc. In this capacity he was responsible for developing the joint venture which ultimately formed Katalistiks. From 1963 to 1979, Mr. Lippert was employed by Engelhard Minerals and Chemical Co., where he attained the position of Director of Sales and Marketing/Catalysts. Mr. Lippert attended Carnegie-Mellon University where he studied metallurgy. He is a member of the National Petroleum Refiners Association, the American Petroleum Institute and the American Chemical Society.

George E. Matelich has been a member of our board of directors since September 2006 and a member of the board of directors of Coffeyville Acquisition LLC since June 24, 2005. Mr. Matelich will also become a director of the managing general partner of the Partnership and of Coffeyville Acquisition III LLC prior to the consummation of this offering. Mr. Matelich has been a Managing Director of Kelso & Company since 1990. Mr. Matelich has been affiliated with Kelso since 1985. Mr. Matelich is a Certified Public Accountant and holds a Certificate in Management Consulting. Mr. Matelich received a B.A. in Business Administration from the University of Puget Sound and an M.B.A. from the Stanford Graduate School of Business. He is a director of Global Geophysical Services, Inc. and Waste Services, Inc. He is also a Trustee of the University of Puget Sound and serves on the National Council of the American Prairie Foundation.

Stanley de J. Osborne has been a member of our board of directors since September 2006 and a member of the board of directors of Coffeyville Acquisition LLC since June 24, 2005. Mr. Osborne will also become a director of the managing general partner of the Partnership and of Coffeyville Acquisition III LLC prior to the consummation of this offering. Mr. Osborne has been a Vice President of Kelso & Company since 2004. Mr. Osborne has been affiliated with Kelso since 1998. Prior to joining Kelso, Mr. Osborne was an Associate at Summit Partners. Previously, Mr. Osborne was an Associate in the Private Equity Group and an Analyst in the Financial Institutions Group at J.P. Morgan & Co. He received a B.A. in Government from Dartmouth College. Mr. Osborne is a director of Custom Building Products, Inc. and Traxys S.A.

Kenneth A. Pontarelli has been a member of our board of directors since September 2006. He also was a member of the board of directors of Coffeyville Acquisition LLC from June 24, 2005 until immediately prior to this offering. Mr. Pontarelli will also become a director of the managing general partner of the Partnership and of Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC prior to the consummation of this offering. Mr. Pontarelli is a managing director in the Merchant Banking Division of Goldman, Sachs & Co. Mr. Pontarelli joined Goldman, Sachs & Co. in 1992 and became a managing director in 2004. He is a director of Cobalt International Energy, L.P., an oil and gas exploration and development company, Horizon Wind Energy LLC, a developer, owner and operator of wind power projects, NextMedia Group, Inc., a privately owned radio broadcasting and outdoor advertising company, and Knight Holdco LLC and Kinder Morgan, Inc., an energy transportation and storage company. He received a B.A. from Syracuse University and an M.B.A. from Harvard Business School.

Mark Tomkins has been a member of our board of directors since January 2007. He also was a member of the board of directors of Coffeyville Acquisition LLC from January 2007 until immediately prior to this offering. Mr. Tomkins has served as the senior financial officer at several large companies during the past ten years. He was Senior Vice President and Chief Financial Officer of Innovene, a petroleum refining and chemical polymers business and a subsidiary of British Petroleum, from May 2005 to January 2006, when Innovene was sold to a strategic buyer. From January 2001 to May 2005 he was Senior Vice President and Chief Financial Officer of Vulcan Materials Company, a construction materials and chemicals company, with responsibility for finance, treasury, tax, internal audit, investor relations, strategic planning and information technology. From August 1998 to January 2001 Mr. Tomkins was Senior Vice President and Chief Financial Officer of Chemtura (formerly GreatLakes Chemical Corporation), a specialty chemicals company. From July 1996 to August 1998 he worked at Honeywell Corporation as Vice President of Finance and Business Development for its polymers division and as Vice President of Finance and Business Development for its electronic materials division. From November 1990 to July 1996 Mr. Tomkins worked at Monsanto Company in various financial and accounting positions, including Chief Financial Officer of the growth enterprises division from January 1995 to July 1996. Prior to joining Monsanto he worked at Cobra Corporation and as an auditor in private practice. Mr. Tomkins received a B.S. degree in business, with majors in Finance and Management, from Eastern Illinois University and an MBA from Eastern Illinois University.

Board of Directors

Our board of directors consists of seven members. The current directors are included above. Our directors are elected annually to serve until the next annual meeting of stockholders or until their successors are duly elected and qualified.

Prior to the completion of this offering, our board will have an audit committee, a compensation committee, a nominating and corporate governance committee and a conflicts committee. Our board of directors has determined that we are a “controlled company” under the rules of the New York Stock Exchange, and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements of the New York Stock Exchange. Pursuant to the “controlled company” exception to the board of directors and committee composition requirements, we will be exempt from the rules that require that (a) our board of directors be comprised of a majority of “independent directors,” (b) our compensation committee be comprised solely of “independent directors” and (c) our nominating and corporate governance committee be comprised solely of “independent directors” as defined under the rules of the New York Stock Exchange. The “controlled company” exception does not modify the independence requirements for the audit committee, and we intend to comply with the audit committee requirements of the Sarbanes-Oxley Act and the New York Stock Exchange rules, which require that our audit committee be composed of at least one independent director at the closing of this offering, a majority of independent directors within 90 days of this offering and all independent directors within a year of this offering.

Audit Committee. Our audit committee will be comprised of Messrs. Mark Tomkins, Wesley Clark, and Stanley de J. Osborne. Mr. Tomkins will be chairman of the audit committee. Our board of directors has determined that Mr. Tomkins qualifies as an “audit committee financial expert.” The audit committee’s responsibilities will be to review the accounting and auditing principles and procedures of our company with a view to providing for the safeguard of our assets and the reliability of our financial records by assisting the board of directors in monitoring our financial reporting process, accounting functions and internal controls; to oversee the qualifications, independence, appointment, retention, compensation and performance of our independent registered public accounting firm; to recommend to the board of directors the engagement of our independent accountants; to review with the independent accountants the plans and results of the auditing engagement; and to oversee "whistle-blowing" procedures and certain other compliance matters.

Compensation Committee. Our compensation committee will be comprised of Messrs. George E. Matelich, Kenneth Pontarelli, Wesley Clark, and Mark Tomkins. Mr. George E. Matelich will be the chairman of the compensation committee. The principal responsibilities of the compensation committee will be to establish policies and periodically determine matters involving executive compensation, recommend changes in employee benefit programs, grant or recommend the grant of stock options and stock awards and provide counsel regarding key personnel selection. A subcommittee of the compensation committee consisting of Messrs. Clark and Tomkins will make stock and option awards to the extent deemed necessary or advisable for regulatory purposes. See "— Executive Compensation — Compensation Discussion and Analysis."

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will be comprised of Messrs. Scott Lebovitz, Stanley de J. Osborne, John J. Lipinski and Regis B. Lippert. Mr. Scott Lebovitz will be the chairman of the nominating and corporate governance committee. The principal duties of the nominating and corporate governance committee will be to recommend to the board of directors proposed nominees for election to the board of directors by the stockholders at annual meetings and to develop and make recommendations to the board of directors regarding corporate governance matters and practices.

Conflicts Committee. Our conflicts committee initially will be comprised of Mr. Mark Tomkins. The principal duties of the conflicts committee will be to determine, in accordance with the conflicts of interests policy adopted by our board of directors, if the resolution of a conflict of interest with the Partnership, the Partnership's general partners or their affiliates is fair and reasonable to us.

Executive Compensation

Compensation Discussion and Analysis

Overview

To date, the compensation committee of the board of directors of Successor has overseen companywide compensation practices and specifically reviewed, developed and administered executive compensation programs, and made recommendations to the board of directors of Successor on compensation matters. Messrs. George E. Matelich, Kenneth Pontarelli and John J. Lipinski served as members of this committee during 2006 and prior to this offering. Prior to the completion of this offering, our board of directors will establish a compensation committee comprised of Messrs. George E. Matelich (as chairperson), Kenneth Pontarelli, Wesley Clark and Mark Tomkins, which will (except where otherwise noted) generally take over the duties of the compensation committee of the board of directors of Successor. For purposes of the Compensation Discussion and Analysis, the "board of directors" and the "compensation committee" refer to the board of directors of the Successor and the compensation committee thereof. We do not expect our overall compensation philosophy to materially change as a result of the establishment of the new compensation committee. The definitions of certain defined terms used in this Compensation Discussion and Analysis (and in other parts of the Executive Compensation section), including bonus plan, bonus points, Phantom Unit Plan I, Phantom Unit Plan II, phantom points, phantom service points, phantom performance points, common units, profits interests, override units, operating units and value units, among others, are contained in the section of this prospectus entitled "Glossary of Selected Defined Terms."

The executive compensation philosophy of the compensation committee is threefold:

- To align the executive officers' interest with that of the stockholders and stakeholders, which provides long-term economic benefits to the stockholders;
- To provide competitive financial incentives in the form of salary, bonuses, and benefits with the goal of retaining and attracting talented and highly motivated executive officers; and

- To maintain a compensation program whereby the executive officers, through exceptional performance and equity ownership, will have the opportunity to realize economic rewards commensurate with appropriate gains of other equity holders and stake holders.

The compensation committee reviews and makes recommendations to the board of directors regarding our overall compensation strategy and policies, with the full board of directors having the final authority on compensation matters. The board of directors may from time to time delegate to the compensation committee the authority to take actions on specific compensation matters or with respect to compensation matters for certain employees or officers. The compensation committee (1) develops, approves and oversees policies relating to compensation of our chief executive officer and other executive officers, (2) discharges the board's responsibility relating to the establishment, amendment, modification, or termination of the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) (the "Phantom Unit Plan I") (and will discharge similar responsibilities relating to the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II) (the "Phantom Unit Plan II"), which we intend to adopt prior to the completion of this offering), health and welfare plans, incentive plans, defined contribution plans (401(k) plans), and any other benefit plan, program or arrangement which we sponsor or maintain and (3) discharges the responsibilities of the override unit committee of the board of directors.

Specifically, the compensation committee reviews and makes recommendations to the board of directors regarding annual and long-term performance goals and objectives for the chief executive officer and our other senior executives; reviews and makes recommendations to the board of directors regarding the annual salary, bonus and other incentives and benefits, direct and indirect, of the chief executive officer and our senior executives; reviews and authorizes the company to enter into employment, severance or other compensation agreements with the chief executive officer and other senior executives; administers the executive incentive plan, including the Phantom Unit Plan I (and the Phantom Unit Plan II, when adopted); establishes and periodically reviews perquisites and fringe benefits policies; reviews annually the implementation of our company-wide incentive bonus program known as the Variable Compensation Plan (which is referred to as the Income Sharing Plan beginning in 2007) and contributions to our 401(k) plan; and performs such duties and responsibilities as may be assigned by the board of directors to the compensation committee under the terms of any executive compensation plan, incentive compensation plan or equity-based plan and as may be assigned to the compensation committee with respect to the issuance and management of the override units in Coffeyville Acquisition LLC and, after the consummation of the transactions, Coffeyville Acquisition II LLC.

The compensation committee has regularly scheduled meetings concurrent with the board of directors meetings and additionally meets at other times as needed throughout the year. Frequently issues are discussed via teleconferencing. The chief executive officer, while a member of the compensation committee prior to this offering, did not participate in the determination of his own compensation, thereby avoiding any potential conflict of interest. However, he actively provided and will continue to provide guidance and recommendations to the committee regarding the amount and form of the compensation of the other executive officers and key employees. During 2006 and prior to this offering, given that the compensation committee consisted of senior representatives of the Goldman Sachs Funds and the Kelso Funds, as well as our chief executive officer, the board did not change or reject decisions made by the compensation committee.

Compensation paid to executive officers is closely aligned with our performance on both a short-term and long-term basis. Compensation is structured competitively in order to attract, motivate and retain executive officers and key employees and is considered crucial to our long-term success and the long-term enhancement of stockholder value. Compensation is structured to ensure that the executive officers' objectives and rewards are directly correlated to our long-term objectives and the executive officers' interests are aligned with those of stockholders. To this end, the compensation committee believes that the most critical component of compensation is equity compensation.

The following discusses in detail the foundation underlying and the drivers of our executive compensation philosophy, and also how the related decisions are made. Qualitative information related to the most important factors utilized in the analysis of these decisions is described.

Elements of Compensation

The three primary components of the compensation program are salary, an annual cash incentive bonus, and equity awards. Executive officers are also provided with benefits that are generally available to our salaried employees.

While these three components are related, we view them as separate and analyze them as such. The compensation committee believes that equity compensation is the primary motivator in attracting and retaining executive officers. Salary and cash incentive bonuses are viewed as secondary; however, the compensation committee views a competitive level of salary and cash bonus as critical to retaining talented individuals.

Base Salary

We fix the base salary of each of our executive officers at a level we believe enables us to hire, motivate, and retain individuals in a competitive environment and to reward satisfactory individual and company performance. In determining its recommendations for salary levels, the compensation committee takes into account individual performance and peer group pay. Management, through the chief executive officer, provides the compensation committee with information gathered through a detailed annual review of executive compensation programs of other publicly and privately held companies in our industry, which are similar to us in size and operations (among other factors). In 2006, management reviewed and provided information to the compensation committee regarding the salary, bonus and other compensation amounts paid to named executive officers in respect of 2005 for the following independent refining companies, which we view as members of our peer group: Frontier Oil Corporation, Giant Industries, Inc., Holly Corporation, Western Refining Company and Tesoro Corporation. It then averaged these peer group salary levels over a number of years to develop a range of salaries of similarly situated executives of these companies, and used this range as a factor in determining base salary (and overall cash compensation) of the named executive officers. Management also reviewed the differences in levels of compensation among the named executive officers of this peer group, and used these differences as a factor in setting a different level of salary and overall compensation for each of our named executive officers based on their relative positions and levels of responsibility.

Each of the named executive officers has an employment agreement which sets forth his base salary. Salaries are reviewed annually by the compensation committee with periodic informal reviews throughout the year. Adjustments, if any, are usually made on January 1st of the year immediately following the review. The compensation committee most recently reviewed the level of cash salary and bonus for each of the executive officers in November 2006 and noted certain changes of responsibilities and promotions. Individual performance, the practices of our peer group of companies and changes in an executive officer's status were considered, and each measurement was given relatively equal weight. The committee determined that no material changes needed to be made at that time to the base salary levels of our executive officers unless they either had a promotion or a significant change of duties. The compensation committee accordingly recommended that the board of directors adjust the salary of Mr. Haugen as Mr. Haugen's overall responsibilities increased (although his title did not formally change) in 2006. Mr. Haugen took over all refinery operations and continued to maintain his other responsibilities including executive management of engineering and construction during 2006. Mr. Haugen's base salary beginning in 2007 was adjusted to $275,000.

Annual Bonus

We use information about industry practice in determining both the level of bonus award and the ratio of salary to bonus because we believe that maintaining a level of bonus and a ratio of fixed salary (which is fixed and guaranteed) to bonus (which may fluctuate) that is in line with those of our competitors is an important factor in retaining the executives. The compensation committee also desires that a significant portion of our executive officers' compensation package be at risk. That is, a portion of the executive officers' overall compensation would not be guaranteed and would be determined based on individual and company performance. Our program provides for greater potential bonus awards as the authority and responsibility of a position increases. The chief executive officer has the greatest percentage of his compensation at risk in the form of a discretionary bonus. For example, during 2006, bonuses accounted for over 73% of total salary and bonus for the chief executive officer. Based on our review of the ratios of salary to bonus for the top paid officers in our peer group of companies (listed above) for 2005, we determined that this 73% ratio was in line with our competitors (the 2005 average of this group was approximately 66%). Following the chief executive officer, the other named executive officers have smaller potential bonus payments but retain a significant percentage of their compensation package at risk in the form of potential discretionary bonuses. Bonuses may be paid in an amount equal to the target percentage, less than the target percentage or greater than the target percentage based on current year performance as recommended by the compensation committee. The performance determination takes into account overall operational performance, financial performance, factors affecting the business and the individual's personal performance. The determination of whether the target bonus amount should be paid is not based on specific metrics, but rather a general assessment of how the business performed as compared to the business plan developed for the year. Due to the nature of the business, financial performance alone may not dictate or be a fair indicator of the performance of the executive officers. Conversely, financial performance may exceed all expectations, but it could be due to outside forces in the industry rather than true performance by an executive that exceeds expectations. In order to take this mismatch into consideration and to assess the executive officers' performance on their own merits, the compensation committee makes an assessment of the executive officer's performance separate from the actual financial performance of the company, although such measurement is not based on any specific metrics.

The compensation committee reviewed the individualized performance and company performance as compared to expectations for the year ended December 31, 2006. The compensation committee decided that the cash incentive bonuses earned by the executive officers for the year ended December 31, 2006 should equal their full target percentages, and such bonuses were paid out during the first week of February 2007. Many initiatives, such as better utilization of our crude gathering system, improvements in crude purchasing and added emphasis on safety enhancements, and other efficiency improvements by the named executive officers drove the value of the business significantly. The intent was that separate discretionary bonuses would be awarded upon review of accomplishments. The compensation committee provided certain additional bonuses in December 2006 to the named executive officers separate and apart from the bonus percentages set forth in the named executive officers' employment agreements. It was the decision of the compensation committee that bonuses would be paid to partially bridge the difference between the base salaries established for the executive officers and the average compensation paid by members of our peer group of companies.

Annual cash incentive bonuses for our named executive officers are established as part of their respective individual employment agreements. Each of these employment agreements provides that the executive will receive an annual cash performance bonus determined in the discretion of the board of directors, with a target bonus amount specified as a percentage of salary for that executive officer based on individualized performance goals and company performance goals. In connection with the review of peer company compensation practices described above, in November 2006, the compensation committee determined that the future target percentage for the performance-based annual cash bonus for executive officers needed to be increased due to their review of comparable companies. As a result, it is not expected that the additional discretionary bonuses that were awarded in December 2006 will generally be awarded to the named executive officers in the future.

Beginning in 2007, the named executive officers will no longer participate in our company-wide Variable Compensation Plan (renamed the Income Sharing Plan in 2007). The compensation committee believes their targeted percentages for bonuses beginning in 2007 are adequate and will be monitored and maintained through their employment agreements; therefore, they are no longer eligible to participate in the company-wide bonus plan (Income Sharing Plan).

Equity

We use equity incentives to reward long-term performance. The issuance of equity to executive officers is intended to generate significant future value for each executive officer if the company's performance is outstanding and the value of the company's equity increases for all stockholders. The compensation committee believes that this also promotes long-term retention of the executive. The equity incentives were negotiated to a large degree at the time of the acquisition in June 2005 in order to bring the executive officers' compensation package in line with executives at similarly situated companies.

The greatest share of total compensation to the chief executive officer and other named executive officers (as well as selected senior executives and key employees) is in the form of equity: common units in Coffeyville Acquisition LLC, stock of the underlying subsidiaries, override units within Coffeyville Acquisition LLC or phantom points at Coffeyville Resources, LLC. The total number of such awards is detailed in this registration statement and was approved by the board of directors. All currently available override units and phantom points under the existing plans have been awarded. The Coffeyville Acquisition LLC Limited Liability Company Agreement provides the methodology for payouts for this equity based compensation. The Phantom Unit Plan I works in correlation with the methodology established by the Coffeyville Acquisition LLC Limited Liability Company Agreement for payouts. When adopted, the Phantom Unit Plan II will work in correlation with the methodology established by the Coffeyville Acquisition II Limited Liability Company Agreement for payouts, and the rights and obligations under the Phantom Unit Plan II will be parallel to those of the Phantom Unit Plan I. Each named executive officer contributed personal capital to Coffeyville Acquisition LLC and owns a number of units proportionate to his contribution. All issuances of override units and phantom points made through December 31, 2006 were made at what the board of directors determined to be their fair value on their respective grant dates. As part of the Transactions, half of the common units and override units in Coffeyville Acquisition LLC held by each named executive officer will be redeemed in exchange for an equal number of common units and override units in Coffeyville Acquisition II LLC so that, following the consummation of the Transactions, each named executive officer will hold equal numbers and types of limited liability interests in both Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. The common units and override units in Coffeyville Acquisition II LLC will have the same rights and obligations as the common units and override units in Coffeyville Acquisition LLC. Additionally, following the consummation of the Transactions, each named executive officer will hold the same number and type of phantom points under the Phantom Unit Plan II as he currently holds under the Phantom Unit Plan I. For a description of these plans, please see "— Executives' Interests in Coffeyville Acquisition LLC" and "— Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) and Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II)," below.

Additional phantom points were also awarded to each of the named executive officers (Messrs. Lipinski, Riemann, Rens, Haugen and Jernigan) in December 2006 pursuant to the Phantom Unit Plan I. The Phantom Unit Plan I had an unallocated pool of phantom points that were not initially issued. It was the intent that this unallocated pool would remain until a triggering event occurred. The triggering event for the issuance of these phantom points was the filing of a registration statement. The filing of the registration statement precipitated the action of the compensation committee to review and determine the allocation of the additional phantom points from the Phantom Unit Plan I for issuance. Additionally, there was a pool of override units that had not been issued. It was also the intent, that upon a filing of a registration statement, the unallocated override units in the pool would be issued. The compensation committee recommended the issuance of all remaining override units in the pool available be issued to John J. Lipinski on December 28, 2006. The compensation committee made its decision and recommendation to the board of directors to grant Mr. Lipinski these additional units based on a number of accomplishments achieved by him over the past 18 months (and made the decision and recommendation without any input from Mr. Lipinski). Mr. Lipinski has been and will continue to be instrumental in positioning the company to become more competitive and to increase the capacity of the refinery operations through his negotiating and obtaining favorable crude oil pricing, as well as in helping to gain access to capital in order to expand overall operations of both segments of the business. The increased value and growth of the business is directly attributable to the actions and leadership that Mr. Lipinski has provided for the overall executive management group. Specific achievements include:

- Significant operational improvement (in increased refinery throughput and yield) for an asset that emerged from bankruptcy just over 3 years ago, as described on page 2 of the prospectus. Upon assuming leadership of our company, Mr. Lipinski challenged existing management to optimize our refinery operations by focusing on plant operating limits each day. With 35 years of experience in the refining and nitrogen fertilizer industries, Mr. Lipinski focused, and led management to focus, on the details of day-to-day plant operations. Previously, the refinery had primarily operated based on a predetermined monthly plan which resulted in significant unused capacity. The result of this revised focus was to immediately increase operating rates with essentially no capital expenditures being incurred.
- Initiation of refined fuels offsite rack marketing, as described more fully on page 2 of this prospectus. Under Mr. Lipinski's direction and leadership, we have built our rack marketing sales — sales of refined products made at terminals into third party tanker trucks, as opposed to sales through third party pipelines — which has directly impacted and improved our profitability. Although we had the infrastructure in place to commence rack marketing, it had not been implemented at the time that Mr. Lipinski became our chief executive officer in June 2005. Mr. Lipinski authorized additional company personnel to expand the rack marketing operation and it has served as a key factor in our company's success over the past two years.
- Revised linear program model and focus on quality control. Mr. Lipinski authorized a project to revise our linear program model which we use for refinery planning and optimization. A linear program is a computer program that simulates plant operations and profitability based on different pricing and operating environment assumptions. Mr. Lipinski also directed that additional company resources be applied to quality assurance and quality control activities throughout the organization. As a result of these efforts, we now have a better modeling tool to assess plant operating rates, sales opportunities and crude oil purchases along with an improved understanding of our operations and better control over product quality.
- Technical focus and environmental stewardship. After becoming chief executive officer, Mr. Lipinski recognized that our organization needed a more technical focus in order to achieve superior performance and he approved the hiring of additional engineering and technical staff, particularly with respect to process engineering. He also fostered a renewed focus on environmental stewardship (evidenced by the construction of our plant wide flare) and safety (evidenced by a reduction in lost time accidents and reportable incidents).
- Implementation and initiation of a refinery expansion project, as further described on page 2. In connection with the due diligence review of our company prior to becoming our chief executive officer, Mr. Lipinski recognized that there was a significant opportunity to more fully utilize the facility's crude capacity by expanding our downstream units. After assuming his position as CEO, Mr. Lipinski sought approval of a project to expand the refinery's capacity to 115,000 barrels per day, compared to an average of less than 90,000 prior to June 2005.

Through Mr. Lipinski's leadership, we substantially implemented this project in less than twenty-months and currently benefit from improved capacity throughout the plant.

Additionally, due to the significant contributions of Mr. Lipinski as reflected above, the compensation committee awarded him for his services 0.1044200 shares in Coffeyville Refining & Marketing, Inc. and 0.2125376 shares in Coffeyville Nitrogen Fertilizers, Inc. This approximates 0.31% and 0.64% of each company's total shares outstanding, respectively. The shares were issued to compensate him for his exceptional performance related to the operations of the business. Prior to the consummation of this offering, we expect that these shares will be exchanged for shares of common stock in CVR Energy at an equivalent fair market value.

We also plan to establish a stock incentive plan in connection with the initial public offering. No awards have been established at this time for the chief executive officer or other named executive officers. In keeping with the compensation committee's stated philosophy, such awards will be intended to help achieve the compensation goals necessary to run our business.

Other Forms of Compensation

Each of our executive officers has a provision in his employment agreement providing for certain severance benefits in the event of termination without cause. These severance provisions are described in the "Employment Agreements and Other Arrangements" section below. The severance arrangements were all negotiated with the original employment agreements between the executive officer and the company. There are no change of control arrangements, but the compensation committee believed that there needed to be some form of compensation upon certain events of termination of services as is customary for similar companies.

As a general matter, we do not provide a significant number of perquisites to named executive officers. In April 2007, however, we paid our Chief Operating Officer, Stanley A. Riemann, approximately $220,000 as a relocation incentive for Mr. Riemann to relocate at our request to the Sugar Land, Texas area.

Compensation Policies and Philosophy

Ours is a commodity business with high volatility and risk where earnings are not only influenced by margins, but also by unique, innovative and aggressive actions and business practices on the part of the executive team. The compensation committee routinely reviews financial and operational performance compared to our business plan, positive and negative industry factors, and the response of the senior management team in dealing with and maximizing operational and financial performance in the face of otherwise negative situations. Due to the nature of our business, performance of an individual or the business as a whole may be outstanding; however, our financial performance may not depict this same level of achievement. The financial performance of the company is not necessarily reflective of individual operational performance. These are some of the factors used in setting executive compensation. Specific performance levels or benchmarks are not necessarily used to establish compensation; however, the compensation committee takes into account all factors to make a subjective determination of related compensation packages for the executive officers.

The compensation committee has not adopted any formal or informal policies or guidelines for allocating compensation between long-term and current compensation, between cash and non-cash compensation, or among different forms of compensation other than its belief that the most crucial component is equity compensation. The decision is strictly made on a subjective and individual basis considering all relevant facts.

For compensation decisions, including decisions regarding the grant of equity compensation relating to executive officers (other than our chief executive officer and chief operating officer), the compensation committee typically considers the recommendations of our chief executive officer.

In recommending compensation levels and practices, our management reviews peer group compensation practices based on publicly available data. The analysis is done in-house in its entirety and is reviewed by executive officers who are not members of the compensation committee. The analysis is based on public information available through proxy statements and similar sources. Because the analysis is almost always performed based on prior year public information, it may often be somewhat outdated. We have not historically and at this time do not intend to hire or rely on independent consultants to analyze or prepare formal surveys for us. We do receive certain unsolicited executive compensation surveys; however, our use of these is limited as we believe we need to determine our baseline based on practices of other companies in our industry.

After this registration statement is declared effective, Section 162(m) of the Internal Revenue Code will limit the deductibility of compensation in excess of $1 million paid out to our executive officers unless specific and detailed criteria are satisfied. We believe that it is in our best interest to deduct compensation paid to our executive officers. We will consider the anticipated tax treatment to the company and our executive officers in the review and determination of the compensation payments and incentives. No assurance, however, can be given that the compensation will be fully deductible under Section 162(m).

Following the completion of this offering, we will continue to reward executive officers through programs that enhance and emphasize performance-based incentives. We will continue our strategy to identify rewards that promote the objective of enhancing stockholder value. Executive compensation will continue to be structured to ensure that there is a balance between financial performance and stockholder returns as well as an appropriate balance between short-term and long-term performance.

Nitrogen Fertilizer Limited Partnership

A number of our executive officers, including our chief executive officer, chief operating officer, chief financial officer, general counsel, and executive vice president/general manager for nitrogen fertilizer, will serve as executive officers for both our company and the Partnership. These executive officers will receive all of their compensation and benefits from us, including compensation related to services for the Partnership, and will not be paid by the Partnership or its managing general partner. The percentage of each named executive officer’s compensation that will represent the services provided to the Partnership will be approximately as follows: John J. Lipinski (10%), Stanley A. Riemann (25%), James T. Rens (20%), Robert W. Haugen (0%) and Wyatt E. Jernigan (0%).

We will enter into a management services agreement with the Partnership and its managing general partner in which we will agree to provide management services to the Partnership for the operation of the nitrogen fertilizer business. Under this agreement any of the Partnership, its managing general partner or Coffeyville Resources Nitrogen Fertilizers, LLC, a subsidiary of the Partnership, will pay us (i) all costs incurred by us in connection with the employment of our employees, other than administrative personnel, who provide services to the Partnership under the agreement on a full-time basis, but excluding share-based compensation; (ii) a prorated share of costs incurred by us in connection with the employment of our employees, other than administrative personnel, who provide services to the Partnership under the agreement on a part-time basis, but excluding share-based compensation, and such prorated share shall be determined by us on a commercially reasonable basis, based on the percent of total working time that such shared personnel are engaged in performing services for the Partnership; (iii) a prorated share of certain administrative costs; and (iv) various other administrative costs in accordance with the terms of the agreement. Either we or the managing general partner of the Partnership may terminate the agreement upon at least 90 days’ notice. For more information on this management services agreement, see “The Nitrogen Fertilizer Limited Partnership — Other Intercompany Agreements.”

Summary Compensation Table

The following table sets forth certain information with respect to compensation for the year ended December 31, 2006 earned by our chief executive officer, our chief financial officer and our three other most highly compensated executive officers as of December 31, 2006. In this prospectus, we refer to these individuals as our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($) (1)(4)	All Other Compensation ($)	Total ($)
John J. Lipinski Chief Executive Officer	2006	650,000	1,331,790	4,326,188(3)	487,500	5,007,935(5)(6)	11,803,413
Stanley A. Riemann Chief Operating Officer	2006	350,000	772,917(2)	—	210,000	943,789(5)(7)	2,276,706
James T. Rens Chief Financial Officer	2006	250,000	205,000	—	130,000	695,316(5)(8)	1,280,316
Robert W. Haugen Executive Vice President, Refining Operations	2006	225,000	205,000	—	117,000	695,471(5)(9)	1,242,471
Wyatt E. Jernigan Executive Vice President Crude Oil Acquisition and Petroleum Marketing	2006	225,000	140,000	—	117,000	318,000(5)(10)	800,000

(1) Bonuses are reported for the year in which they were earned, though they may have been paid the following year.

(2) Includes a retention bonus in the amount of $122,917.

(3) Reflects the amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 with respect to shares of common stock of each of Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. granted to Mr. Lipinski effective December 28, 2006.

(4) Reflects cash awards to the named individuals in respect of 2006 performance pursuant to our Variable Compensation Plan.

(5) The amounts shown representing grants of profits interests in Coffeyville Acquisition LLC and phantom points reflect the dollar amounts recognized for financial statement reporting purposes for the year ended December 31, 2006 in accordance with FAS 123(R). Assumptions used in the calculation of these amounts are included in footnote 5 to our audited financial statements for the year ended December 31, 2006. The profits interests in Coffeyville Acquisition LLC and the phantom points are more fully described below under " — Executives' Interests in Coffeyville Acquisition LLC."

(6) Includes (a) a company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006, (c) forgiveness of a note that Mr. Lipinski owed to Coffeyville Acquisition LLC in the amount of $350,000, (d) forgiveness of accrued interest related to the forgiven note in the amount of $17,989, (e) profits interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $630,059, (f) a cash payment in respect of taxes payable on his December 28, 2006 grant of subsidiary stock in the amount of $2,481,346, (g) profits interests in Coffeyville Acquisition LLC that were granted December 28, 2006 in the amount of $20,510 and (h) phantom points granted during the period ending December 31, 2006 in the amount of $1,495,211.

(7) Includes (a) a company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006, (c) profits interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $279,670 and

(d) phantom points granted to Mr. Riemann during the period ending December 31, 2006 in the amount of $651,299.

(8) Includes (a) a company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006, (c) profits interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $143,571 and (d) phantom points granted to Mr. Rens during the period ending December 31, 2006 in the amount of $541,061.

(9) Includes (a) a company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006, (c) profits interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $143,571 and (d) phantom points granted to Mr. Haugen during the period ending December 31, 2006 in the amount of $541,061.

(10) Includes (a) a company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006, (c) profits interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $143,571 and (d) phantom points granted to Mr. Jernigan during the period ending December 31, 2006 in the amount of $162,319.

Grants of Plan-Based Awards

Name	Grant Date	All other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards
John J. Lipinski	December 28, 2006	(1)	$4,326,188(1)
	December 28, 2006	217,458(2)	$1,417,826(4)
	December 11, 2006	2,737,142(3)	$4,252,562(4)
Stanley A. Riemann	December 11, 2006	1,192,266(3)	$1,852,367(4)
James T. Rens	December 11, 2006	990,476(3)	$1,538,851(4)
Robert W. Haugen	December 11, 2006	990,476(3)	$1,538,851(4)
Wyatt E. Jernigan	December 11, 2006	297,142(3)	$461,656(4)

(1) Mr. Lipinski received a grant of shares of common stock of each of Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. effective December 28, 2006. The number of shares of Coffeyville Nitrogen Fertilizer, Inc. granted was 0.2125376, which equaled approximately 0.64% of the total shares outstanding. The number of shares of Coffeyville Refining and Marketing, Inc. granted was 0.1044200, which approximated 0.31% of the total shares outstanding. The dollar amount shown reflects the grant date fair value recognized for financial statement reporting purposes in accordance with FAS 123(R). Assumptions used in the calculation of these amounts are included in footnote 5 to our audited financial statements for the year ended December 31, 2006.

(2) Represents the number of profits interests in Coffeyville Acquisition LLC granted to the executive on December 28, 2006.

(3) Represents the number of phantom points granted to the executive on December 11, 2006.

(4) The dollar amount shown reflects the fair value as of December 31, 2006 recognized for financial reporting purposes in accordance with FAS 123(R). Assumptions used in the calculation of this amount are included in footnote 5 to our audited financial statements for the year ended December 31, 2006.

Employment Agreements and Other Arrangements

Employment Agreements

John J. Lipinski. On July 12, 2005, Coffeyville Resources, LLC entered into an employment agreement with Mr. Lipinski, as Chief Executive Officer. The agreement has a rolling term of three years so that at the end of each month it automatically renews for one additional month, unless otherwise terminated by Coffeyville Resources, LLC or Mr. Lipinski. Mr. Lipinski receives an annual base salary of $650,000. Mr. Lipinski is eligible to receive a performance-based annual cash bonus with a target payment equal to 75% (250% effective January 1, 2007) of his annual base salary to be based upon individual and/or company performance criteria as established by the board of directors of Coffeyville Resources, LLC for each fiscal year. For years prior to 2007, in addition to his annual bonus, Mr. Lipinski was eligible to participate in any special bonus program that the board of directors of Coffeyville Resources, LLC implemented to reward senior management for extraordinary performance on terms and conditions established by such board.

Mr. Lipinski's agreement provides for certain severance payments that may be due following the termination of his employment. These benefits are described below under "Change-in-Control and Termination Payments."

Stanley A. Riemann, James T. Rens, Robert W. Haugen and Wyatt E. Jernigan. On July 12, 2005, Coffeyville Resources, LLC entered into employment agreements with each of Mr. Riemann, as Chief Operating Officer; Mr. Rens, as Chief Financial Officer; Mr. Haugen, as Executive Vice President — Engineering and Construction; and Mr. Jernigan, as Executive Vice President — Crude Oil Acquisition and Petroleum Marketing. The agreements have a term of three years and expire on June 24, 2008, unless otherwise terminated earlier by the parties. The agreements provide for an annual base salary of $350,000 for Mr. Riemann, $250,000 for Mr. Rens, $225,000 for Mr. Haugen ($275,000 effective January 1, 2007) and $225,000 for Mr. Jernigan. Each executive officer is eligible to receive a performance-based annual cash bonus with a target payment equal to 52% of his annual base salary (60% for Mr. Riemann) to be based upon individual and/or company performance criteria as established by the board of directors of Coffeyville Resources, LLC for each fiscal year. Effective January 1, 2007, the target annual bonus percentages are as follows: Mr. Reimann (200%), Mr. Rens (120%), Mr. Haugen (120%) and Mr. Jernigan (100%). For years prior to 2007, in addition to their annual bonuses, the executives were eligible to participate in any special bonus program that the board of directors of Coffeyville Resources, LLC implemented to reward senior management for extraordinary performance on terms and conditions established by the board of directors of Coffeyville Resources, LLC. Mr. Riemann's agreement provides that he will receive retention bonuses of approximately $245,833 in the aggregate during the years 2006 and 2007.

These agreements provide for certain severance payments that may be due following the termination of the executive officers' employment. These benefits are described below under "Change-in-Control and Termination Payments."

Long Term Incentive Plan

Prior to the completion of this offering, we intend to adopt the CVR Energy, Inc. 2007 Long Term Incentive Plan, or the LTIP, to permit the grant of options, stock appreciation rights, or SARs, restricted stock, restricted stock units, dividend equivalent rights, share awards and performance awards (including performance share units, performance units and performance-based restricted stock). Individuals who will be eligible to receive awards and grants under the LTIP include our and our subsidiaries' employees, officers, consultants, advisors and directors. A summary of the principal features of the LTIP is provided below.

Shares Available for Issuance

The LTIP authorizes a share pool of 7,500,000 shares of our common stock, 1,000,000 of which may be issued in respect of incentive stock options. Whenever any outstanding award granted under the LTIP expires, is canceled, is settled in cash or is otherwise terminated for any reason without having been exercised or payment having been made in respect of the entire award, the number of shares available for issuance under the LTIP shall be increased by the number of shares previously allocable to the expired, canceled, settled or otherwise terminated portion of the award.

Administration and Eligibility

The LTIP would be administered by a committee, which would initially be the compensation committee. The committee would determine who is eligible to participate in the LTIP, determine the types of awards to be granted, prescribe the terms and conditions of all awards, and construe and interpret the terms of the LTIP. All decisions made by the committee would be final, binding and conclusive.

Award Limits

In any three calendar year period, no participant may be granted awards in respect of more than 6,000,000 shares in the form of (i) stock options, (ii) SARs, (iii) performance-based restricted stock and (iv) performance share units, with the above limit subject to the adjustment provisions discussed below. The maximum dollar amount of cash or the fair market value of shares that any participant may receive in any calendar year in respect of performance units may not exceed $3,000,000.

Type of Awards

Stock Options. The compensation committee is authorized to grant stock options to participants. The stock options may be either nonqualified stock options or incentive stock options. The exercise price of any stock option must be equal to or greater than the fair market value of a share on the date the stock option is granted. The term of a stock option cannot exceed ten (10) years (except that options may be exercised for up to one (1) year following the death of a participant even if such period extends beyond the ten (10) year term). Subject to the terms of the LTIP, the option's terms and conditions, which include but are no limited to, exercise price, vesting, treatment of the award upon termination of employment, and expiration of the option, would be determined by the committee and set forth in an award agreement. Payment for shares purchased upon exercise of an option must be made in full at the time of purchase. The exercise price may be paid (i) in cash or its equivalent (e.g., check), (ii) in shares of our common stock already owned by the participant, on terms determined by the committee, (iii) in the form of other property as determined by the committee, (iv) through participation in a "cashless exercise" procedure involving a broker or (v) by a combination of the foregoing.

SARS. The compensation committee may, in its discretion, either alone or in connection with the grant of an option, grant a SAR to a participant. The terms and conditions of the award would be set forth in an award agreement. SARs may be exercised at such times and be subject to such other terms, conditions, and provisions as the committee may impose. SARs that are granted in tandem with an option may only be exercised upon the surrender of the right to purchase an equivalent number of shares of our common stock under the related option and may be exercised only with respect to the shares of our common stock for which the related option is then exercisable. The committee may establish a maximum amount per share that would be payable upon exercise of a SAR. A SAR would entitle the participant to receive, on exercise of the SAR, an amount equal to the product of (i) the excess of the fair market value of a share of our common stock on the date preceding the date of surrender over the fair market value of a share of our common stock on the date the SAR was issued, or, if the SAR is related to an option, the per-share exercise price of the option and (ii) the number of shares of our common stock subject to the SAR or portion thereof being exercised. Subject to the discretion of the committee, payment of a SAR may be made (i) in cash, (ii) in shares of our common stock or (iii) in a combination of both (i) and (ii).

Dividend Equivalent Rights. The compensation committee may grant dividend equivalent rights either in tandem with an award or as a separate award. The terms and conditions applicable to each dividend equivalent right would be specified in an award agreement. Amounts payable in respect of dividend equivalent rights may be payable currently or, if applicable, deferred until the lapsing of restrictions on the dividend equivalent rights or until the vesting, exercise, payment, settlement or other lapse of restrictions on the award to which the dividend equivalent rights relate.

Service Based Restricted Stock and Restricted Stock Units. The compensation committee may grant awards of time-based restricted stock and restricted stock units. Restricted stock and restricted stock units may not be sold, transferred, pledged, or otherwise transferred until the time, or until the satisfaction of such other terms, conditions, and provisions, as the committee may determine. When the period of restriction on restricted stock terminates, unrestricted shares of our common stock would be delivered. Unless the committee otherwise determines at the time of grant, restricted stock carries with it full voting rights and other rights as a stockholder, including rights to receive dividends and other distributions. At the time an award of restricted stock is granted, the committee may determine that the payment to the participant of dividends would be deferred until the lapsing of the restrictions imposed upon the shares and whether deferred dividends are to be converted into additional shares of restricted stock or held in cash. The deferred dividends would be subject to the same forfeiture restrictions and restrictions on transferability as the restricted stock with respect to which they were paid. Each restricted stock unit would represent the right of the participant to receive a payment upon vesting of the restricted stock unit or on any later date specified by the committee. The payment would equal the fair market value of a share of common stock as of the date the restricted stock unit was granted, the vesting date, or such other date as determined by the committee at the time the restricted stock unit was granted. At the time of grant, the committee may provide a limitation on the amount payable in respect of each restricted stock unit. The committee may provide for a payment in respect of restricted stock unit awards (i) in cash or (ii) in shares of our common stock having a fair market value equal to the payment to which the participant has become entitled.

Share Awards. The compensation committee may award shares to participants as additional compensation for service to us or a subsidiary or in lieu of cash or other compensation to which participants have become entitled. Share awards may be subject to other terms and conditions, which may vary from time to time and among participants, as the committee determines to be appropriate.

Performance Share Units and Performance Units. Performance share unit awards and performance unit awards may be granted by the compensation committee under the LTIP. Performance share units are denominated in shares and represent the right to receive a payment in an amount based on the fair market value of a share on the date the performance share units were granted, become vested or any other date specified by the committee, or a percentage of such amount depending on the level of performance goals attained. Performance units are denominated in a specified dollar amount and represent the right to receive a payment of the specified dollar amount or a percentage of the specified dollar amount, depending on the level of performance goals attained. Such awards would be earned only if performance goals established for performance periods are met. A minimum one-year performance period is required. At the time of grant the committee may establish a maximum amount payable in respect of a vested performance share or performance unit. The committee may provide for payment (i) in cash, (ii) in shares of our common stock having a fair market value equal to the payment to which the participant has become entitled or (iii) by a combination of both (i) and (ii).

Performance-Based Restricted Stock. The compensation committee may grant awards of performance-based restricted stock. The terms and conditions of such award would be set forth in an award agreement. Such awards would be earned only if performance goals established for performance periods are met. Upon the lapse of the restrictions, the committee would deliver a stock certificate or evidence of book entry shares to the participant. Awards of performance-based restricted stock would be subject to a minimum one-year performance cycle. At the time an award of performance-based restricted stock is granted, the committee may determine that the payment to the participant of dividends would be deferred until the lapsing of the restrictions imposed upon the performance-based restricted stock and whether deferred dividends are to be converted into additional shares of performance-based restricted stock or held in cash.

Performance Objectives

Performance share units, performance units and performance-based restricted stock awards under the LTIP may be made subject to the attainment of performance goals based on one or more of the following business criteria: (i) stock price; (ii) earnings per share; (iii) operating income; (iv) return on equity or assets; (v) cash flow; (vi) earnings before interest, taxes, depreciation and amortization, or EBITDA; (vii) revenues; (viii) overall revenue or sales growth; (ix) expense reduction or management; (x) market position; (xi) total stockholder return; (xii) return on investment; (xiii) earnings before interest and taxes, or EBIT; (xiv) net income; (xv) return on net assets; (xvi) economic value added; (xvii) stockholder value added; (xviii) cash flow return on investment; (xix) net operating profit; (xx) net operating profit after tax; (xxi) return on capital; (xxii) return on invested capital; or (xxiii) any combination, including one or more ratios, of the foregoing.

Performance criteria may be in respect of our performance, that of any of our subsidiaries, that of any of our divisions or any combination of the foregoing. Performance criteria may be absolute or relative (to our prior performance or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range. The compensation committee may, at the time performance criteria in respect of a performance award are established, provide for the manner in which performance will be measured against the performance criteria to reflect the effects of extraordinary items, gain or loss on the disposal of a business segment (other than the provisions for operating losses or income during the phase-out), unusual or infrequently occurring events and transactions that have been publicly disclosed, changes in accounting principles, the impact of specified corporate transactions (such as a stock split or stock divided), special charges and tax law changes, all as determined in accordance with generally accepted accounting principles (to the extent applicable).

Amendment and Termination of the LTIP

Our board of directors has the right to amend the LTIP except that our board of directors may not amend the LTIP in a manner that would impair or adversely affect the rights of the holder of an award without the award holder’s consent. In addition, our board of directors may not amend the LTIP absent stockholder approval to the extent such approval is required by applicable law, regulation or exchange requirement. The LTIP will terminate on the tenth anniversary of the date of stockholder approval. The board of directors may terminate the LTIP at any earlier time except that termination cannot in any manner impair or adversely affect the rights of the holder of an award without the award holder’s consent.

Repricing of Options or SARs

Unless our stockholders approve such adjustment, the compensation committee would not have authority to make any adjustments to options or SARs that would reduce or would have the effect of reducing the exercise price of an option or SAR previously granted under the LTIP.

Change in Control

The effect, if any, of a change in control on each of the awards granted under the LTIP may be set forth in the applicable award agreement.

Adjustments

In the event of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, stock dividend, stock split or reverse stock split, or similar transaction or other change in corporate structure affecting our common stock, adjustments and other substitutions will be made to the LTIP, including adjustments in the maximum number of shares subject to the LTIP and other numerical limitations. Adjustments will also be made to awards under the LTIP as the compensation committee determines appropriate. In the event of our merger or consolidation, liquidation or dissolution, outstanding options and awards will either be treated as provided for in the agreement entered into in connection with the transaction (which may include the accelerated vesting and cancellation of the options and SARs or the cancellation of options and SARs for payment of the excess, if any, of the consideration paid to stockholders in the transaction over the exercise price of the options or SARs), or converted into options or awards in respect of the same securities, cash, property or other consideration that stockholders received in connection with the transaction.

Executives' Interests in Coffeyville Acquisition LLC

The following is a summary of the material terms of the Coffeyville Acquisition LLC Second Amended and Restated Limited Liability Company Agreement, or the LLC Agreement, as they relate to the limited liability company interests granted to our named executive officers pursuant to the LLC Agreement as of December 31, 2006.

As part of the Transactions, half of the common units and override units in Coffeyville Acquisition LLC held by each executive officer will be redeemed in exchange for an equal number of common units and override units in Coffeyville Acquisition II LLC so that, following the consummation of the Transactions, such executive officer will hold an equal number and type of limited liability interests in both Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. The common units and override units in Coffeyville Acquisition II LLC will have the same rights and obligations as the common units and override units in Coffeyville Acquisition LLC.

General

The LLC Agreement provides for two classes of interests in Coffeyville Acquisition LLC: (i) common units and (ii) profits interests, which are called override units (which consist of either operating units or value units) (common units and override units are collectively referred to as "units"). The common units provide for voting rights and have rights with respect to profits and losses of, and distributions from, Coffeyville Acquisition LLC. Such voting rights cease, however, if the executive officer holding common units ceases to provide services to Coffeyville Acquisition LLC or one of its subsidiaries. The common units were issued to our named executive officers in the following amounts (as subsequently adjusted) in exchange for capital contributions in the following amounts: Mr. Lipinski (capital contribution of $650,000 in exchange for 57,446 units), Mr. Riemann (capital contribution of $400,000 in exchange for 35,352 units), Mr. Rens (capital contribution of $250,000 in exchange for 22,095 units), Mr. Haugen (capital contribution of $100,000 in exchange for 8,838 units) and Mr. Jernigan (capital contribution of $100,000 in exchange for 8,838 units). These named executive officers were also granted override units, which consist of operating units and value units, in the following amounts: Mr. Lipinski (an initial grant of 315,818 operating units and 631,637 value units and a December 2006 grant of 72,492 operating units and 144,966 value units), Mr. Riemann (140,185 operating units and 280,371 value units), Mr. Rens (71,965 operating units and 143,931 value units), Mr. Haugen (71,965 operating units and 143,931 value units) and Mr. Jernigan (71,965 operating units and 143,931 value units). Override units have no voting rights attached to them, but have rights with respect to profits and losses of, and distributions from, Coffeyville Acquisition LLC. Our named executive officers were not required to make any capital contribution with respect to the override units; override units were issued only to certain members of management who own common units and who agreed to provide services to Coffeyville Acquisition LLC.

In addition, common units were issued to the following executive officers in the following amounts (as subsequently adjusted) in exchange for the following capital contributions: Mr. Kevan Vick (capital contribution of $250,000 in exchange for 22,095 units), Mr. Edmund Gross (capital contribution of $30,000 in exchange for 2,651 units) and Mr. Chris Swanberg (capital contribution of $25,000 in exchange for 2,209 units). Mr. Vick was also granted 71,965 operating units and 143,931 value units.

If all of the shares of common stock of our Company held by Coffeyville Acquisition LLC were sold at $20.00 per share, which is the assumed initial public offering price in this offering, and cash was distributed to members pursuant to the LLC Agreement, our named executive officers would receive a cash payment in respect of their override units in the following approximate amounts: Mr. Lipinski ($54.7 million), Mr. Riemann ($21.6 million), Mr. Rens ($11.1 million), Mr. Haugen ($11.1 million), and Mr. Jernigan ($11.1 million).

Forfeiture of Override Units Upon Termination of Employment

If the executive officer ceases to provide services to Coffeyville Acquisition LLC or a subsidiary due to a termination for “cause” (as such term is defined in the LLC Agreement), the executive officer will forfeit all of his override units. If the executive officer ceases to provide services for any reason other than cause before the fifth anniversary of the date of grant of his operating units, and provided that an event that is an “Exit Event” (as such term is defined in the LLC Agreement) has not yet occurred and there is no definitive agreement in effect regarding a transaction that would constitute an Exit Event, then (a) unless the termination was due to the executive officer’s death or “disability” (as that term is defined in the LLC Agreement), in which case a different vesting schedule will apply based on when the death or disability occurs, all value units will be forfeited and (b) a percentage of the operating units will be forfeited according to the following schedule: if terminated before the second anniversary of the date of grant, 100% of operating units are forfeited; if terminated on or after the second anniversary of the date of grant, but before the third anniversary of the date of grant, 75% of operating units are forfeited; if terminated on or after the third anniversary of the date of grant, but before the fourth anniversary of the date of grant, 50% of operating units are forfeited; and if terminated on or after the fourth anniversary of the date of grant, but before the fifth anniversary of the date of grant, 25% of his operating units are forfeited.

Adjustments to Capital Accounts; Distributions

Each of the executive officers has a capital account under which his balance is increased or decreased, as applicable, to reflect his allocable share of net income and gross income of Coffeyville Acquisition LLC, the capital that the executive officer contributed, distributions paid to such executive officer and his allocable share of net loss and items of gross deduction.

Value units owned by the executive officers do not participate in distributions under the LLC Agreement until the “Current Value” is at least two times the “Initial Price” (as these terms are defined in the LLC Agreement), with full participation occurring when the Current Value is four times the Initial Price and pro rata distributions when the Current Value is between two and four times the Initial Price. Coffeyville Acquisition LLC may make distributions to its members to the extent that the cash available to it is in excess of the business’s reasonably anticipated needs. Distributions are generally made to members’ capital accounts in proportion to the number of units each member holds. Distributions in respect of override units (both operating units and value units), however, will be reduced until the total reductions in proposed distributions in respect of the override units equals the Benchmark Amount (i.e., $11.31 for override units granted on July 25, 2005 and $34.72 for Mr. Lipinski’s later grant). The board of directors of Coffeyville Acquisition LLC will determine the “Benchmark Amount” with respect to each override unit at the time of its grant. There is also a catch-up provision with respect to any value unit that was not previously entitled to participate in a distribution because the Current Value was not at least four times the Initial Price.

Other Provisions Relating to Units

The executive officers are subject to transfer restrictions on their units, although they may make certain transfers of their units for estate planning purposes.

Executives' Interests in Coffeyville Acquisition III LLC

Following the consummation of this offering, Coffeyville Acquisition III LLC, the sole parent of the managing general partner of the Partnership, will be owned by the Goldman Sachs Funds, the Kelso Funds, our executive officers, Mr. Wesley Clark, Magnetite Asset Investors III L.L.C. and other members of our management. The terms of the limited liability company agreement for Coffeyville Acquisition III LLC will be substantially the same as the terms of the LLC Agreement except that there will be a single class of override units and such override units will have the same rights as value units under the LLC Agreement, will have rights with respect to profits and losses of, and distributions from, Coffeyville Acquisition III LLC, will not be subject to forfeiture upon termination of employment and will fully participate in distributions by Coffeyville Acquisition III LLC when the "Current Value" is at least equal to the "Initial Price" (as these terms will be defined in the Limited Liability Company Agreement of Coffeyville Acquisition III LLC).

Our executive officers will make the following capital contributions to Coffeyville Acquisition III LLC and will receive a number of common units equal to their pro rata portion of the total $10.6 million contributed: Mr. Lipinski ($26,500), Mr. Riemann ($15,900), Mr. Rens ($10,600), Mr. Gross ($1,060), Mr. Haugen ($4,240), Mr. Jernigan ($4,240), Mr. Vick ($10,600) and Mr. Swanberg ($1,060). The managing general partner also intends to award value units to these officers in amounts to be determined.

Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) and Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II)

The following is a summary of the material terms of the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I), or the Phantom Unit Plan I, and the Coffeyville Resources LLC Phantom Unit Appreciation Plan (Plan II), or the Phantom Unit Plan II, as they relate or will relate to our named executive officers. Payments under the Phantom Unit Plan I are tied to distributions made by Coffeyville Acquisition LLC, and payments under the Phantom Unit Plan II will be tied to distributions made by Coffeyville Acquisition II LLC.

In connection with the Transactions and prior to the consummation of this offering, because our named executive officers will hold interests in both Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, we intend to adopt the Phantom Unit Plan II at Coffeyville Resources, LLC which will be tied to distributions made by Coffeyville Acquisition II LLC and be parallel to the Phantom Unit Plan I. The rights and obligations under the Phantom Unit Plan II with respect to Coffeyville Acquisition II LLC will be the same as the rights and obligations under the Phantom Unit Plan I with respect to Coffeyville Acquisition LLC. The following description generally reflects only the terms of the Phantom Unit Plan I, but the Phantom Unit Plan II will have parallel provisions.

General

The Phantom Unit Plan I is administered by the compensation committee of the board of directors of Coffeyville Acquisition LLC. The Phantom Unit Plan I provides for two classes of interests: phantom service points and phantom performance points (collectively referred to as phantom points). Holders of the phantom service points and phantom performance points have the opportunity to receive a cash payment when distributions are made pursuant to the LLC Agreement in respect of operating units and value units, respectively. The phantom points represent a contractual right to receive a payment when payment is made in respect of certain profits interests in Coffeyville Acquisition LLC. Phantom points have been granted to our named executive officers in the following amounts: Mr. Lipinski (1,368,571 phantom service points and 1,368,571 phantom performance points, which represents 13.7% of the total phantom points awarded), Mr. Riemann (596,133 phantom service points and 596,133 phantom performance points, which represents 6.0% of the total phantom points awarded), Mr. Rens (495,238 phantom service points and 495,238 phantom performance points, which represents 5.0% of the total phantom points awarded), Mr. Haugen (495,238 phantom service points and 495,238 phantom performance points, which represents 5.0% of the total phantom points awarded) and Mr. Jernigan (148,571 phantom service points and 148,571 phantom performance points, which represents 1.5% of the total phantom points awarded). Our named executive officers will receive phantom points under the Phantom Unit Plan II in the same amounts. If all of the shares of common stock of our company held by Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC were sold at $20.00 per share, which is the assumed initial public offering price in this offering, and cash was distributed to members pursuant to the LLC Agreement and the Coffeyville Acquisition II LLC Agreement, our named executive officers would receive a cash payment in respect of their phantom points in the following amounts: Mr. Lipinski ($7.4 million), Mr. Riemann ($3.2 million), Mr. Rens ($2.7 million), Mr. Haugen ($2.7 million) and Mr. Jernigan ($0.8 million). The compensation committee of the board of directors of Coffeyville Acquisition LLC has authority to make additional awards of phantom points under the Phantom Unit Plan I.

Phantom Point Payments

Payments in respect of phantom service points will be made within 30 days from the date distributions are made pursuant to the LLC Agreement in respect of operating units. Cash payments in respect of phantom performance points will be made within 30 days from the date distributions are made pursuant to the LLC Agreement in respect of value units (i.e., not until the “Current Value” is at least two times the “Initial Price” (as such terms are defined in the LLC Agreement), with full participation occurring when the Current Value is four times the Initial Price and pro rata distributions when the Current Value is between two and four times the Initial Price). There is also a catch-up provision with respect to phantom performance points for which no cash payment was made because no distribution pursuant to the LLC Agreement was made with respect to value units.

Other Provisions Relating to the Phantom Points

The board of directors of Coffeyville Acquisition LLC may, at any time or from time to time, amend or terminate the Phantom Unit Plan I. If a participant’s employment is terminated prior to an “Exit Event” (as such term is defined in the LLC Agreement), all of the participant’s phantom points are forfeited. Phantom points are generally non-transferable (except by will or the laws of descent and distribution). If payment to a participant in respect of his phantom points would result in the application of the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended, then the payment will be “cut back” so that it will no longer be subject to the excise tax.

CVR GP, LLC Profit Bonus Plan

The following is a summary of the material terms of the CVR GP, LLC Profit Bonus Plan, or the bonus plan, which the managing general partner of the MLP intends to adopt prior to the consummation of this offering, as those terms relate to our named executive officers. Payments under the bonus plan will relate to distributions made by Coffeyville Acquisition III LLC.

General

The bonus plan will be administered by the compensation committee of the managing general partner of the Partnership. The bonus plan provides a class of interests called bonus points. Holders of bonus points will receive a cash payment when distributions of profit are made pursuant to the Coffeyville Acquisition III Limited Liability Company Agreement, or the Coffeyville Acquisition III LLC Agreement. The bonus points represent a contractual right to receive a payment when a profit distribution is made to the holders of the interests in Coffeyville Acquisition III LLC. The managing general partner of the MLP intends to allocate bonus points to our named executive officers when the bonus plan is adopted. 1,000,000 bonus points will be available for grant under the bonus plan. Any employee of Coffeyville Resources Nitrogen Fertilizers, LLC or any of its affiliates, or any employee of any entity providing services to the Partnership or Coffeyville Resources Nitrogen Fertilizers, LLC, is eligible to participate. The compensation committee of the managing general partner of the Partnership will have the authority to make initial awards and additional awards in the future. CVR will not make any direct payments under this plan.

Bonus Point Payments

Payments in respect of bonus points will be made within 30 days from the date distributions of profit are made pursuant to the Coffeyville Acquisition III LLC Agreement. When each distribution is made, a bonus pool will be created which will equal 4.069% of the profits distributed. If such a distribution is made and the bonus pool is funded, participants will share proportionately in the pool based on the percentage of the available bonus points they were granted in relation to the total number of bonus points issued.

Other Provisions Relating to the Bonus Points

The managing general partner of the Partnership may, at any time or from time to time, amend or terminate the plan. If a participant's employment is terminated, all of the participant's bonus points are forfeited. Bonus points are non-transferable. If payment to a participant in respect of bonus points would result in the application of the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended, then the payment will be "cut back" so that it will no longer be subject to the excise tax.

Outstanding Equity Awards at Fiscal Year End

	Stock Awards		
Name	Number of Shares or Units of Stock That Have Not Vested (1) (2) (12)		Market Value of Shares or Units of Stock That Have Not Vested (11)
John J. Lipinski	947,455(3)	$	28,038,350
	217,458(4)	$	1,417,826
	2,737,142(5)	$	4,252,562
Stanley A. Riemann	420,556(6)	$	12,445,652
	1,192,266(7)	$	1,852,367
James T. Rens	215,896(8)	$	6,389,080
	990,476(9)	$	1,538,851
Robert W. Haugen	215,896(8)	$	6,389,080
	990,476(9)	$	1,538,851
Wyatt E. Jernigan	215,896(8)	$	6,389,080
	297,142(10)	$	461,656

(1) The profits interests in Coffeyville Acquisition LLC generally vest as follows: operating units generally become non-forfeitable in 25% annual increments beginning on the second anniversary of the date of grant, and value units are generally forfeitable upon termination of employment. The profits interests are more fully described above under " — Executives' Interests in Coffeyville Acquisition LLC."

(2) The phantom points granted pursuant to the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) are generally forfeitable upon termination of employment. The phantom points are more fully described above under " — Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) and Coffeyville Resources Phantom Unit Appreciation Plan (Plan II)."

(3) Represents profits interests in Coffeyville Acquisition LLC (315,818 operating units and 631,637 value units) granted to the executive on June 24, 2005. These profits interests have been transferred to trusts for the benefit of members of Mr. Lipinski's family.

(4) Represents profits interests in Coffeyville Acquisition LLC (72,492 operating units and 144,966 value units) granted to the executive on December 28, 2006. These profits interests have been transferred to trusts for the benefit of members of Mr. Lipinski's family.

(5) Represents phantom points (1,368,571 phantom service points and 1,368,571 phantom performance points) granted to the executive on December 11, 2006.

(6) Represents profits interests in Coffeyville Acquisition LLC (140,185 operating units and 280,371 value units) granted to the executive on June 24, 2005.

(7) Represents phantom points (596,133 phantom service points and 596,133 phantom performance points) granted to the executive on December 11, 2006.

(8) Represents profits interests in Coffeyville Acquisition LLC (71,965 operating units and 143,931 value units) granted to the executive on June 24, 2005.

(9) Represents phantom points (495,238 phantom service points and 495,238 phantom performance points) granted to the executive on December 11, 2006.

(10) Represents phantom points (148,571 phantom service points and 148,571 phantom performance points) granted to the executive on December 11, 2006.

(11) The dollar amount shown reflects the fair value as of December 31, 2006, based upon an independent valuation prepared with a combination of a binomial model and a probability-weighted expected return method. Assumptions used in the calculation of this amount are included in footnote 5 to our audited financial statements for the year ended December 31, 2006.

(12) Following the consummation of the Transactions, each of the named executive officers will hold half of the number of profits interests set forth above in each of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC.

Option Exercises and Stock Vested

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
John J. Lipinski	(1)	4,326,188(1)

(1) Mr. Lipinski received a grant of shares of common stock of each of Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. effective December 28, 2006. These shares were fully vested as of the date of grant. The number of shares of Coffeyville Nitrogen Fertilizer, Inc. granted was 0.2125376, which approximated 0.64% of the total shares outstanding. The number of shares of Coffeyville Refining and Marketing, Inc. granted was 0.1044200, which approximated 0.31% of the total shares outstanding. Prior to the consummation of this offering, Mr. Lipinski's shares of common stock of each of Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. will be exchanged for shares of common stock of CVR Energy having an equivalent value.

Change-in-Control and Termination Payments

Severance Benefits Provided Pursuant to Employment Agreements

Under the terms of their respective employment agreements, the named executive officers may be entitled to severance and other benefits following the termination of their employment. These benefits are summarized below. The amounts of potential post-employment payments assume that the triggering event took place on December 31, 2006.

If Mr. Lipinski's employment is terminated either by Coffeyville Resources, LLC without cause and other than for disability or by Mr. Lipinski for good reason (as these terms are defined in Mr. Lipinski's employment agreement), then Mr. Lipinski is entitled to receive as severance (a) salary continuation for 36 months and (b) the continuation of medical benefits for thirty-six months at active-employee rates or until such time as Mr. Lipinski becomes eligible for medical benefits from a subsequent employer. The estimated total amounts of these payments are set forth in the table below. As a condition to receiving the salary continuation and continuation of medical benefits, Mr. Lipinski must (a) execute, deliver and not revoke a general release of claims and (b) abide by restrictive covenants as detailed below. If Mr. Lipinski's employment is terminated as a result of his disability, then in addition to any payments to be made to Mr. Lipinski under disability plan(s), Mr. Lipinski is entitled to supplemental disability payments equal to, in the aggregate, Mr. Lipinski's base salary as in effect immediately before his disability (the estimated total amount of this payment is set forth in the table below). Such supplemental disability payments will be made in installments for a period of 36 months from the date of disability. If Mr. Lipinski's employment is terminated at any time by reason of his death, then Mr. Lipinski's beneficiary (or his estate) will be paid the base salary Mr. Lipinski would have received had he remained employed through the remaining term of his contract. Notwithstanding the foregoing, Coffeyville Resources, LLC may, at its option, purchase insurance to cover the obligations with respect to either Mr. Lipinski's supplemental disability payments or the payments due to Mr. Lipinski's beneficiary or estate by reason of his death. Mr. Lipinski will be required to cooperate in obtaining such insurance. If any payments or distributions due to Mr. Lipinski would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended, then such payments or distributions will be "cutback" so that they will no longer be subject to the excise tax.

The agreement requires Mr. Lipinski to abide by a perpetual restrictive covenant relating to non-disclosure. The agreement also includes covenants relating to non-solicitation and non-competition during Mr. Lipinski's employment and, following termination of employment, for as long as he is receiving severance or supplemental disability payments or one year if he is receiving none.

If the employment of Mr. Riemann, Mr. Rens, Mr. Haugen or Mr. Jernigan is terminated either by Coffeyville Resources, LLC without cause and other than for disability or by the executive officer for good reason (as such terms are defined in the respective employment agreements), then the executive officer is entitled to receive as severance (a) salary continuation for 12 months (18 months for Mr. Riemann) and (b) the continuation of medical benefits for 12 months (18 months for Mr. Riemann) at active-employee rates or until such time as the executive officer becomes eligible for medical benefits from a subsequent employer. The amount of these payments is set forth in the table below. As a condition to receiving the salary, the executives must (a) execute, deliver and not revoke a general release of claims and (b) abide by restrictive covenants as detailed below. The agreements provide that if any payments or distributions due to an executive officer would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code, as amended, then such payments or distributions will be "cutback" so that they will no longer be subject to the excise tax.

The agreements require each of the executive officers to abide by a perpetual restrictive covenant relating to non-disclosure. The agreements also include covenants relating to non-solicitation and non-competition during their employment and, following termination of employment, for one year (for Mr. Riemann, the applicable period is during his employment and, following termination of employment, for as long as he is receiving severance, or one year if he is receiving none).

Below is a table setting forth the estimated aggregate amount of the payments discussed above assuming a December 31, 2006 termination date (and, where applicable, no offset due to eligibility to receive medical benefits from a subsequent employer). The table assumes that the executive officers' termination was by Coffeyville Resources, LLC without cause or by the executive officers for good reason, and in the case of Mr. Lipinski also provides information assuming his termination was due to his disability.

Name	Total Severance Payments	Estimated Dollar Value of Medical Benefits
John J. Lipinski (severance if terminated without cause or resigns for good reason)	$1,950,000	$20,307
John J. Lipinski (supplemental disability payments if terminated due to disability)	$ 650,000	—
Stanley A. Riemann	$ 525,000	$10,154
James T. Rens	$ 250,000	$ 9,713
Robert W. Haugen	$ 225,000	$ 9,713
Wyatt E. Jernigan	$ 225,000	$ 3,154

Director Compensation

Name	Fees Earned or Paid in Cash	All Other Compensation	Total
Wesley Clark	$40,000	$257,352(1)	$297,352
Scott Lebovitz, George E. Matelich, Stanley de J. Osborne and Kenneth A. Pontarelli	$ 0	$ 0	$ 0

(1) Mr. Clark was awarded 244,038 phantom service points and 244,038 phantom performance points under the Coffeyville Resources, LLC Phantom Unit Plan (Plan I) in September 2005. Collectively, Mr. Clark's phantom points represent 2.44% of the total phantom points awarded. The value of the interest was $71,234 on the grant date. In accordance with SFAS 123(R), we apply a fair-value-based measurement method in accounting for share-based issuance of the phantom points. An independent third-party valuation is performed at the end of each reporting period using a binomial model based on company projections of undiscounted future cash flows. Assumptions used in the calculation of these amounts are included in footnote 5 to our audited financial statements for the year ended December 31, 2006. The phantom points are more fully described above under "*— Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) and Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II)*."

Non-employee directors who do not work principally for entities affiliated with us were entitled to receive an annual retainer of $40,000 in 2006 and are entitled to receive an annual retainer of $60,000 in 2007. In addition, all directors are reimbursed for travel expenses and other out-of-pocket costs incurred in connection with their attendance at meetings. Effective January 1, 2007, Mark Tomkins joined our board of directors. Mr. Tomkins was elected as the chairman of the audit committee and in that role he receives an additional annual retainer of $15,000. Messrs. Lebovitz, Matelich, Osborne and Pontarelli received no compensation in respect of their service as directors in 2006.

In connection with this offering, we intend to grant 12,500 shares of non-vested restricted stock of CVR Energy to Mr. Tomkins and 5,000 shares of non-vested restricted stock of CVR Energy to Mr. Lippert. The restrictions on these shares will generally lapse in one-third annual increments beginning on the first anniversary of the date of grant. In addition to the annual retainer described above, we intend to make a grant to each of Mr. Tomkins and Mr. Lippert of an option to purchase 5,150 shares of CVR Energy with an exercise price equal to the initial public offering price. These options will generally vest in one-third annual increments beginning on the first anniversary of the date of grant.

Compensation Committee Interlocks and Insider Participation

Mr. Lipinski, our chief executive officer, served on the compensation committee of Coffeyville Acquisition LLC during 2005 and 2006. Mr. Lipinski is also a director and serves on the compensation committee of Intercat Inc., a privately held company of which Regis B. Lippert, who serves as a director on our board of directors, is the chief executive officer. Otherwise, no interlocking relationship exists between our board of directors or compensation committee and the board of directors or compensation committee of any other company.

Employee Stock Grants

In connection with this offering, we plan to grant 50 shares of common stock in CVR Energy to each of our employees who does not currently have either phantom points or override units. This group, which currently consists of 543 employees, will receive 27,150 shares. In addition, we plan to award each of these employees a cash payment of $500. Because all of the named executive officers currently own phantom points and override units, none will be part of this program.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table presents information regarding beneficial ownership of our common stock by:

- each of our directors;
- each of our named executive officers;
- each stockholder known by us to beneficially hold five percent or more of our common stock;
- each selling stockholder; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Unless indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of the date of this prospectus are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise indicated, the business address for each of our beneficial owners is c/o CVR Energy, Inc., 2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479.

Prior to this offering, Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC owned 100% of our outstanding common stock. Following the closing of this offering, each of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC will own 32,930,996 shares of our common stock, or approximately 40.3% of our outstanding common stock, and the Goldman Sachs Funds and the Kelso Funds, along with certain members of management, will beneficially own their interests in our common stock set forth below through their ownership of Coffeyville Acquisition LLC and/or Coffeyville Acquisition II LLC, as applicable. John J. Lipinski will own a portion of his shares in us directly and a portion indirectly through his interests in Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. Unless otherwise indicated, information in the table below for the Goldman Sachs Funds, the Kelso Funds and our officers and directors reflects the number of shares of our common stock that correspond to each named holder's economic interest in common units in Coffeyville Acquisition LLC or Coffeyville Acquisition II LLC, as applicable, and does not reflect any interest in operating override units and value override units in Coffeyville Acquisition LLC and/or Coffeyville Acquisition II LLC, as applicable. Management will not have the right to vote or dispose of shares held by Coffeyville Acquisition LLC or Coffeyville Acquisition II LLC, and thus will not have beneficial ownership of such shares, but will receive net proceeds upon the sale of shares by such entities in an amount based on their interest in the common units and override units of such entities.

Name and Address	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering Assuming the Underwriters' Option Is Not Exercised(1)		Shares To Be Sold If the Underwriters' Option Is Exercised In Full(1)	Shares Beneficially Owned After this Offering Assuming the Underwriters' Option Is Exercised In Full (1)	
	Number	Percent	Number	Percent	Number	Number	Percent
Coffeyville Acquisition LLC(2)(3)	32,930,996	49.8	32,930,996	40.3	1,162,500	31,894,721	39.1
Coffeyville Acquisition II LLC(4)(5)	32,930,996	49.8	32,930,996	40.3	1,162,500	31,894,721	39.1
The Goldman Sachs Group, Inc.(4) 85 Broad Street New York, New York 10004	32,608,906	49.3	32,608,906	39.9	1,151,129	31,457,777	38.5
Kelso Investment Associates VII, L.P.	25,727,939	38.9	25,727,939	31.5	908,223	24,819,716	30.4
KEP VI, LLC(2) 320 Park Avenue, 24th Floor New York, New York 10022	6,370,727	9.6	6,370,727	7.8	224,894	6,145,833	7.5
John J. Lipinski(6)	418,275	*	418,275	*	5,854	412,421	*
Stanley A. Riemann(7)	102,049	*	102,049	*	3,602	98,447	*
James T. Rens(7)	63,780	*	63,780	*	2,252	61,529	*
Edmund S. Gross(7)	7,653	*	7,653	*	270	7,383	*
Robert W. Haugen(7)	25,512	*	25,512	*	901	24,611	*
Wyatt E. Jernigan(7)	25,512	*	25,512	*	901	24,611	*
Kevan A. Vick(7)	63,781	*	63,781	*	2,252	61,529	*
Christopher G. Swanberg(7)	6,377	*	6,377	*	225	6,152	*
Wesley Clark(7)	63,781	*	63,781	*	2,252	61,529	*
Scott Lebovitz	—	—	—	—	—	—	—
Regis B. Lippert(8)	—	—	5,000	*	—	5,000	*
George E. Matelich(2)	32,098,666	48.5	32,098,666	39.3	1,133,117	30,965,550	37.9
Stanley de J. Osborne	—	—	—	—	—	—	—
Kenneth A. Pontarelli(4)	32,608,906	49.3	32,608,906	39.9	1,151,129	31,457,775	38.5
Mark Tomkins(9)	—	—	12,500	*	—	12,500	*
All directors and executive officers, as a group (14 persons)	65,501,792	99.0	65,501,792	80.2	2,302,755	63,181,537	77.4

* Less than 1%

(1) The underwriters have an option to purchase up to an additional 2,325,000 shares from the selling stockholders in this offering. If the underwriters exercise this option, shares would be sold to the underwriters by Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC in equal proportion and Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC would distribute the proceeds to their respective members.

(2) Coffeyville Acquisition LLC directly owns 32,930,996 shares of common stock. The number of shares indicated as owned by the Kelso Funds reflects the number of shares of common stock that corresponds to the number of common units held by the Kelso Funds in Coffeyville Acquisition LLC. With respect to the total number of shares of common stock deemed to be beneficially owned prior to this offering, the share amount includes (1) 25,727,939 shares of common stock deemed to be beneficially owned by Kelso Investment Associates VII, L.P., a Delaware limited partnership, or KIA VII, and (2) 6,370,727 shares of common stock deemed to be beneficially owned by KEP VI, LLC, a Delaware limited liability company, or KEP VI. KIA VII and KEP VI, due to their common control, could be deemed to beneficially own each of the other's shares but each disclaims such beneficial ownership. Shares and percentages indicated represent

the upper limit of the expected ownership of our equity securities by these persons and entities. Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors may be deemed to share beneficial ownership of shares of common stock owned of record, by virtue of their status as managing members of KEP VI and of Kelso GP VII, LLC, a Delaware limited liability company, the principal business of which is serving as the general partner of Kelso GP VII, L.P., a Delaware limited partnership, the principal business of which is serving as the general partner of KIA VII. Each of Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors share investment and voting power with respect to the ownership interests owned by KIA VII and KEP VI but disclaim beneficial ownership of such interests. If the underwriters exercise their option to purchase additional shares in full, (i) 908,223 shares of common stock will be sold in respect of member units owned by KIA VII and (ii) 224,894 shares of common stock will be sold in respect of member units owned by KEP VI.

(3) The board of directors of Coffeyville Acquisition LLC has the power to dispose of the securities of Coffeyville Acquisition LLC.

(4) Coffeyville Acquisition II LLC directly owns 32,930,996 shares of common stock. The number of shares indicated as owned by The Goldman Sachs Group, Inc. reflects the number of shares of common stock that corresponds to the number of common units held by the Goldman Sachs Funds in Coffeyville Acquisition II LLC. The Goldman Sachs Group, Inc., and certain affiliates, including Goldman, Sachs & Co., may be deemed to directly or indirectly own in the aggregate 32,608,906 shares of common stock which are deemed to be beneficially owned directly or indirectly by investment partnerships, which we refer to as the Goldman Sachs Funds, of which affiliates of The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. are the general partner, managing limited partner or the managing partner. Goldman, Sachs & Co. is the investment manager for certain of the Goldman Sachs Funds. Goldman, Sachs & Co. is a direct and indirect, wholly owned subsidiary of The Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc., Goldman, Sachs & Co. and the Goldman Sachs Funds share voting power and investment power with certain of their respective affiliates. Shares deemed to be beneficially owned by the Goldman Sachs Funds consist of: (1) 17,170,547 shares of common stock deemed to be beneficially owned by GS Capital Partners V Fund, L.P., (2) 8,869,589 shares of common stock deemed to be beneficially owned by GS Capital Partners V Offshore Fund, L.P., (3) 5,888,018 shares of common stock deemed to be beneficially owned by GS Capital Partners V Institutional, L.P., and (4) 680,752 shares of common stock deemed to be beneficially owned by GS Capital Partners V GmbH & Co. KG. Ken Pontarelli is a managing director of Goldman, Sachs & Co. Mr. Pontarelli, The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. each disclaims beneficial ownership of the shares of common stock owned directly or indirectly by the Goldman Sachs Funds, except to the extent of their pecuniary interest therein, if any. If the underwriters exercise their option to purchase additional shares in full, (1) 606,139 shares of common stock will be sold in respect of member units owned by GS Capital Partners V Fund, L.P., (2) 313,106 shares of common stock will be sold in respect of member units owned by GS Capital Partners V Offshore Fund, L.P., (3) 207,853 shares of common stock will be sold in respect of member units owned by GS Capital Partners V Institutional, L.P. and (4) 24,031 shares of common stock will be sold in respect of member units owned by GS Capital Partners V GmbH & Co. KG.

(5) The board of directors of Coffeyville Acquisition II LLC has the power to dispose of the securities of Coffeyville Acquisition II LLC.

(6) Of the 418,275 shares of common stock indicated above, 252,448 shares are owned directly by Mr. Lipinski and 165,827 shares represent shares Mr. Lipinski owns indirectly through his ownership of common units in Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. Mr. Lipinski does not have the power to vote or dispose of shares that correspond to his ownership of common units in Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC and thus does not have beneficial ownership of such shares.

(7) Reflects the number of shares of common stock that corresponds to such holder's interest in common units of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. Such holder does not have the power to vote or dispose of such shares and thus does not have beneficial ownership of such shares.

(8) In connection with this offering, our board of directors has awarded 5,000 shares of non-vested restricted stock to Mr. Lippert. The restrictions on these shares will generally lapse in one-third annual increments beginning on the first anniversary of the date of grant. In addition, our board of directors has awarded Mr. Lippert options to purchase 5,150 shares of common stock with an exercise price equal to the initial public offering price. These options will generally vest in one-third annual increments beginning on the first anniversary of the date of grant.

(9) In connection with this offering, our board of directors has awarded 12,500 shares of non-vested restricted stock to Mark Tomkins. The restrictions on these shares will generally lapse in one-third annual increments beginning on the first anniversary of the date of grant. In addition, our board of directors has awarded Mr. Tompkins options to purchase 5,150 shares of common stock with an exercise price equal to the initial public offering price. These options will generally vest in one-third annual increments beginning on the first anniversary of the date of grant.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

This section describes related party transactions between CVR Energy (and its predecessors) and its directors, executive officers and 5% stockholders. For a description of transactions between CVR Energy and the Partnership, whose managing general partner is owned by our controlling stockholders and senior management, see “The Nitrogen Fertilizer Limited Partnership.”

Transactions with the Goldman Sachs Funds and the Kelso Funds

Prior to this offering, GS Capital Partners V Fund, L.P. and related entities, or the Goldman Sachs Funds, and Kelso Investment Associates VII, L.P. and related entity, the Kelso Funds, were the majority owners of Coffeyville Acquisition LLC.

As part of the Transactions, Coffeyville Acquisition LLC will redeem all of its outstanding common units held by the Goldman Sachs Funds in exchange for the same number of common units in Coffeyville Acquisition II LLC, a newly formed limited liability company to which Coffeyville Acquisition LLC will transfer half of its interests in each of Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc. and CVR Energy. In addition, half of the common units and override units in Coffeyville Acquisition LLC held by each executive officer will be redeemed in exchange for an equal number of common units and override units in Coffeyville Acquisition II LLC. Following the consummation of this offering, the Kelso Funds will be the majority owner of Coffeyville Acquisition LLC and the Goldman Sachs Funds will be the majority owner of Coffeyville Acquisition II LLC.

Investments in Coffeyville Acquisition LLC

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. The Goldman Sachs Funds made capital contributions of $112,817,500 to Coffeyville Acquisition LLC and the Kelso Funds made capital contributions of $110,817,500 to Coffeyville Acquisition LLC in connection with the acquisition. The total proceeds received by Pegasus Partners II, L.P. and the other unit holders of Coffeyville Group Holdings, LLC, including then current management, in connection with the Subsequent Acquisition was $526,185,017, after repayment of Immediate Predecessor’s credit facility.

Coffeyville Acquisition LLC paid companies related to the Goldman Sachs Funds and the Kelso Funds each equal amounts totaling $6.0 million for the transaction fees related to the Subsequent Acquisition, as well as an additional $0.7 million paid to the Goldman Sachs Funds for reimbursed expenses related to the Subsequent Acquisition.

On July 25, 2005, the following executive officers and directors made the following capital contributions to Coffeyville Acquisition LLC: John J. Lipinski, $650,000; Stanley A. Riemann, $400,000; James T. Rens, $250,000; Kevan A. Vick, $250,000; Robert W. Haugen, $100,000; Wyatt E. Jernigan, $100,000; Chris Swanberg, $25,000. On September 12, 2005, Edmund Gross made a $30,000 capital contribution to Coffeyville Acquisition LLC. On September 20, 2005, Wesley Clark made a $250,000 capital contribution to Coffeyville Acquisition LLC. All but two of the executive officers received common units, operating units and value units of Coffeyville Acquisition LLC and the director received common units of Coffeyville Acquisition LLC.

On September 14, 2005, the Goldman Sachs Funds and the Kelso Funds each invested an additional $5.0 million in Coffeyville Acquisition LLC. On May 23, 2006, the Goldman Sachs Funds and the Kelso Funds each invested an additional $10.0 million in Coffeyville Acquisition LLC. In each case they received additional common units of Coffeyville Acquisition LLC.

On December 28, 2006, Coffeyville Acquisition LLC granted John J. Lipinski 217,458 override units, of which 72,492 were operating units and 144,966 were value units. Mr. Lipinski subsequently transferred all of his override units to trusts for the benefit of members of his family.

On December 28, 2006, the directors of Coffeyville Acquisition LLC approved a cash dividend of $244,710,000 to companies related to the Goldman Sachs Funds and the Kelso Funds and $3,360,393 to certain members of our management, including John J. Lipinski ($914,844), Stanley A. Riemann ($548,070), James T. Rens ($321,180), Keith D. Osborn ($321,180), Robert W. Haugen ($164,680) and Wyatt E. Jernigan ($164,680), as well as Wesley Clark ($241,205).

In connection with this offering, the directors of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, respectively, will approve a special dividend of $10.6 million to their members, including $5,201,356 to the Goldman Sachs Funds, $5,119,969 to the Kelso Funds and $197,289 to certain members of our management and Wesley Clark. The common unit holders receiving this special dividend will contribute $10.6 million collectively to Coffeyville Acquisition III LLC, which will use such amounts to acquire the managing general partner.

J. Aron & Company

Coffeyville Acquisition LLC entered into commodity derivative contracts in the form of three swap agreements for the period from July 1, 2005 through June 30, 2010 with J. Aron, a subsidiary of The Goldman Sachs Group, Inc. The swap agreements were originally entered into by Coffeyville Acquisition LLC on June 16, 2005 in conjunction with the acquisition of Immediate Predecessor and were required under the terms of our long-term debt agreements. The swap agreements were executed at the prevailing market rate at the time of execution and management believes the swap agreements provide an economic hedge on future transactions. These agreements were assigned to Coffeyville Resources, LLC on June 24, 2005. The economically hedged volumes total approximately 70% of the forecasted production from July 2005 through June 2009 and approximately 17% from July 2009 through June 2010. These positions resulted in unrealized losses of approximately $235.9 million at December 31, 2005, unrealized gains of approximately $126.8 million for the year ended December 31, 2006 and unrealized losses of approximately $119.7 million for the three months ended March 31, 2007. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Cash Flow Swap.”

Effective December 30, 2005, Coffeyville Acquisition LLC entered into a crude oil supply agreement with J. Aron. Other than locally produced crude we gather ourselves, we purchase crude oil from third parties using this credit intermediation agreement. The terms of this agreement provide that we will obtain all of the crude oil for our refinery, other than the crude we obtain through our own gathering system, through J. Aron. Once we identify cargos of crude oil and pricing terms that meet our requirements, we notify J. Aron and J. Aron then provides credit, transportation and other logistical services to us for a fee. This agreement significantly reduces the investment that we are required to maintain in petroleum inventories relative to our competitors and reduces the time we are exposed to market fluctuations before the inventory is priced to a customer. The current credit intermediation agreement with J. Aron expires on December 31, 2007. At that time we may renegotiate the agreement with J. Aron, seek a similar arrangement with another party, or choose to obtain our crude supply directly without the use of an intermediary.

Coffeyville Acquisition LLC also entered into certain crude oil, heating oil, and gasoline option agreements with J. Aron as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying consolidated statements of operations as gain (loss) on derivatives for the 233 days ended December 31, 2005.

As a result of the refinery turnaround in early 2007, we needed to delay the processing of quantities of crude oil that we purchased from various small independent producers. In order to facilitate this anticipated delay, we entered into a purchase, storage and sale agreement for gathered crude oil, dated March 20, 2007, with J. Aron. Pursuant to the terms of the agreement, J. Aron agreed to purchase gathered crude oil from us, store the gathered crude oil and sell us the gathered crude oil on a forward basis.

Consulting and Advisory Agreements

Under the terms of separate consulting and advisory agreements, dated June 24, 2005, between Coffeyville Acquisition LLC and each of Goldman, Sachs & Co. and Kelso & Company, L.P., Coffeyville Acquisition LLC was required to pay an advisory fee of $1,000,000 per year, payable quarterly in advance, to each of Goldman Sachs and Kelso for consulting and advisory services provided by Goldman Sachs and Kelso. The advisory agreements provide that Coffeyville Acquisition LLC will indemnify Goldman Sachs and Kelso and their respective affiliates, designees, officers, directors, partners, employees, agents and control persons (as such term is used in the Securities Act and the rules and regulations thereunder), to the extent lawful, against claims, losses and expenses as incurred in connection with the services rendered to Coffeyville Acquisition LLC under the consulting and advisory agreements or arising out of any such person being a controlling person of Coffeyville Acquisition LLC. The agreements also provide that Coffeyville Acquisition LLC will reimburse expenses incurred by Goldman Sachs and Kelso in connection with their investment in Coffeyville Acquisition and with respect to services provided to Coffeyville Acquisition LLC pursuant to the consulting and advisory agreements. The consulting and advisory agreements also provide for the payment of certain fees, as may be determined by mutual agreement, payable by Coffeyville Acquisition LLC to Goldman Sachs and Kelso in connection with transaction services and for the reimbursement of expenses incurred in connection with such services. Payments relating to the consulting and advisory agreements include $1,310,416, $2,315,937 and $537,915 which was expensed in selling, general, and administrative expenses for the 233 days ended December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, respectively. In addition, $1,046,575, $0 and $0 were included in other current liabilities and approximately $78,671, $0 and $0 were included in accounts payable at December 31, 2005, December 31, 2006 and March 31, 2007, respectively.

Pursuant to the terms of these consulting and advisory agreements, these agreements will automatically terminate upon consummation of this offering and each of Goldman, Sachs & Co. and Kelso & Company, L.P. will receive a one-time fee of $5 million by reason of such termination in conjunction with this offering. Pursuant to the terms of these consulting and advisory agreements, Coffeyville Acquisition LLC's obligations under such agreements, including, without limitation, obligations with respect to the indemnification of Goldman, Sachs & Co., Kelso & Company, L.P. and their respective affiliates and reimbursement of expenses, will survive such termination. Coffeyville Acquisition LLC will assign both consulting and advisory agreements to us and we will assume all of Coffeyville Acquisition LLC's obligations under these consulting and advisory agreements, including, without limitation, the obligation to pay the termination fees.

Credit Facilities

Goldman Sachs Credit Partners L.P., an affiliate of Goldman, Sachs & Co., or Goldman Sachs, is one of the lenders under the Credit Facility. Goldman Sachs Credit Partners is also a joint lead arranger and bookrunner under the Credit Facility. Goldman Sachs Credit Partners was also a lender, sole lead arranger, sole bookrunner and syndication agent under our first lien credit agreement and a lender and joint lead arranger, joint bookrunner and syndication agent under our second lien credit agreement. The first lien credit agreement and second lien credit agreement were entered into in connection with the financing of the Subsequent Acquisition and, at that time, we paid this Goldman Sachs affiliate a $22.1 million fee included in deferred financing costs. Additionally, in conjunction with the financing that occurred on December 28, 2006, we paid $8.1 million to a Goldman Sachs affiliate. For the 233 days ended December 31, 2005, Successor made interest payments to this Goldman Sachs affiliate of $1.8 million recorded in interest expense and paid letter of credit fees of approximately $155,000 which were recorded in selling, general, and administrative expenses. See "Description of Our Indebtedness and the Cash Flow Swap."

Transactions with Senior Management

On June 30, 2005, Coffeyville Acquisition LLC loaned $500,000 to John J. Lipinski, CEO of Successor. This loan accrued interest at the rate of 7% per year. The loan was made in conjunction with Mr. Lipinski's purchase of 50,000 common units of Coffeyville Acquisition LLC. Mr. Lipinski repaid $150,000 of principal and paid $17,643.84 in interest on January 13, 2006. The unpaid loan balance of $350,000, together with accrued and unpaid interest of $17,989, was forgiven in full in September 2006.

On December 28, 2006, Coffeyville Acquisition LLC granted John J. Lipinski 217,458 override units, of which 72,492 were operating units and 144,966 were value units. Mr. Lipinski subsequently transferred all of his override units to trusts for the benefit of members of his family.

On December 28, 2006, the directors of Coffeyville Nitrogen Fertilizer, Inc. approved the issuance of shares of common stock of Coffeyville Nitrogen Fertilizer, par value $.01 per share, to John J. Lipinski in exchange for $10.00 pursuant to a Subscription Agreement. Mr. Lipinski also entered into a Stockholders Agreement with Coffeyville Nitrogen Fertilizer and Coffeyville Acquisition LLC at the same time he entered into the Subscription Agreement. Pursuant to the Stockholders Agreement, Mr. Lipinski may not transfer any shares of common stock in Coffeyville Nitrogen Fertilizer except in certain specified circumstances. Coffeyville Nitrogen Fertilizer also has certain buyback and repurchase rights for all of Mr. Lipinski's shares if Mr. Lipinski is terminated. Coffeyville Acquisition LLC has the right to exchange all shares of common stock in Coffeyville Nitrogen Fertilizer held by Mr. Lipinski for such number of common units of Coffeyville Acquisition LLC or equity interests of a wholly-owned subsidiary of Coffeyville Acquisition LLC, in each case having a fair market value equal to the fair market value of the common stock in Coffeyville Nitrogen Fertilizer held by Mr. Lipinski.

On December 28, 2006, the directors of Coffeyville Refining & Marketing, Inc. approved the issuance of shares of common stock of Coffeyville Refining & Marketing, par value $.01 per share, to John J. Lipinski in exchange for $10.00 pursuant to a Subscription Agreement. Mr. Lipinski also entered into a Stockholders Agreement with Coffeyville Refining & Marketing and Coffeyville Acquisition LLC at the same time he entered into the Subscription Agreement. Pursuant to the Stockholders Agreement, Mr. Lipinski may not transfer any shares of common stock in Coffeyville Refining & Marketing except in certain specified circumstances. Coffeyville Refining & Marketing also has certain buyback and repurchase rights for all of Mr. Lipinski's shares if Mr. Lipinski is terminated. Coffeyville Acquisition LLC has the right to exchange all shares of common stock in Coffeyville Refining & Marketing held by Mr. Lipinski for such number of common units of Coffeyville Acquisition LLC or equity interests of a wholly-owned subsidiary of Coffeyville Acquisition LLC, in each case having a fair market value equal to the fair market value of the common stock in Coffeyville Refining & Marketing held by Mr. Lipinski.

In connection with the Transactions, we intend to enter into a Subscription Agreement prior to the completion of this offering pursuant to which Mr. Lipinski will exchange his shares of common stock of Coffeyville Nitrogen Fertilizer, Inc. and Coffeyville Refining & Marketing, Inc. for shares of our common stock. Under this agreement we will issue 252,448 shares of common stock to Mr. Lipinski.

All decisions concerning Mr. Lipinski's compensation have been approved by the compensation committee of Coffeyville Acquisition LLC without Mr. Lipinski's participation.

In April 2007, we paid Stanley A. Riemann, our Chief Operating Officer, approximately $220,000 as a relocation incentive in connection with our request for him to relocate from Missouri to Texas.

Coffeyville Acquisition LLC Operating Agreement

Prior to the consummation of this offering, the Goldman Sachs Funds, the Kelso Funds, and John J. Lipinski, Stanley A. Riemann, James T. Rens, Edmund Gross, Robert W. Haugen, Wyatt E. Jernigan, Kevan A. Vick, Christopher Swanberg, Wesley Clark, Magnetite Asset Investors III L.L.C.

and other members of our management were members of Coffeyville Acquisition LLC, which owned all of our capital stock.

In connection with this offering, Coffeyville Acquisition LLC will redeem all of its outstanding common units held by the Goldman Sachs Funds in exchange for the same number of common units in Coffeyville Acquisition II LLC, a newly formed limited liability company to which Coffeyville Acquisition LLC will transfer half of its assets. As a result, CVR Energy will be owned equally by Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. In addition, half of the common units and half of the profits interests in Coffeyville Acquisition LLC held by executive officers and a director will be redeemed in exchange for an equal number and type of limited liability interests in Coffeyville Acquisition II LLC. Following the consummation of this offering, the Kelso Funds will own substantially all of the common units of Coffeyville Acquisition LLC, the Goldman Sachs Funds will own substantially all of the common units of Coffeyville Acquisition II LLC and executive officers and a director will own an equal number and type of interests in both Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC.

The existing LLC Agreement of Coffeyville Acquisition LLC will be amended and restated to reflect this revised ownership structure. Among other things, the amended and restated LLC Agreement will contain provisions outlining the interests of senior management in Coffeyville Acquisition LLC. See “Management — Employment Agreements and Change-in-Control Arrangements — Executives’ Interests in Coffeyville Acquisition LLC.” The operating agreement for Coffeyville Acquisition II LLC will be substantially the same as the amended and restated LLC Agreement of Coffeyville Acquisition LLC.

Stockholders Agreement

In connection with the Transactions, we intend to enter into a Stockholders Agreement with Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC prior to the completion of this offering. Pursuant to this agreement, for so long as Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC collectively beneficially own in the aggregate an amount of our common stock that represents at least 40% of our outstanding common stock, CA and CA II each have the right to designate two directors to our board of directors so long as that party holds an amount of our common stock that represent 20% or more of our outstanding common stock and one director to our board of directors so long as that party holds an amount of our common stock that represent less than 20% but more than 5% of our outstanding common stock. If CA and CA II cease to collectively beneficially own in the aggregate an amount of our common stock that represents at least 40% of our outstanding common stock, the foregoing rights become a nomination right and the parties to the Stockholders Agreement are not obligated to vote for each other’s nominee. In addition, the Stockholders Agreement contains certain tag-along rights with respect to certain transfers (other than underwritten offerings to the public) of shares of common stock by the parties to the Stockholders Agreement. For so long as Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC beneficially own in the aggregate at least 40% of our common stock, (i) each such stockholder that has the right to designate at least two directors will have the right to have at least one of its designated directors on any committee (other than the audit committee and conflicts committee), to the extent permitted by SEC or NYSE rules, (ii) directors designated by the stockholders will be a majority of each such committee (at least 50% in the case of the compensation committee and the nominating committee), and (iii) the chairman of each such committee will be a director designated by such stockholder.

Registration Rights Agreements

In connection with the Transactions, we intend to enter into a registration rights agreement prior to the completion of this offering with Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC pursuant to which we may be required to register the sale of our shares held by Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC and permitted transferees. Under the registration rights agreement, the Goldman Sachs Funds and the Kelso Funds will each have the right to request that we register the sale of shares held by Coffeyville Acquisition LLC or Coffeyville Acquisition II LLC, as applicable, on their behalf on three occasions including requiring us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, the Goldman Sachs Funds and the Kelso Funds will have the ability to exercise certain piggyback registration rights with respect to their own securities if we elect to register any of our equity securities. The registration rights agreement will also include provisions dealing with holdback agreements, indemnification and contribution, and allocation of expenses. Immediately after this offering, all of our shares held by Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC will be entitled to these registration rights.

In connection with the Transactions, we intend to enter into a registration rights agreement prior to the completion of this offering with John J. Lipinski. Under the registration rights agreement, Mr. Lipinski will have the ability to exercise certain piggyback registration rights with respect to his own securities if any of our equity securities are offered to the public pursuant to a registration statement. The registration rights agreement will also include provisions dealing with holdback agreements, indemnification and contribution, and allocation of expenses. Immediately after this offering, all of the shares in our company held directly by John J. Lipinski will be entitled to these registration rights.

Transactions with Pegasus Partners II, L.P.

Pegasus Partners II, L.P., or Pegasus, was a majority owner of Coffeyville Group Holdings, LLC (Immediate Predecessor) during the period March 3, 2004 through June 24, 2005. On March 3, 2004, Coffeyville Group Holdings, LLC, through its wholly owned subsidiary, Coffeyville Resources, LLC, acquired the assets of the former Farmland petroleum division and one facility within Farmland's nitrogen fertilizer manufacturing and marketing division through a bankruptcy court auction process for approximately $107 million and the assumption of approximately $23 million of liabilities.

On March 3, 2004, Coffeyville Group Holdings, LLC entered into a management services agreement with Pegasus Capital Advisors, L.P., pursuant to which Pegasus Capital Advisors, L.P. provided Coffeyville Group Holdings, LLC with managerial and advisory services. In consideration for these services, Coffeyville Group Holdings, LLC agreed to pay Pegasus Capital Advisors, L.P. an annual fee of up to $1.0 million plus reimbursement for any out-of-pocket expenses. During the year ended December 31, 2004, Immediate Predecessor paid an aggregate of approximately $545,000 to Pegasus Capital Advisors, L.P. in fees under this agreement. $1,000,000 was expensed to selling, general, and administrative expenses for the 174 days ended June 23, 2005. In addition, Immediate Predecessor paid approximately $455,000 in legal fees on behalf of Pegasus Capital Advisors, L.P. in lieu of the remaining amount owed under the management fee. This management services agreement terminated at the time of the Subsequent Acquisition in June 2005.

Coffeyville Group Holdings, LLC paid Pegasus Capital Advisors, L.P. a $4.0 million transaction fee upon closing of the acquisition on March 3, 2004. The transaction fee related to a $2.5 million merger and acquisition fee and $1.5 million in deferred financing costs. In addition, in conjunction with the refinancing of our senior secured credit facility on May 10, 2004, Coffeyville Group Holdings, LLC paid an additional $1.25 million fee to Pegasus Capital Advisors, L.P. as a deferred financing cost.

On March 3, 2004, Coffeyville Group Holdings, LLC entered into Executive Purchase and Vesting Agreements with the then executive officers listed below providing for the sale by Immediate Predecessor to them of the number of our common units to the right of each executive officer's name at a purchase price of approximately $0.0056 per unit. Pursuant to the terms of these agreements, as amended, each executive officer's common units were to vest at a rate of 16.66% every six months with the first 16.66% vesting on November 10, 2004. In connection with their purchase of the common units pursuant to the Executive Purchase and Vesting Agreements, each of the executive officers at that time issued promissory notes in the amounts indicated below. These notes were paid in full on May 10, 2004.

Executive Officer	Number of Common Units	Amount of Promissory Note
Philip L. Rinaldi	3,717,647	$ 21,000
Abraham H. Kaplan	2,230,589	$ 12,600
George W. Dorsey	2,230,589	$ 12,600
Stanley A. Riemann	1,301,176	$ 7,350
James T. Rens	371,764	$ 2,100
Keith D. Osborn	650,588	$ 3,675
Kevan A. Vick	650,588	$ 3,675

On May 10, 2004, Mr. Rinaldi entered into another Executive Purchase and Vesting Agreement under the same terms as described above providing for the purchase of an additional 500,000 common units of Coffeyville Group Holdings, LLC for an aggregate purchase price of $2,850.

On May 10, 2004, Coffeyville Group Holdings, LLC refinanced its existing long-term debt with a $150 million term loan and used the proceeds of the borrowings to repay the outstanding borrowings under Coffeyville Group Holdings, LLC's previous credit facility. The borrowings were also used to distribute a $99,987,509 dividend, which included a preference payment of $63,200,000 plus a yield of $1,802,956 to the preferred unit holders and a $63,000 payment to the common unit holders for undistributed capital per the LLC agreement. The remaining $34,921,553 was distributed to the preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

On October 8, 2004, Coffeyville Group Holdings, LLC entered into a joint venture with The Leiber Group, Inc., a company whose majority stockholder was Pegasus Partners II, L.P., the principal stockholder of Immediate Predecessor. In connection with the joint venture, Coffeyville Group Holdings, LLC contributed approximately 68.7% of its membership interests in Coffeyville Resources, LLC to CL JV Holdings, LLC, a Delaware limited liability company, or CL JV Holdings, and The Leiber Group, Inc. contributed the Judith Leiber business to CL JV Holdings. At the time of the Subsequent Acquisition, in June 2005, the joint venture was effectively terminated.

On January 13, 2005, Immediate Predecessor's board of directors authorized the following bonus payments to the following then executive officers, at that time, in recognition of the importance of retaining their services:

Executive Officer	Bonus Amount
Philip L. Rinaldi	$1,000,000
Abraham H. Kaplan	$ 600,000
George W. Dorsey	$ 300,000
Stanley A. Riemann	$ 700,000
James T. Rens	$ 150,000
Keith D. Osborn	$ 150,000
Kevan A. Vick	$ 150,000
Edmund S. Gross	$ 200,000

During 2004 and 2005, Immediate Predecessor shared office space with Pegasus in New York, New York for which we paid Pegasus $10,000 per month.

On June 23, 2005, immediately prior to the Subsequent Acquisition, Coffeyville Group Holdings, LLC used available cash balances to distribute a $52,211,493 dividend to its preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

Other Transactions

We paid Intercat, Inc. $525,507 during 2006 for chemical additives. Mr. Regis B. Lippert, a director of our company, is the principal shareholder and chief executive officer of Intercat, Inc.

Related Party Transaction Policy

Prior to the completion of this offering, our board of directors will adopt a Related Party Transaction Policy, which is designed to monitor and ensure the proper review, approval, ratification and disclosure of related party transactions involving us. This policy applies to any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and the amount involved exceeds $100,000, and in which any related party had, has or will have a direct or indirect material interest. The audit committee of our board of directors must review, approve and ratify a related party transaction if such transaction is consistent with the Related Party Transaction Policy and is on terms, taken as a whole, which the audit committee believes are no less favorable to us than could be obtained in an arms-length transaction with an unrelated third party, unless the audit committee otherwise determines that the transaction is not in our best interests. Any related party transaction or modification of such transaction which our board of directors has approved or ratified by the affirmative vote of a majority of directors, who do not have a direct or indirect material interest in such transaction, does not need to be approved or ratified by our audit committee. In addition, related party transactions involving compensation will be approved by our compensation committee in lieu of our audit committee.

Conflicts of Interests Policy for Transactions between the Partnership and Us

Prior to the completion of this offering, our board of directors will adopt a Conflicts of Interests Policy, which is designed to monitor and ensure the proper review, approval, ratification and disclosure of transactions between the Partnership and us. The policy applies to any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) between us or any of our subsidiaries, on the one hand, and the Partnership, its managing general partner and any subsidiary of the Partnership, on the other hand. According to the policy, all such transactions must be fair and reasonable to us. If such transaction is expected to involve a value, over the life of such transaction, of less than $1 million, it is deemed to be fair and reasonable to us. If such transaction is expected to involve a value of more than $1 million but less than $5 million, it is deemed to be fair and reasonable to us if (i) such transaction is approved by the conflicts committee of our board of directors, (ii) the terms of such transaction are no less favorable to us than those generally being provided to or available from unrelated third parties or (iii) such transaction, taking into account the totality of any other such transaction being entered into at that time between the parties involved (including other transaction that may be particularly favorable or advantageous to us), is equitable to the Company. If such transaction is expected to involve a value, over the life of such transaction, of $5 million or more, it is deemed to be fair and reasonable to us if it have been approved by the conflicts committee of our board of directors.

THE NITROGEN FERTILIZER LIMITED PARTNERSHIP

Background

Prior to the consummation of this offering, we intend to create a new limited partnership, CVR Partners, LP, or the Partnership, and to transfer our nitrogen fertilizer business to the Partnership. The Partnership will have two general partners: a managing general partner, Fertilizer GP, which we intend to sell to an entity owned by our controlling stockholders and senior management at fair market value prior to the consummation of this offering, and a second general partner, which will be one of our wholly-owned subsidiaries. Another wholly-owned subsidiary of ours will be a nominal limited partner of the Partnership. Following the consummation of this offering, Coffeyville Acquisition III LLC, the sole parent of the managing general partner of the Partnership, will be owned by the Goldman Sachs Funds, the Kelso Funds, our executive officers, Mr. Wesley Clark, Magnetite Asset Investors III L.L.C. and other members of our management.

We have considered various strategic alternatives with respect to the nitrogen fertilizer business, including an initial public or private offering of limited partner interests of the Partnership. We have observed that entities structured as master limited partnerships, or MLPs, have over recent history demonstrated significantly greater relative market valuation levels compared to corporations in the refining and marketing, or R&M, sector when measured as a ratio of enterprise value, or EV, to EBITDA. For example, at calendar year-ends 2004, 2005 and 2006, a broad sampling of publicly-traded MLPs has traded at average EV/Last Twelve Months, or LTM, EBITDA multiples of 13.8x, 13.1x and 12.9x which were 9.5x, 8.6x and 8.4x, respectively, higher than those multiples observed for publicly-traded corporations in the R&M sector. As of April 24, 2007, the average EV/LTM multiple for the same MLP entities was 16.0x, or 10.2x higher than the average for the publicly traded R&M corporations. We believe one of the reasons for the higher valuations is the treatment of these entities as partnerships for federal income tax purposes. Notwithstanding the foregoing, there is no assurance that the Partnership will seek to consummate a public or private offering of its limited partner interests and, if it does, there is no assurance that it would be able to realize valuations historically observed in the MLP sector. Any decision to pursue a public or private offering would be in the sole discretion of the managing general partner of the Partnership (subject to our approval rights if in an amount over $200 million) and would be subject to, among other things, market conditions and negotiation of terms acceptable to the Partnership's managing general partner.

Prior to the consummation of this offering, Fertilizer GP, the limited partner and our wholly-owned subsidiary, as a general partner, will enter into a limited partnership agreement which will set forth the various rights and responsibilities of the partners in the Partnership and which is filed as an exhibit to the registration statement of which this prospectus is a part. In addition, we will enter into a number of intercompany agreements with the Partnership which will regulate business relations among us, the Partnership and the managing general partner following this offering. In addition to regulating the ongoing business relations among us, the Partnership and the managing general partner, the partnership agreement and the other intercompany agreements will provide for:

- the formation of the partnership, as described in "— Formation Transactions;"
- a right for the managing general partner to cause the Partnership to pursue an initial public or initial private offering of its limited partner interests; and
- a restructuring of our interest in the Partnership, including a potential sale of a portion of our interest, in connection with any initial public or initial private offering by the Partnership, as described in "— Initial Offering Transactions."

Formation Transactions

In connection with the formation of the Partnership, the Partnership will enter into a contribution, conveyance and assumption agreement, or the contribution agreement, with Fertilizer GP, Coffeyville Resources, LLC, CVR Special GP, LLC (our subsidiary that will hold our general partner interest in the

Partnership), and CVR LP, LLC (our subsidiary that will hold our limited partner interest in the Partnership).

Pursuant to this agreement, Coffeyville Resources, LLC will transfer the fertilizer business to the Partnership in exchange for (1) the issuance to CVR Special GP, LLC of 30,303,000 special GP units, representing a 99.9% general partner interest in the Partnership, (2) the issuance to CVR LP, LLC of 30,333 special LP units, representing a 0.1% limited partner interest in the Partnership, and (3) the issuance of a $75 million intercompany note to Coffeyville Resources, LLC. The Partnership will assume all liabilities arising out of or related to the ownership of the fertilizer business to the extent arising or accruing on and after the date of transfer. Following the transfer and issuance, the Partnership initially will be our wholly-owned subsidiary (prior to the sale of the managing general partner). Because we are contributing a wholly-owned subsidiary, which owns the fertilizer business, to another wholly-owned subsidiary, the Partnership, in exchange for all of the interests in the Partnership, we have not determined the fair market value of the assets and operations being transferred to the Partnership.

In connection with this offering, following formation of the Partnership pursuant to the contribution agreement, the following entities and individuals will contribute the following amounts in cash to Coffeyville Acquisition III LLC, a newly formed entity owned by our controlling stockholders and executive officers. Coffeyville Acquisition III LLC will use these contributions to purchase the managing general partner from us:

Contributing Parties	Amount Contributed
The Goldman Sachs Funds	$ 5,248,060
The Kelso Funds	5,165,380
John J. Lipinski	26,500
Stanley A. Riemann	15,900
James T. Rens	10,600
Edmund S. Gross	1,060
Robert W. Haugen	4,240
Wyatt E. Jernigan	4,240
Kevan A. Vick	10,600
Christopher G. Swanberg	1,060
Wesley Clark	10,600
Others	101,760
Total Contribution:	$ 10,600,000

Coffeyville Acquisition III will purchase the managing general partner from us for $10.6 million, which our board has determined, after consultation with management and a third party valuation firm, represents the fair market value of the managing general partner interest. We valued the managing general partner interest by calculating the projected cash flows due to the managing general partner under the terms of the Partnership’s limited partnership agreement, subject to an appropriate discount. The Partnership’s cash distributions were assumed to be flat at expected forward fertilizer prices, with cash reserves developed in periods of high prices and cash reserves reduced in periods of lower prices. The Partnership’s projected cash flows utilized for the valuation were calculated based on estimates of production volumes and operating costs which were developed by management based on historical operations and experience. Price projections were based on information received from Blue Johnson and Associates, a leading fertilizer industry consultant in the United States which we routinely use for fertilizer market analysis. There can be no assurance that the value of the managing general partner will not differ in the future from the amount initially paid for it.

Description of Partnership Interests Initially Following Formation

The partnership agreement will provide that initially the Partnership will issue three types of partnership interests: (1) special GP units, representing special general partner interests, which will be issued to one of our wholly-owned subsidiaries and will initially represent all of the interests in the Partnership (other than the managing general partner interest and associated IDRs), (2) special LP units, representing a nominal limited partner interest, which will be owned by another newly-formed wholly-owned subsidiary of ours and (3) a managing general partner interest which has associated incentive distribution rights, or IDRs, which will be held by Fertilizer GP as managing general partner.

Special units. The special units will be comprised of special GP units and special LP units. We will own all 30,303,000 special GP units and all 30,333 special LP units. The special GP units will be special general partner interests giving the holder thereof specified approval rights (which we refer to as special GP rights), including rights with respect to the appointment, termination and compensation of the chief executive officer and the chief financial officer of the managing general partner, and entitling the holder to participate in Partnership distributions and allocations of income and loss. Special LP units have identical voting and distribution rights as the special GP units, but represent limited partner interests in the Partnership and do not give the holder thereof the special GP rights. The nominal limited partner interests are being issued because the Delaware Revised Uniform Partnership Act requires there to be at least one limited partner in a limited partnership to prevent such limited partnership from automatically dissolving. The special units will be entitled to payment of a set target distribution of $0.4313 per unit ($13.1 million in the aggregate for all our special units each quarter), or $1.7252 per unit on an annualized basis ($52.3 million in the aggregate for all our special units annually), prior to the payment of any quarterly distribution in respect of the IDRs. Due to the various restrictions on distributions in respect of the IDRs, it is likely to be a number of years before there will be any cash distributions made in respect of the IDRs. For more information on cash distributions to the special units and the IDRs please see "— Cash Distributions by the Partnership." We will be permitted to sell the special units at any time without the consent of the managing general partner, subject to compliance with applicable securities laws, but upon any sale of special GP units to an unrelated third party the special GP rights will no longer apply to such units.

Managing general partner interest. The managing general partner interest to be held solely by Fertilizer GP, as managing general partner, will entitle the holder to manage the business and operations of the Partnership, but will not entitle the holder to participate in Partnership distributions or allocations except in respect of associated incentive distribution rights, or IDRs. IDRs represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the target distribution ($0.4313 per unit per quarter) has been paid and following distribution of the aggregate adjusted operating surplus generated by the Partnership during the period from its formation through June 30, 2009 to the special units and/or the common and subordinated units (if issued). In addition, there will be no distributions paid on the managing general partner's IDRs for so long as the Partnership or its subsidiaries are guarantors under our Credit Facility. The IDRs will not be transferable apart from the general partner interest. The managing general partner can be sold without the consent of other partners in the Partnership.

Initial Offering Transactions

Under the partnership agreement, the managing general partner has the sole discretion to cause the Partnership to undertake an initial private or public offering, subject to our approval rights (as holder of the special GP rights, described below) if the offering involves the issuance of more than $200 million of the Partnership's securities (exclusive of the underwriters' overallotment option, if any). There is no assurance that the Partnership will undertake or consummate a public or private offering.

Under the contribution agreement, if Fertilizer GP elects to cause the Partnership to undertake an initial private or public offering, Fertilizer GP must give prompt notice to us of such election and the proposed terms of the offering. We have agreed to use our commercially reasonable efforts to take such actions as Fertilizer GP reasonably requests in order to effectuate and permit the consummation of the offering. We have agreed that Fertilizer GP may structure the initial offering to include (1) a secondary offering of interests by us or (2) a primary offering of interests by the Partnership where the use of proceeds is to redeem an equal number of interests from us (with a per-unit redemption price equal to the price at which a unit is purchased from the Partnership, net of sales commissions or underwriting discounts) (a "special GP offering"), provided that in either case the number of units associated with the special GP offering is reasonably expected by Fertilizer GP to generate up to $100 million in net proceeds to us (exclusive of the underwriters' overallotment option, if any) and provided further that the special GP offering may not be consummated without our consent if the net proceeds to us are less than $10 per unit. If the initial public offering includes a special GP offering, unless we otherwise agree with the Partnership, the special GP offering will be increased to cover our pro rata portion of any exercise of the underwriters' overallotment option, if any.

Under the contribution agreement, if Fertilizer GP reasonably determines that, in order to consummate the initial offering, it is necessary or appropriate for the Partnership and its subsidiaries to be released from their obligations under our credit facility and our swap arrangements with J. Aron, then Fertilizer GP must give prompt written notice to us describing the requested amendments. The notice must be given 90 days prior to the anticipated closing date of the initial offering. We will be required to use our commercially reasonable efforts to effect the requested modifications. We will not be considered to have made "commercially reasonable efforts" if we do not effect such requested modifications due to (i) payment of fees to the lenders or the swap counterparty, (ii) the costs of this type of amendment, (iii) an increase in applicable margins or spreads or (iv) changes to the terms required by the lenders including covenants, events of default and repayment and prepayment provisions; provided that (i), (ii), (iii) and (iv) in the aggregate are not likely to have a material adverse effect on us. In order to effect the requested modifications, we may require that (1) the initial offering include a special GP offering generating at least $140 million in net proceeds to us and (2) the Partnership repay the $75 million intercompany note owed to us in full prior to or concurrently with the closing of the initial offering.

In addition, if we materially amend our Credit Facility, and the substance of the amendments is in the nature of a refinancing of our Credit Facility, whether or not the Partnership consummates a public or private offering, we will be required to use our commercially reasonable efforts to obtain the release of the Partnership and its subsidiaries from their obligations thereunder. "Commercially reasonable efforts" will be qualified in the same manner as described above.

If the Partnership consummates an initial public or private offering and we sell units, or our units are redeemed, in a special GP offering, the gain on such sale, or redemption, would be taxable to us. If the Partnership consummates an initial public or private offering, regardless of whether we sell units, the distributions that we receive from the Partnership could decrease because the Partnership's distributions will have to be shared with the new limited partners. Additionally, when the Partnership issues units or engages in certain other transactions, the Partnership will determine the fair market value of its assets and allocate any unrealized gain or loss attributable to those assets to the capital accounts of the existing partners. As a result of this revaluation and the Partnership's adoption of the remedial allocation method under Section 704(c) of the Internal Revenue Code (i) new unitholders will be allocated deductions as if the tax basis of the Partnership's property were equal to the fair market value thereof at the time of the offering, and (ii) we will be allocated "reverse Section 704(c) allocations" of income or loss over time consistent with our allocation of unrealized gain or loss.

If the Partnership consummates an initial public or private offering of common LP units representing limited partner interests (in either case, the Partnership's "initial offering") as either a primary or secondary offering, our special units, other than those sold or redeemed in a special GP offering, if any, will be converted into a combination of (1) common units and (2) subordinated units. The special units will be converted into common units and subordinated units, on a one-for-one basis, such that the lesser of (1) 40% of all outstanding units after the initial offering (prior to the exercise of the underwriters' overallotment option, if any) and (2) all of the units owned by us, will be subordinated. For a description of the common units and subordinated units please see "— Description of Partnership Interests Following Initial Offering." The special GP units will convert into common GP units or subordinated GP units and the special LP units will convert into common LP units or subordinated LP units.

The following table sets forth the number of special GP units and special LP units that will be outstanding initially and illustrates the number of common GP units, subordinated GP units, common LP units and subordinated LP units we will own, as well as the number of common LP units that public unitholders will own, assuming the Partnership's initial offering involves a total of 10 million common LP units, 7 million of which are our special units (converted into common LP units immediately prior to sale directly in the initial offering, or redeemed using the proceeds from the issuance of common LP units by the Partnership, as described above in "— Initial Offering Transactions") and 3 million of which are new common LP units. The following table assumes that the 7 million of our special units reduce our special LP units and special GP units are reduced pro rata (i.e., 99.9% from the special GP units and 0.1% from our special LP units). This information is presented for illustrative purposes only. There can be no assurance the Partnership will undertake an initial offering consistent with these assumptions or at all.

	Initial	Following Partnership Initial Offering	
	Special Units	Common Units	Subordinated Units
Owned by us	30,303,000 special GP units 30,333 special LP units	9,990,000 common GP units 10,000 common LP units	13,320,000 subordinated LP units 13,333 subordinated LP units
Owned by public	—	10,000,000 common LP units	—

The partnership agreement will prohibit Fertilizer GP from causing the Partnership to undertake or consummate an initial offering unless the board of directors of Fertilizer GP determines, after consultation with us, that the Partnership will likely be able to earn and pay the minimum quarterly distribution (which is currently set at $0.375 per unit) on all units for each of the two consecutive, nonoverlapping four-quarter periods following the initial offering. As an illustration, the Partnership would need to earn and pay $50 million during each of the two consecutive, nonoverlapping four-quarter periods based upon the number of units (i.e., 33,333,333 total units) in the hypothetical illustrated in the table above. If Fertilizer GP determines that the Partnership is not likely to be able to earn and pay the minimum quarterly distribution for such periods, Fertilizer GP may, in its sole discretion and effective upon closing of the initial offering, reduce the minimum quarterly distribution to an amount it determines to be appropriate and likely to be earned and paid during such periods.

The contribution agreement also provides that if the initial offering is not consummated by the second anniversary of the date of the agreement, Fertilizer GP can require us to purchase the managing general partner interest. This put right expires on the earlier of (1) the fifth anniversary of the date of the agreement and (2) the closing of the initial offering. If the initial offering is not consummated by the fifth anniversary of the date of this agreement, we have the right to require Fertilizer GP to sell the managing general partner interest to us. This call right expires on the closing of the initial offering. In the event of an exercise of a put right or a call right, the purchase price will be the fair market value of the managing general partner interest at the time of purchase. The fair market value will be determined by an independent investment banking firm selected by us and Fertilizer GP. The independent investment banking firm may consider the value of the Partnership's assets, the rights and obligations of Fertilizer GP and other factors it may deem relevant but the fair market value shall not include any control premium. See "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — If the Partnership does not consummate an initial offering within two years after the consummation of this offering, Fertilizer GP can require us to purchase its managing general partner interest in the Partnership. We may not have requisite funds to do so."

Description of Partnership Interests Following Initial Offering

Common units. The common units, if issued, will be comprised of common GP units and common LP units. The common GP units will be special general partner interests giving the holder special GP rights (described below), including rights with respect to the appointment, termination and compensation of the chief executive officer and the chief financial officer of the managing general partner, and entitling the holder to participate in Partnership distributions and allocations on a *pro rata* basis with common LP units. Common LP units, if issued, will have identical voting and distribution rights as the common GP units, but will represent limited partner interests in the Partnership and will not give the holder thereof the special GP rights. The common units will be entitled to payment of the minimum quarterly distribution prior to the payment of any quarterly distribution on the subordinated units or the IDRs. For more information of the rights and preferences of holders of the common units, subordinated units and IDRs in the Partnership's distributions, please see "— Cash Distributions by the Partnership."

We will be permitted to sell the common units we own at any time without the consent of the managing general partner, subject to compliance with applicable securities laws. The common GP units will automatically convert to common LP units immediately prior to sale thereof to an unrelated third party. The common GP units will automatically convert into common LP units (with no special GP rights) immediately if the holder of the common GP units, together with all of its affiliates, ceases to own 15% or more of all units of the Partnership (not including the managing general partner interest).

Subordinated units. The subordinated units, if issued, will be comprised of subordinated GP units and subordinated LP units. The subordinated GP units will be special general partner interests giving the holder special GP rights, including rights with respect to the appointment, termination and compensation of the chief executive officer and the chief financial officer of the managing general partner. Subordinated LP units, if issued, will have identical voting and distribution rights as the subordinated GP units, but will represent limited partner interests in the Partnership and will not give the holder thereof the special GP rights. The subordinated units will entitle the holder to participate in Partnership distributions and allocations on a subordinated basis to the common units (as described in "— Cash Distributions by the Partnership"). During the subordination period (as defined in "— Cash Distributions by the Partnership — Distributions from Operating Surplus — Subordination Period"), the subordinated units will not be entitled to receive any distributions until the common units have received the set minimum quarterly distribution plus any arrearages from prior quarters. Furthermore, no arrearages will be paid on the subordinated units. As a result, if the Partnership consummates an initial offering, the portion of our special units that are converted into subordinated units will be subordinated to the common units and may not receive distributions unless and until the common units have received the minimum quarterly distribution, plus any accrued and unpaid arrearages in the minimum quarterly distribution from prior quarters. See "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest In the Nitrogen Fertilizer Business — Our rights to receive distributions from the Partnership may be limited over time" and "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest In the Nitrogen Fertilizer Business — If the Partnership completes a public offering or private placement of limited partner interests our voting power in the Partnership would be reduced and our rights to distributions from the Partnership would be adversely affected."

We will be permitted to sell the subordinated units we own at any time without the consent of the managing general partner, subject to compliance with applicable securities laws. The subordinated units will automatically convert into common units on the second day after the distribution of cash in respect of the last quarter in the subordination period (which will end no earlier than five years after the initial offering), although up to 50% may convert earlier. The subordinated GP units will automatically convert to subordinated LP units immediately prior to sale thereof to an unrelated third party. The subordinated GP units will automatically convert into subordinated LP units immediately if the holder of the subordinated GP units, together with all of its affiliates, ceases to own 15% or more of all units of the Partnership.

Managing general partner interest. The managing general partner interest will continue to be outstanding following the initial offering.

Management of the Partnership

Fertilizer GP, as the managing general partner, will manage the Partnership's operations and activities, subject to our specified approval rights and rights with respect to the appointment, termination and compensation of the chief executive officer and the chief financial officer of the managing general partner. Among other things, the managing general partner will have sole authority to effect an initial public or private offering, including the right to determine the timing, size (subject to our approval rights for any initial offering in excess of $200 million, exclusive of the underwriters' overallotment option, if any) and underwriters or initial purchasers, if any, for any initial offering. Fertilizer GP is wholly owned by a newly created entity controlled by the Goldman Sachs Funds, the Kelso Funds and our senior management. The operations of Fertilizer GP, in its capacity as managing general partner, are managed by its board of directors. The managing general partner of the Partnership is not elected by the unit holders or us and will not be subject to re-election on a regular basis in the future.

The holders of special GP units (and/or common GP units and subordinated GP units, if any) have certain special GP rights. Upon consummation of this offering and the formation of the Partnership, we will hold all of the special GP units. The special GP rights will terminate if we cease to own 15% of more of all units of the Partnership, because the special GP units (or common GP units and subordinated GP units) will automatically convert to limited partner interests as described above. The special GP rights include:

- approval rights over any merger by the Partnership into another entity where:
  - for so long as we own 50% or more of all units of the Partnership immediately prior to the merger, less than 60% of the equity interests of the resulting entity are owned by the pre-merger unit holders of the Partnership;
  - for so long as we own 25% or more of all units of the Partnership immediately prior to the merger, less than 50% of the equity interests of the resulting entity are owned by the pre-merger unit holders of the Partnership; and
  - for so long as we own more than 15% of the all units of the Partnership immediately prior to the merger, less than 40% of the equity interests of the resulting entity are owned by the pre-merger unit holders of the Partnership;
- approval rights over any purchase or sale of assets or entities with a purchase/sale price equal to 50% or more of the current asset value of the Partnership;
- approval rights over any fundamental change in the business of the Partnership from that conducted by the nitrogen fertilizer business;
- approval rights over any incurrence of indebtedness or issuance of Partnership securities with rights to distribution or in liquidation ranking prior or senior to the common units, in either case in excess of $125 million ($200 million in the case of the Partnership's initial public or private offering, exclusive of the underwriters' overallotment option, if any), increased by 80% of the purchase price for assets or entities whose purchase was approved by us as described in the second bullet point above;
- approval rights over the appointment, termination of employment and compensation of the chief executive officer and chief financial officer of the managing general partner, not to be exercised unreasonably (our consent is deemed given if the chief executive officer or the chief financial officer of the managing general partner is an executive officer of CVR Energy);
- the right to appoint a director to the board of directors (or comparable governing body) of the managing general partner; and

- the right to appoint an additional director to the board of directors (or comparable governing body) of the managing general partner if the Partnership does not make distributions of at least the MQD for four consecutive quarters.

Upon consummation of this offering, the board of directors of the managing general partner will consist of five directors, including two representatives of the Goldman Sachs Funds, two representatives of the Kelso Funds, and one of our representatives. If the Partnership effects an initial public offering in the future, the board of directors of the managing general partner will be required, subject to phase-in requirements of any national securities exchange upon which the Partnership's common units are listed for trading, to have at least three members who are not officers or employees, and are otherwise independent, of the entity which owns the managing general partner, and its affiliates, including CVR Energy and the Partnership's general partners. In addition, if an initial public offering of the Partnership occurs, the board of directors of the managing general partner will be required to maintain an audit committee comprised of at least three independent directors.

The partnership agreement will permit the board of directors of the managing general partner to establish a conflicts committee, comprised of at least one independent director (if any), that may determine if the resolution of a conflict of interest with the Partnership's general partners or their affiliates is fair and reasonable to the Partnership. Any matters approved by the conflicts committee will be conclusively deemed to be fair and reasonable to the Partnership, approved by all of the Partnership's partners and not a breach by the general partners of any duties they may owe the Partnership or the unit holders of the Partnership.

Cash Distributions by the Partnership

Distributions of Available Cash

Available Cash. The partnership agreement will require the Partnership to make quarterly distributions of 100% of its "available cash." Available cash is defined as all cash on hand at the end of any particular quarter less (i) the amount of any cash reserves established by the managing general partner to (a) provide for the proper conduct of the Partnership's business (including the satisfaction of obligations in respect of pre-paid fertilizer contracts, future capital expenditures and anticipated future credit needs), (b) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Partnership or any of its subsidiaries is a party or by which it is bound or its assets are subject or (c) provide funds for distributions in respect of any one or more of the next eight quarters; plus (ii) working capital borrowings, if any. Working capital borrowings are generally borrowings that are used solely for working capital purposes or to make distributions to partners. Cash distributions will be made within 45 days after the end of each quarter. The amount of distributions paid by the Partnership and the decision to make any distribution will be determined by the managing general partner, taking into consideration the terms of the partnership agreement.

Prior to the earlier to occur of (i) such time as the limitations described below in "— Non-IDR surplus amount" no longer apply, after which time available cash from operating surplus could be distributed in respect of the IDRs, assuming each unit has received at least the first target distribution, as described below, and (ii) an initial offering by the Partnership, after which there will be limited partners to whom available cash from operating surplus could be distributed, all available cash will be distributed to us, as holder of the special units. Because all available cash will be distributed to us, the board of directors of Fertilizer GP has not adopted a formal distribution policy.

Operating Surplus, Capital Surplus and Adjusted Operating Surplus

General. All cash distributed by the Partnership will be characterized either as operating surplus or capital surplus. The Partnership distributes available cash from operating surplus differently than available cash from capital surplus.

Definition of "operating surplus." Operating surplus will be defined, generally, as:

- $60 million; plus
- all of the Partnership's cash receipts (from formation before an initial offering, if any, reset to the date of the initial offering if an initial offering occurs), excluding cash from (i) borrowings that are not working capital borrowings, (ii) sales of equity and debt securities and (iii) sales or other dispositions of assets outside the ordinary course of business; plus
- interest (after giving effect to any interest rate swap agreements) paid on debt incurred by the Partnership, and cash distributions paid on the equity securities issued by the Partnership, to finance all or any portion of the construction, expansion or improvement of its facilities during the period from such financing until the earlier to occur of the date the capital asset is put into service or the date it is abandoned or disposed of; plus
- interest (after giving effect to any interest rate swap agreements) paid on debt incurred by the Partnership, and cash distributions paid on the equity securities issued by the Partnership, in each case, to pay the construction period interest on debt incurred, or to pay construction period distributions on equity issued, to finance the construction projects referred to above; plus
- working capital borrowings made after the end of a quarter but before the date of determination of operating surplus for the quarter; less
- all of the Partnership's operating expenditures after formation (reset to the date of closing of the Partnership's initial offering); less
- the amount of cash reserves established by the managing general partner to provide funds for future operating expenditures (which does not include expansive capital expenditures).

If a working capital borrowing, which increases operating surplus, is not repaid during the twelve month period following the borrowing, it will be deemed repaid at the end of such period, thus decreasing operating surplus at such time. When such working capital is in fact repaid, it will not be treated as a reduction in operating surplus because operating surplus will have been previously reduced by the deemed repayment.

"Operating expenditures" generally means all of the Partnership's expenditures, including, but not limited to, taxes, reimbursement of expenses of the managing general partner, repayment of working capital borrowings, debt service payments and capital expenditures, but will not include payments of principal of and premium on indebtedness other than working capital borrowings, capital expenditures made for acquisitions or for capital improvements, payment of transaction expenses relating to interim capital transactions or distributions to partners. Where capital expenditures are made in part for acquisitions or for capital improvements and in part for other purposes, the Partnership's managing general partner, with the concurrence of the conflicts committee, will determine the allocation between the amounts paid for each.

Maintenance capital expenditures reduce operating surplus from which the Partnership makes the minimum quarterly distribution, but capital expenditures for acquisitions and capital improvements do not. Maintenance capital expenditures represent capital expenditures to replace partially or fully depreciated assets to maintain the operating capacity (or productivity) or capital base of the Partnership. Maintenance capital expenditures include expenditures required to maintain equipment reliability, plant integrity and safety and to address environmental regulations. Capital improvement expenditures include expenditures to acquire or construct assets to grow the Partnership's business and to expand existing fertilizer production capacity. Repair and maintenance expenses associated with existing assets that are minor in nature and do not extend the useful life of existing assets are charged to operating expenses as incurred. The Partnership's managing general partner will determine how to allocate a capital expenditure for the acquisition or expansion of the Partnership's assets between maintenance capital expenditures and capital improvement expenditures.

Distributions from Operating Surplus

The Partnership's distribution structure with respect to operating surplus will change based upon the occurrence of three events: (1) distribution by the Partnership of the non-IDR surplus amount (as defined below), together with a release of the guarantees by the Partnership and its subsidiaries of our Credit Facility, (2) occurrence of an initial offering of the Partnership (following which all or a portion of our interest will be converted into subordinated units and the minimum quarterly distribution could be reduced) and (3) expiration (or early termination) of the subordination period.

Minimum Quarterly Distributions. The minimum quarterly distribution, or MQD, represents the set quarterly distribution amount that the common units, if issued, will be entitled to prior to the payment of any quarterly distribution on the subordinated units. The amount of the MQD will initially be set in the Partnership's limited partnership agreement at $0.375 per unit, or $1.50 per unit on an annualized basis, to the extent the Partnership has sufficient available cash. The partnership agreement will prohibit Fertilizer GP from causing the Partnership to undertake or consummate an initial offering unless the board of directors of Fertilizer GP, after consultation with us, concludes that the Partnership will be likely to be able to earn and pay the minimum quarterly distribution on all units for each of the two consecutive, nonoverlapping four-quarter periods following the initial offering. If Fertilizer GP determines that the Partnership is not likely to be able to earn and pay the minimum quarterly distribution for such periods, Fertilizer GP may, in its sole discretion and effective upon closing of the initial offering, reduce the minimum quarterly distribution to an amount it determines to be appropriate. If the Partnership were to distribute $0.375 per unit on the number of units we will initially own, we would receive a quarterly distribution of $11.4 million in the aggregate. The MQD for any period of less than a full calendar quarter (e.g., the periods before and after the closing of an initial offering of the Partnership) will be adjusted based on the actual length of the periods. To the extent we receive amounts from the Partnership in the form of quarterly distributions, we will generally not be able to distribute such amounts to our stockholders due to restrictions contained in our Credit Facility. See "Dividend Policy."

Target Distributions. The Partnership's limited partnership agreement provides for "target distribution levels." After the limitations described below in "— Non-IDR surplus amount" no longer apply, Fertilizer GP's IDRs will entitle it to receive increasing percentages of any incremental quarterly cash distributed by the Partnership as the target distribution levels for each quarter are exceeded. There will be three target distribution levels set in the partnership agreement: $0.4313, $0.4688 and $0.5625. See "— Distributions Prior to the Partnership's Initial Offering (if any)" and See "— Distributions After the Partnership's Initial Offering (if any)." The target distribution levels for any period of less than a full calendar quarter (e.g., the period from the formation of the Partnership through the end of the quarter in which such formation occurs and the periods before and after the closing of an initial offering of the Partnership) will be adjusted based on the actual length of the periods. The target distribution levels will not be adjusted in connection with any reduction of the MQD in connection with the Partnership's initial offering (as discussed under "— Minimum Quarterly Distributions") unless we otherwise agree with Fertilizer GP.

The following table illustrates the percentage allocations of available cash from operating surplus between the unit holders and the Partnership's managing general partner up to the various target distribution levels. The amounts set forth under "marginal percentage interest in distributions" are the percentage interests of the Partnership's managing general partner and the unit holders in any available cash from operating surplus the Partnership distributes up to and including the corresponding amount in the column "total quarterly distribution," until the available cash from operating surplus the Partnership distributes reaches the next target distribution level, if any. The percentage interests shown for the unit holders and managing general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for the managing general partner include its incentive distribution rights.

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Special GP Units; Common and Subordinated Units	Managing General Partner
Minimum Quarterly Distribution	$0.375	100%	0%
First Target Distribution	up to $0.4313	100%	0%
Second Target Distribution	above $0.4313 and up to $0.4688	87%	13%
Third Target Distribution	above $0.4688 and up to $0.5625	77%	23%
Thereafter	above $0.5625	52%	48%

Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels. In addition to adjusting the minimum quarterly distribution and target distribution levels to reflect a distribution of capital surplus (see "— Distributions from Capital Surplus"), and a potential reduction of the MQD in connection with the Partnership's initial offering (as discussed under "— Minimum Quarterly Distributions") if the Partnership combines its units into fewer units or subdivides its units into a greater number of units, the Partnership will proportionately adjust:

- the minimum quarterly distribution;
- the target distribution levels; and
- the initial unit price, as described below under " — Distributions of Cash Upon Liquidation."

For example, if a two-for-one split of the common and subordinated units should occur, the minimum quarterly distribution, the target distribution levels and the initial unit price would each be reduced to 50% of its initial level. If the Partnership combines its common units into fewer units or subdivides its common units into a greater number of units, the Partnership will combine its subordinated units or subdivide its subordinated units, using the same ratio applied to the common units. The Partnership will not make any adjustment by reason of the issuance of additional units for cash or property.

In addition, if legislation is enacted or if existing law is modified or interpreted by a court of competent jurisdiction so that the Partnership or any of its subsidiaries becomes taxable as a corporation or otherwise subject to taxation as an entity for federal, state or local income tax purposes, the managing general partner may, in its sole discretion, reduce the minimum quarterly distribution and the target distribution levels for each quarter by multiplying each distribution level by a fraction, the numerator of which is available cash for that quarter (after deducting the managing general partner's estimate of the Partnership's aggregate liability for the quarter for such income taxes payable by reason of such legislation or interpretation) and the denominator of which is the sum of available cash for that quarter plus the managing general partner's estimate of the Partnership's aggregate liability for the quarter for such income taxes payable by reason of such legislation or interpretation. To the extent that the actual tax liability differs from the estimated tax liability for any quarter, the difference will be accounted for in subsequent quarters.

Non-IDR surplus amount. There will be no distributions paid on the IDRs until the aggregate adjusted operating surplus (as described below) generated by the Partnership during the period from its formation through June 30, 2009, or the non-IDR surplus amount, has been distributed in respect of the special units and/or the common and subordinated units (if any are issued). In addition, there will be no distributions paid on the managing general partner's IDRs for so long as the Partnership or its subsidiaries are guarantors under our Credit Facility.

Limitation on increases in regular quarter distributions. After the limitations described in "— Non-IDR surplus amount" no longer apply, the managing general partner will not be permitted to increase the Partnership's regular quarterly distribution (calculated on a per-unit basis), unless the managing general partner determines that the increased per-unit distribution rate is likely to be sustainable for at least the succeeding two years. This restriction will not apply to any special distributions declared by the managing general partner or any distributions in the nature of a full or partial liquidation of the Partnership.

Distributions Prior to the Partnership's Initial Offering (if any). Prior to the Partnership's initial offering (if any), quarterly distributions of available cash from operating surplus (as described below) will be paid solely in respect of the special units until the non-IDR surplus amount has been distributed.

After the limitations described in "— Non-IDR surplus amount" no longer apply and prior to the Partnership's initial offering (if any), quarterly distributions of available cash from operating surplus will be paid in the following manner:

- *First*, to the special units, until each special unit has received a total quarterly distribution equal to $0.4313 (the first target distribution);
- *Second*, (i) 13% to the managing general partner interest (in respect of the IDRs) and (ii) 87% to the special units until each special unit has received a total quarterly amount equal to $0.4688 (the second target distribution);
- *Third*, (i) 23% to the managing general partner interest (in respect of the IDRs) and (ii) 77% to the special units, until each special unit has received a total quarterly amount equal to $0.5625 (the third target distribution); and
- *Thereafter*, (i) 48% to the managing general partner interest (in respect of the IDRs) and (ii) 52% to the special units.

Distributions After the Partnership's Initial Offering (if any). If the non-IDR surplus amount has not been distributed at the time of the Partnership's initial offering, quarterly distributions of available cash from operating surplus after the initial offering will be paid in the following manner until the non-IDR surplus amount has been distributed:

- *First*, to the common units, until each common unit has received an amount equal to the MQD plus any arrearages from prior quarters;
- *Second*, to the subordinated units, until each subordinated unit has received an amount equal to the MQD; and
- *Thereafter*, to all common units and subordinated units, *pro rata*.

After the limitations described in "— Non-IDR surplus amount" no longer apply, after the Partnership's initial offering (if any) and during the subordination period, quarterly distributions of available cash from operating surplus will be paid in the following manner:

- *First*, to all common units, until each common unit has received a total quarterly distribution equal to the MQD plus any arrearages for prior quarters;
- *Second*, to all subordinated units, until each subordinated unit has received a total quarterly distribution equal to the MQD;
- *Third*, to all common units and subordinated units, pro rata, until each common unit and subordinated unit has received a total quarterly distribution equal to $0.4313 (excluding any distribution in respect of arrearages) (the first target distribution);
- *Fourth*, (i) 13% to the managing general partner interest (in respect of the IDRs) and (ii) 87% to all common units and subordinated units, pro rata, until each common unit and subordinated unit has received a total quarterly distribution equal to $0.4688 (excluding any distribution in respect of arrearages) (the second target distribution);

- *Fifth*, (i) 23% to the managing general partner interest (in respect of the IDRs) and (ii) 77% to all common units and subordinated units, pro rata, until each common unit and subordinated unit has received a total quarterly distribution equal to $0.5625 (excluding any distribution in respect of arrearages) (the third target distribution); and
- *Thereafter*, (i) 48% to the managing general partner interest (in respect of the IDRs) and (ii) 52% to all common units and subordinated units, pro rata.

After the limitations described in "— Non-IDR surplus amount" no longer apply, after the Partnership's initial offering (if any) and after the subordination period (when all of our subordinated units automatically convert into common units), quarterly distributions of available cash from operating surplus will be paid in the following manner:

- *First*, to all common units, until each common unit has received a total quarterly distribution equal to $0.4313 (the first target distribution);
- *Second*, (i) 13% to the managing general partner interest (in respect of the IDRs) and (ii) 87% to all common units, pro rata, until each common unit has received a total quarterly distribution equal to $0.4688 (the second target distribution);
- *Third*, (i) 23% to the managing general partner interest (in respect of the IDRs) and (ii) 87% to all common units, pro rata, until each common unit has received a total quarterly distribution equal to $0.5625 (the third target distribution); and
- *Thereafter,* (i) 48% to the managing general partner interest (in respect of the IDRs) and (ii) 52% to all common units, pro rata.

Subordination period. The subordination period can occur only after the initial offering of the Partnership, when all or a portion of our special units convert into subordinated units. Accordingly, a subordination period may never occur. During the subordination period, the common units will have the right to receive distributions of available cash from operating surplus in an amount equal to the MQD, plus any arrearages in the payment of the MQD on the common units from prior quarters, before any distributions of available cash from operating surplus may be made on the subordinated units held by us. The subordinated units will be deemed "subordinated" because during the subordination period, the subordinated units will not be entitled to receive distributions until the common units have received the MQD plus any arrearages from prior quarters. Furthermore, no arrearages will be paid on the subordinated units.

The subordination period will generally extend until the second day after the Partnership has met the tests specified in the partnership agreement. The tests generally require:

- the Partnership to have "earned" and "paid" the MQD on all of the Partnership's outstanding units during specified periods; and
- there to be no arrearages in payment of the MQD on the common units.

By "earning" the MQD, we mean that the Partnership has generated a sufficient amount of adjusted operating surplus during the specified periods to pay the MQD on all of the outstanding units on a fully diluted basis. By "paying" the MQD, we mean that the Partnership has actually made distributions of available cash from operating surplus on each outstanding unit in an amount that equals or exceeds the MQD in respect of each quarter in the specified periods.

The subordination period will generally extend for at least five years after the date of an initial offering (if any) of the Partnership and will end the second day after the date when the Partnership has earned and paid the MQD on all of the outstanding units for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date and there are no arrearages in payment of the MQD on the common units.

25% of the subordinated units may convert into common units early (before the end of the subordination period) if, on a date at least three years after the Partnership's initial offering, the Partnership has earned and paid the MQD on all of the outstanding units for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date and there are no arrearages in payment of the MQD on the common units.

An additional 25% of the subordinated units may convert into common units early if, on a date at least four years after the Partnership's initial offering, the Partnership has earned and paid the MQD on all of the outstanding units for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date and there are no arrearages in payment of the MQD on the common units, provided, that the last four-quarter period cannot include any quarter included in the periods used for conversion of the first 25% of the subordinated units.

Furthermore, if the unit holders remove the Partnership's managing general partner other than for cause and no units held by us and our affiliates are voted in favor of such removal, (1) the subordination period will end and each subordinated unit will immediately convert into one common unit, and (2) any existing arrearages in payment of the MQD on the common units will be extinguished.

Definition of "adjusted operating surplus." Adjusted operating surplus will be defined, generally, for any period as:

- operating surplus generated with respect to that period; less
- any net increase in working capital borrowings with respect to that period; less
- any net reduction in cash reserves for operating expenditures with respect to that period not relating to an operating expenditure made with respect to that period; plus
- any net decrease in working capital borrowings with respect to that period; plus
- any net increase in cash reserves for operating expenditures with respect to that period required by any debt instrument for the repayment of principal, interest or premium.

Adjusted operating surplus is intended to reflect the cash generated from operations during a particular period and therefore excludes net increases in working capital borrowings and net drawdowns of reserves of cash generated in prior periods.

Distributions from Capital Surplus

Capital surplus is generally generated only by borrowings other than working capital borrowings, sales of debt and equity securities, and sales or other dispositions of assets for cash, other than inventory, accounts receivable and the other current assets sold in the ordinary course of business or as part of normal retirements or replacements of assets.

The Partnership will make distributions of available cash from capital surplus, if any, in the following manner:

- *First*, to all unit holders, pro rata, until the minimum quarterly distribution is reduced to zero, as described below;
- *Second*, to the common unit holders, pro rata, until the Partnership distributes for each common unit an amount of available cash from capital surplus equal to any unpaid arrearages in payment of the minimum quarterly distribution on the common units; and
- *Thereafter*, the Partnership will make all distributions of available cash from capital surplus as if they were from operating surplus.

The preceding discussion is based on the assumptions that the Partnership does not issue additional classes of equity securities.

The partnership agreement will treat a distribution of capital surplus as the repayment of the consideration for the issuance of a unit by the Partnership, which is a return of capital. Each time a distribution of capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the distribution had in relation to the fair market value of the units prior to the announcement of the distribution. Because distributions of capital surplus will reduce the minimum quarterly distribution, after any of these distributions are made, it may be easier for the managing general partner to receive incentive distributions and for the subordinated units to convert into common units. However, any distribution of capital surplus before the minimum quarterly distribution is reduced to zero cannot be applied to the payment of the minimum quarterly distribution or any arrearages.

Once the Partnership reduces the minimum quarterly distribution and the target distribution levels to zero, the Partnership will then make all future distributions from operating surplus, with 52% being paid to the unit holders, pro rata, and 48% to the Partnership's managing general partner.

Unaudited Pro Forma Available Cash

If the nitrogen fertilizer business had been contributed to the Partnership on January 1, 2006, we estimate that the Partnership's pro forma available cash generated during 2006 would have been approximately $53.9 million. This amount would have been in excess of the amount necessary for the Partnership to make cash distributions for 2006 at a rate of $0.375 per unit per quarter (or $1.50 per unit on an annualized basis) on the 30,333,333 special units we will initially own. Because all available cash will initially be distributed to us, as described above under "— Distributions of Available Cash" the board of directors of Fertilizer GP has not adopted a formal distribution policy. The minimum quarterly distribution specified in the Partnership's limited partnership agreement could be reduced without our consent or increased with our consent under certain circumstances, and the Partnership could issue additional units. This information is presented for illustrative purposes only.

This pro forma available cash is derived from unaudited segment operating data for our nitrogen fertilizer segment and is based on specific estimates and assumptions. The pro forma amounts do not purport to present results of operations for the Partnership had the transactions contemplated below actually been completed as of January 1, 2006. Furthermore, available cash is primarily a cash accounting concept, while our unaudited nitrogen fertilizer segment operating data have been prepared on an accrual basis. We derived the amounts of pro forma available cash stated above in the manner described in the table below. As a result, the amount of pro forma available cash should only be viewed as a general indication of the amount of available cash that the Partnership might have generated had it been formed and completed the transactions contemplated below in 2006 and had it been operated in a manner consistent with that described in the footnotes.

The following table illustrates the Partnership's cash available for distribution, on a pro forma basis for 2006, assuming:

- our nitrogen fertilizer business was contributed to the Partnership on January 1, 2006;
- the agreements described in "— Other Intercompany Agreements" were entered into on January 1, 2006; and
- the termination of the management agreements with Goldman, Sachs & Co. and Kelso and Company, L.P. occurred on or prior to December 31, 2005.

Each of the pro forma adjustments presented below is explained in the footnotes to such adjustments.

CVR Partners, LP
Unaudited Pro Forma Cash Available to Make Distributions

	Nitrogen Fertilizer Segment Cash Flow For Year Ended December 31, 2006 (Unaudited)	Pro Forma Adjustments	Pro Forma Nitrogen Fertilizer Segment Cash Flow for the Year Ended December 31, 2006
Net sales	$ 162,464,532	$ —	$ 162,464,532
Operating costs and expenses:			
Cost of product sold (exclusive of depreciation & amortization)	25,898,902	(3,494,618)(a)	22,404,284
Direct operating expenses (exclusive of depreciation and amortization)	63,683,224	(72,451)(b)	63,610,773
Selling, general and administrative expenses (exclusive of depreciation & amortization)	18,914,256	(6,876,482)(c)	12,037,774
Depreciation and amortization	17,125,898	—	17,125,898
Total operating costs and expenses	125,622,280	(10,443,551)	115,178,729
Operating income	36,842,252	10,443,551	47,285,803
Interest (expense)	—	(5,437,500)(d)	(5,437,500)
Other income (expense)	180,680		180,680
Income (loss) before provision for income taxes	37,022,932	5,006,051	42,028,983
Adjustments to Cash			
Depreciation	17,106,734	—	17,106,734
Amortization	19,164	—	19,164
Capital expenditures	(13,257,681)	—	(13,257,681)
Revolving credit borrowings to fund discretionary capital expenditures	—	8,917,655(e)	8,917,655
Changes in working capital	(1,990,000)	—	(1,990,000)
Gain/loss on the Disposition of Assets	1,056,791	—	1,056,791
Total adjustments to cash flow	2,935,008	8,917,655	11,852,663
Cash available for distribution	$ 39,957,940	$ 13,923,706	$ 53,881,646

a) Reflects the lower price for pet coke to be supplied by the refinery to the Partnership under the terms of the coke supply agreement to be entered into between us and the Partnership. The actual results for the year ended December 31, 2006 included a coke transfer price of $15 per short ton of coke. The price would have been $5 per ton under the terms of the coke supply agreement. The refinery transferred 349,462 tons of pet coke to the nitrogen fertilizer segment during the year ended December 31, 2006. Under the terms of the coke supply agreement the Partnership would not have been required to purchase more than 349,462 tons of pet coke.

b) Represents a decrease in costs of general environmental insurance allocable to the Partnership under the terms of the management services agreement. The actual results for the year ended December 31, 2006 reflect a simple 1/3 allocation to the nitrogen fertilizer segment. The allocation under the management services agreement would have been based on payroll.

c) Represents a lower allocation of selling general and administrative expenses under the terms of the management services agreement. The actual results for the year ended December 31, 2006 reflect a simple 1/3 allocation to the nitrogen fertilizer segment. The allocation under the management services agreement would have been based on payroll. In addition, the pro forma adjustment reflects the reversal of the allocation to the nitrogen fertilizer segment of a portion of a related party management fee which will not be included in actual charges for future years. The pro forma selling, general and administrative expenses does not include any estimated incremental general and administrative expenses that we expect the Partnership would incur if the Partnership were a publicly traded partnership, such as costs associated with annual and quarterly reports to unit holders, tax return and Schedule K-1 preparation and distribution, independent auditor fees, investor relations activities, registrar and transfer agent fees, SEC reporting and filing requirements, incremental director and officer liability insurance costs and director compensation. We estimate that these incremental general and administrative expenses would not exceed approximately $2.0 million per year.

d) Reflects the interest expense related to an assumed $75 million in borrowings under a term loan facility and on assumed revolving credit facility borrowings to finance discretionary capital expenditures (and to finance interest expense on such borrowings), at an assumed interest rate of 7.50%. The Partnership will issue a $75 million intercompany note to us pursuant to the contribution agreement, but does not have a term loan facility or credit facility, or any commitment letters with any prospective lenders. There can be no assurance that the Partnership will be able to obtain a term loan facility or a revolving credit facility or do so on acceptable terms. If the assumed interest rate used to calculate the interest on the borrowings were 1% higher or lower, the annual interest cost would increase or decrease, respectively, by approximately $750,000.

e) For purposes of determining pro forma cash available for distribution, we have assumed that the Partnership was operated during 2006 consistent with the manner in which we assume it would operate as a publicly traded partnership, including borrowing the amounts necessary to cover discretionary capital expenditures, as well as interest payments on such borrowings, as reflected in the table. The nitrogen fertilizer segment incurred significant expenditures related to discretionary capital expenditure projects which we assume would not have been funded from cash from operations if the Partnership were operated as a publicly traded partnership. We assume the Partnership would either reserve adequate cash to complete discretionary capital expenditures or would raise additional capital to fund projects that are not required to sustain operations. The managing general partner will determine whether capital expenditures will be funded from operating surplus.

The pro forma financial data described above indicates that the Partnership would have had sufficient net available cash during 2006 in order to pay the minimum quarterly distribution during 2006. For 2007, the Company does not know of any demands, commitments, events or uncertainties that are reasonably likely to cause the Partnership's available cash to decrease in a material way during 2007. In addition, the Partnership's limited partnership agreement includes a provision that the Partnership may not consummate an initial offering unless the managing general partner believes that the Partnership will be able to pay the minimum quarterly distribution for at least two years.

Distributions of Cash Upon Liquidation

General. If the Partnership dissolves in accordance with the partnership agreement, the Partnership will sell or otherwise dispose of its assets in a process called liquidation. The Partnership will first apply the proceeds of liquidation to the payment of its creditors. The Partnership will distribute any remaining proceeds to the unit holders and the managing general partner, in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of the Partnership's assets in liquidation.

The allocations of gain and loss upon liquidation are intended, to the extent possible, to entitle the holders of units to a repayment of the initial value contributed by the unit holder to the Partnership for its units, which we refer to as the “initial unit price” for each unit. With respect to our special GP units, the initial unit price will be the value of the nitrogen fertilizer business we contribute to the Partnership, divided by the number of special GP units we receive. The initial unit price for the common units issued by the Partnership in the initial offering, if any, will be the price paid for the common units. If there are common units and subordinated units outstanding, the allocation is intended, to the extent possible, to entitle the holders of common units to a preference over the holders of subordinated units upon the Partnership’s liquidation, to the extent required to permit common unit holders to receive their initial unit price plus the minimum quarterly distribution for the quarter during which liquidation occurs plus any unpaid arrearages in payment of the minimum quarterly distribution on the common units. However, there may not be sufficient gain upon the Partnership’s liquidation to enable the holders of units to fully recover all of this initial unit price. Any further net gain recognized upon liquidation will be allocated in a manner that takes into account the incentive distribution rights of the managing general partner.

Manner of Adjustments for Gain. The manner of the adjustment for gain is set forth in the partnership agreement. If the Partnership’s liquidation occurs after the Partnership’s initial offering, if any, and before the end of the subordination period, the Partnership will allocate any gain to the partners in the following manner:

- *First*, to the managing general partner and the holders of units who have negative balances in their capital accounts to the extent of and in proportion to those negative balances;
- *Second*, to the common unit holders, pro rata, until the capital account for each common unit is equal to the sum of:

  (1) the initial unit price;

  (2) the amount of the minimum quarterly distribution for the quarter during which the liquidation occurs; and

  (3) any unpaid arrearages in payment of the minimum quarterly distribution;
- *Third*, to the subordinated unit holders, pro rata, until the capital account for each subordinated unit is equal to the sum of:

  (1) the initial unit price; and

  (2) the amount of the minimum quarterly distribution for the quarter during which the liquidation occurs;
- *Fourth*, to all unit holders, pro rata, until the Partnership allocates under this paragraph an amount per unit equal to:

  (1) the sum of the excess of the first target distribution per unit over the minimum quarterly distribution per unit for each quarter of the Partnership’s existence; less

  (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the minimum quarterly distribution per unit that the Partnership distributed to the unit holders, pro rata, for each quarter of the Partnership’s existence;
- *Fifth*, 87% to all unit holders, pro rata, and 13% to the managing general partner, until the Partnership allocates under this paragraph an amount per unit equal to:

  (1) the sum of the excess of the second target distribution per unit over the first target distribution per unit for each quarter of the Partnership’s existence; less

  (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the first target distribution per unit that the Partnership distributed 87% to the unit holders, pro rata, and 13% to the managing general partner for each quarter of the Partnership’s existence;

- *Sixth*, 77% to all unit holders, pro rata, and 23% to the managing general partner, until the Partnership allocates under this paragraph an amount per unit equal to:
  (1) the sum of the excess of the third target distribution per unit over the second target distribution per unit for each quarter of the Partnership's existence; less
  (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the second target distribution per unit that the Partnership distributed 77% to the unit holders, pro rata, and 23% to the managing general partner for each quarter of the Partnership's existence; and
- *Thereafter*, 52% to all unit holders, pro rata, and 48% to the managing general partner.

The percentages set forth above are based on the assumption that the Partnership has not issued additional classes of equity securities.

If the liquidation occurs before the Partnership's initial offering, the special units will receive allocations of gain in the same manner as described above for the common units, except that the distinction between common units and subordinated units will not be relevant, so that clause (3) of the second bullet point above and all of the third bullet point above will not be applicable. If the liquidation occurs after the end of the subordination period, the distinction between common units and subordinated units will disappear, so that clause (3) of the second bullet point above and all of the third bullet point above will no longer be applicable.

Manner of Adjustments for Losses. If the Partnership's liquidation occurs after the Partnership's initial offering, if any, and before the end of the subordination period, the Partnership will generally allocate any loss to the managing general partner and the unit holders in the following manner:

- *First*, to holders of subordinated units in proportion to the positive balances in their capital accounts, until the capital accounts of the subordinated unit holders have been reduced to zero;
- *Second*, to the holders of common units in proportion to the positive balances in their capital accounts, until the capital accounts of the common unit holders have been reduced to zero; and
- *Thereafter*, 100% to the managing general partner.

If the liquidation occurs before the Partnership's initial offering, the special units will receive allocations of loss in the same manner as described above for the common units, except that the distinction between common units and subordinated units will not be relevant, so that all of the first bullet point above will not be applicable. If the liquidation occurs after the end of the subordination period, the distinction between common units and subordinated units will disappear, so that all of the first bullet point above will no longer be applicable.

Adjustments to Capital Accounts. The Partnership will make adjustments to capital accounts upon the issuance of additional units. In doing so, the Partnership will allocate any unrealized and, for tax purposes, unrecognized gain or loss resulting from the adjustments to the unit holders and the managing general partner in the same manner as the Partnership allocates gain or loss upon liquidation. In the event that the Partnership makes positive adjustments to the capital accounts upon the issuance of additional units, the Partnership will allocate any later negative adjustments to the capital accounts resulting from the issuance of additional units or upon the Partnership's liquidation in a manner which results, to the extent possible, in the managing general partner's capital account balances equaling the amount which they would have been if no earlier positive adjustments to the capital accounts had been made.

Other Provisions of the Partnership Agreement

In addition to the provisions regarding the formation of the Partnership, the Partnership interests that will be outstanding initially following formation and that may be issued in an initial offering by the

Partnership and the relative rights and preferences of the holders of such Partnership interests in the Partnership's distributions, the Partnership's limited partnership agreement contains additional material provisions that set forth the various rights and responsibilities of the partnership in the Partnership. The following is a summary of these additional material provisions.

Removal of the Managing General Partner

For the first five years after the Partnership's formation, the managing general partner may be removed only for "cause" by a vote of the holders of at least 80% of the outstanding units, including any units owned by the managing general partner and its affiliates, voting together as a single class. "Cause" will be defined as a final, non-appealable judicial determination that the managing general partner, as an entity, has materially breached a material provision of the partnership agreement or is liable for actual fraud or willful misconduct in its capacity as a general partner of the Partnership.

After five years from the formation of the Partnership, the managing general partner may be removed with or without cause by a vote of the holders of at least 80% of the outstanding units, including any units owned by the managing general partner and its affiliates, voting together as a single class.

The partnership agreement also provides that if the managing general partner is removed as managing general partner under circumstances where cause does not exist and no units held by us, our subsidiary that holds the subordinated units (if any) and our other affiliates are voted in favor of that removal:

- the subordination period will end and all outstanding subordinated units will immediately convert into common units on a one-for-one basis; and
- any existing arrearages in payment of the minimum quarterly distribution on the common units will be extinguished.

If the managing general partner is removed as managing general partner under circumstances where cause does not exist and no units held by the managing general partner and its affiliates (which will include us until such time as we cease to be an affiliate of the managing general partner) are voted in favor of that removal, the managing general partner will have the right to convert its managing general partner interest, including the incentive distribution rights, into common units or to receive cash in exchange for those interests based on the fair market value of the interests at the time.

In the event of removal of the managing general partner under circumstances where cause exists or withdrawal of the managing general partner where that withdrawal violates the partnership agreement, a successor managing general partner will have the option to purchase the managing general partner interest, including the IDRs, of the departing managing general partner for a cash payment equal to the fair market value of the managing general partner interest. Under all other circumstances where the managing general partner withdraws or is removed by the limited partners, the departing managing general partner will have the option to require the successor managing general partner to purchase the managing general partner interest of the departing managing general partner for its fair market value. In each case, this fair market value will be determined by agreement between the departing managing general partner and the successor managing general partner. If no agreement is reached, an independent investment banking firm or other independent expert selected by the departing managing general partner and the successor managing general partner will determine the fair market value. If the departing managing general partner and the successor managing general partner cannot agree upon an expert, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing managing general partner or the successor managing general partner, the departing managing general partner's general partner interest, including its IDRs, will automatically convert into common units equal to the fair market value of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

In addition, the Partnership will be required to reimburse the departing managing general partner for all amounts due to it, including, without limitation, all employee-related liabilities, including severance liabilities, incurred for the termination of any employees employed by the departing managing general partner or its affiliates for the Partnership's benefit.

Voting Rights

Various matters require the approval of a "unit majority." A unit majority requires (1) prior to the initial offering, the approval of a majority of the special units; (2) during the subordination period, the approval of a majority of the common units, excluding those common units held by our managing general partner and its affiliates (which will include us until such time as we cease to be an affiliate of the managing general partner), and a majority of the subordinated units, voting as separate classes; and (3) after the subordination period, the approval of a majority of the common units.

In voting their units, the Partnership's general partners and their affiliates will have no fiduciary duty or obligation whatsoever to the Partnership or the limited partners, including any duty to act in good faith or in the best interests of the Partnership and its limited partners.

The following is a summary of the vote requirements specified for certain matters under the partnership agreement:

- *Issuance of additional units:* no vote required.
- *Amendment of the partnership agreement:* certain amendments may be made by the managing general partner without the approval of the unit holders. Other amendments generally require the approval of a unit majority.
- *Merger of the Partnership or the sale of all or substantially all of the Partnership's assets*: unit majority in certain circumstances. See " — Merger, Sale or Other Disposition of Assets." In addition, the holder of special GP rights has approval rights with respect to some mergers.
- *Continuation of the Partnership upon dissolution:* unit majority. See " — Termination and Dissolution."
- *Withdrawal of the managing general partner:* under most circumstances a unit majority is required for the withdrawal of the managing general partner prior to June 30, 2017 in a manner which would cause a dissolution of the Partnership. See " — Withdrawal of the Managing General Partner."
- *Removal of the managing general partner:* generally not less than 80% of the outstanding common and subordinated units, voting as a single class, including units held by our managing general partner and its affiliates. See " — Removal of the Managing General Partner."
- *Transfer of the managing general partner's general partner interest:* the managing general partner may transfer all, but not less than all, of its managing general partner interest in the Partnership without a vote of the unit holders to an affiliate or to another person in connection with its merger or consolidation with or into, or sale of all or substantially all of the managing general partner's assets to, such person. A unit majority is required in other circumstances for a transfer of the managing general partner interest to a third party prior to June 30, 2017. See " — Transfer of Managing General Partner Interests."
- *Transfer of ownership interests in the managing general partner*: no approval required at any time. See " — Transfer of Ownership Interests in the Managing General Partner."

Issuance of Additional Securities

The partnership agreement authorizes the Partnership to issue an unlimited number of additional partnership securities for the consideration and on the terms and conditions determined by the managing general partner without the approval of the unit holders, subject to the special GP rights with respect to the issuance of equity with rights to distribution or in liquidation ranking prior to or senior to or junior to the common units.

It is possible that the Partnership will fund acquisitions through the issuance of common units, subordinated units or other partnership securities. Holders of any additional partnership securities issued by the Partnership will be entitled to share equally with the then-existing holders of partnership securities in distributions of available cash. In addition, the issuance of additional common units or other partnership securities may dilute the value of the interests of the then-existing holders of partnership securities in the Partnership's net assets.

In accordance with Delaware law and the provisions of the partnership agreement, the Partnership may also issue additional partnership securities that, as determined by the managing general partner, have special voting rights to which the special units, common units and subordinated units will not be entitled. In addition, the partnership agreement does not prohibit the issuance by the Partnership's subsidiaries of equity securities, which may effectively rank senior to our units.

Upon issuance of additional partnership securities, the Partnership's managing general partner will have the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units, subordinated units or other partnership securities whenever, and on the same terms that, the Partnership issues those securities to persons other than the managing general partner and its affiliates, to the extent necessary to maintain its and its affiliates' percentage interest, including such interest represented by common units and subordinated units, that existed immediately prior to each issuance. We will have similar rights to purchase common units, subordinated units or other partnership securities from the Partnership, except that our rights will not apply to any issuance of securities by the Partnership in its initial offering. For the purpose of these rights, we and the managing general partner shall be deemed not to be affiliates of one another, unless we otherwise agree. Other holders of units will not have preemptive rights to acquire additional common units or other partnership securities.

Amendment of the Partnership Agreement

General. Amendments to the partnership agreement may be proposed only by the managing general partner. However, the managing general partner will have no duty or obligation to propose any amendment and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or the unit holders, including any duty to act in good faith or in the best interests of the Partnership or the unit holders. In order to adopt a proposed amendment, other than the amendments discussed below, the managing general partner must seek written approval of the holders of the number of units required to approve the amendment or call a meeting of the unit holders to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a unit majority.

Prohibited Amendments. No amendment may be made that would (1) enlarge the obligations of any limited partner or us, as a general partner, without its consent, unless approved by at least a majority of the type or class of partner interests so affected or (2) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by the Partnership to its general partners or any of their affiliates without the consent of the managing general partner, which may be given or withheld at its option.

The provision of the partnership agreement preventing the amendments having the effects described in clauses (1) and (2) above can be amended upon the approval of the holders of at least 90% of the outstanding units, voting together as a single class (including units owned by the managing general partner and its affiliates). Upon completion of this offering, we will own all of the outstanding units.

No Unit Holder Approval. The managing general partner may generally make amendments to the partnership agreement without the approval of any unit holders to reflect:

- a change in the Partnership's name, the location of its principal place of business, its registered agent or its registered office;
- the admission, substitution, withdrawal or removal of partners in accordance with the partnership agreement;
- a change that the managing general partner determines to be necessary or appropriate for the Partnership to qualify or to continue its qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that the Partnership will not be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed);
- an amendment that is necessary, in the opinion of the Partnership's counsel, to prevent the Partnership or its managing general partner or its directors, officers, agents, or trustees or CVR Energy from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisors Act of 1940, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974 ("ERISA"), whether or not substantially similar to plan asset regulations currently applied or proposed;
- an amendment that the managing general partner determines to be necessary or appropriate for the authorization of additional partnership securities or rights to acquire partnership securities;
- any amendment expressly permitted in our partnership agreement to be made by the Partnership's managing general partner acting alone;
- an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of the partnership agreement;
- any amendment that the Partnership's managing general partner determines to be necessary or appropriate for the formation by the Partnership of, or its investment in, any corporation, partnership or other entity, as otherwise permitted by the partnership agreement;
- a change in the Partnership's fiscal year or taxable year and related changes;
- mergers with or conveyances to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the merger or conveyance other than those it receives by way of the merger or conveyance; or
- any other amendments substantially similar to any of the matters described above.

In addition, the managing general partner may make amendments to the partnership agreement without the approval of any unit holders if the managing general partner determines that those amendments:

- do not adversely affect the partners (or any particular class of partners) in any material respect;
- are necessary or appropriate to satisfy any requirements, conditions, or guidelines contained in any opinion, directive, order, ruling, or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;
- are necessary or appropriate to facilitate the trading of partner interests or to comply with any rule, regulation, guideline, or requirement of any securities exchange on which the partner interests are or will be listed for trading;

- are necessary or appropriate for any action taken by the managing general partner relating to splits or combinations of units under the provisions of the partnership agreement; or
- are required to effect the intent of the provisions of the partnership agreement or this registration statement or are otherwise contemplated by the partnership agreement.

Opinion of Counsel and Unit Holder Approval. The managing general partner will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to the limited partners or result in the Partnership being treated as an entity for federal income tax purposes in connection with any of the amendments described under " — No Unit Holder Approval." No other amendments to the partnership agreement will become effective without the approval of holders of at least 90% of the outstanding units voting as a single class unless the managing general partner first obtains an opinion of counsel to the effect that the amendment will not affect the limited liability under Delaware law of any of the Partnership's limited partners. Finally, the managing general partner may consummate any merger without the prior approval of the Partnership's unit holders if the Partnership is the surviving entity in the transaction, the transaction would not result in a material amendment to the partnership agreement, each of the units will be an identical unit of the Partnership following the transaction, the units to be issued do not exceed 20% of the outstanding units immediately prior to the transaction and the managing general partner has received an opinion of counsel regarding certain limited liability and tax matters.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of outstanding units in relation to other classes of units will require the approval of at least a majority of the type or class of units so affected. Any amendment that reduces the voting percentage required to take any action must be approved by the affirmative vote of unit holders whose aggregate outstanding units constitute not less than the voting requirement sought to be reduced.

Credit Facility. We may not enter into material amendments related to any material rights under the partnership agreement without the consent of the lenders under our Credit Facility.

Merger, Sale, or Other Disposition of Assets

A merger or consolidation of the Partnership requires the prior consent of Fertilizer GP, as managing general partner, and may be subject to our specified approval rights. However, the Partnership's general partners will have no duty or obligation to consent to any merger or consolidation and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or the unit holders, including any duty to act in good faith or in the best interest of the Partnership or the unit holders.

In addition, the partnership agreement generally prohibits the managing general partner, without the prior approval of the holders of units representing a unit majority, from causing the Partnership to, among other things, sell, exchange or otherwise dispose of all or substantially all of the Partnership's assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approving on the Partnership's behalf the sale, exchange or other disposition of all or substantially all of the assets of the Partnership's subsidiaries. The managing general partner may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the Partnership's assets without that approval. The managing general partner may also sell all or substantially all of the Partnership's assets under a foreclosure or other realization upon those encumbrances without that approval.

If the conditions specified in the partnership agreement are satisfied, the managing general partner may convert the Partnership or any of its subsidiaries into a new limited liability entity or merge the Partnership or any of its subsidiaries into, or convey some or all of its assets to, a newly formed entity if the sole purpose of that merger or conveyance is to effect a mere change in its legal form into another limited liability entity. The unit holders are not entitled to dissenters' rights of appraisal under the partnership agreement or applicable Delaware law in the event of a conversion, merger or consolidation, a sale of substantially all of the Partnership's assets or any other transaction or event.

Termination and Dissolution

The Partnership will continue as a limited partnership until terminated under the partnership agreement. The Partnership will dissolve upon:

(1) the election of the managing general partner to dissolve the Partnership, if approved by the holders of units representing a unit majority;

(2) there being no limited partners, unless the Partnership continues without dissolution in accordance with applicable Delaware law;

(3) the entry of a decree of judicial dissolution of the Partnership; or

(4) the withdrawal or removal of the managing general partner or any other event that results in its ceasing to be the Partnership's managing general partner other than by reason of a transfer of its managing general partner interest in accordance with the partnership agreement or withdrawal or removal following approval and admission of a successor.

Upon a dissolution under clause (4), the holders of a unit majority may also elect, within specific time limitations, to reconstitute the Partnership and continue the Partnership's business on the same terms and conditions described in the partnership agreement by appointing as managing general partner an entity approved by the holders of units representing a unit majority, subject to receipt of an opinion of counsel to the effect that (1) the action would not result in the loss of limited liability under Delaware law of any limited partner and (2) neither the Partnership nor any of its subsidiaries would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of that right to continue (to the extent not already so treated or taxed).

Upon dissolution of the Partnership, unless the business of the Partnership is continued, the liquidator authorized to wind up the Partnership's affairs will, acting with all of the powers of the managing general partner that are necessary or appropriate, liquidate the Partnership's assets and apply the proceeds of the liquidation as described in the partnership agreement. The liquidator may defer liquidation or distribution of the Partnership's assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to the partners.

Withdrawal of the Managing General Partner

Except as described below, the managing general partner has agreed not to withdraw voluntarily as managing general partner prior to June 30, 2017 without obtaining the approval of the holders of at least a majority of the outstanding units, excluding units held by the managing general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after June 30, 2017, the managing general partner may withdraw as managing general partner without first obtaining approval of any unit holder by giving 90 days' written notice, and that withdrawal will not constitute a violation of the partnership agreement. Notwithstanding the information above, the managing general partner may withdraw without unit holder approval upon 90 days' notice to the unit holders if at least 50% of the outstanding units are held or controlled by one person and its affiliates other than the managing general partner and its affiliates, including us. In addition, the partnership agreement permits the managing general partner in some instances to sell or otherwise transfer all of its managing general partner interest in the Partnership without the approval of the unit holders. See " — Transfer of Managing General Partner Interest."

Upon withdrawal of the managing general partner under any circumstances, other than as a result of a transfer by the managing general partner of all or a part of its general partner interest in the Partnership, the holders of a majority of the outstanding classes of units, voting as separate classes, may select a successor to that withdrawing managing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, the Partnership will be dissolved, wound up and liquidated, unless within a specified period of time after that withdrawal, the holders of a unit majority agree in writing to continue the Partnership's business and to appoint a successor managing general partner. See " — Termination and Dissolution."

Transfer of Managing General Partner Interest

Except for the transfer by the managing general partner of all, but not less than all, of its managing general partner interest in the Partnership to (1) an affiliate of the managing general partner (other than an individual) or (2) another entity as part of the merger or consolidation of the managing general partner with or into another entity or the transfer by the managing general partner of all or substantially all of its assets to another entity, the managing general partner may not transfer all or any part of its managing general partner interest in the Partnership to another person prior to June 30, 2017 without the approval of the holders of at least a majority of the outstanding units, excluding units held by the managing general partner and its affiliates. As a condition of this transfer, the transferee must, among other things, assume the rights and duties of the managing general partner, agree to be bound by the provisions of the partnership agreement and furnish an opinion of counsel regarding limited liability and tax matters.

The Partnership's general partners and their affiliates may at any time transfer units to one or more persons, without unit holder approval, except that they may not transfer subordinated units to the Partnership.

Transfer of Ownership Interests in the Managing General Partner

At any time, the owners of the managing general partner may sell or transfer all or part of their ownership interests in the managing general partner to an affiliate or a third party without the approval of the Partnership's unit holders.

Change of Management Provisions

The partnership agreement contains specific provisions that are intended to discourage a person or group from attempting to remove CVR GP, LLC as the managing general partner of the Partnership or otherwise change the Partnership's management. If any person or group other than the managing general partner and its affiliates (including us) acquires beneficial ownership of 20% or more of any class of units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply to any person or group that acquires the units from the managing general partner or its affiliates and any transferees of that person or group approved by the managing general partner or to any person or group who acquires the units with the prior approval of the board of directors of the managing general partner.

The partnership agreement also provides that if the Partnership's managing general partner is removed without cause and no units held by us, our subsidiary that holds the subordinated units (if any) and our other affiliates are voted in favor of that removal:

- the subordination period will end and all outstanding subordinated units will immediately convert into common units on a one-for-one basis; and
- any existing arrearages in payment of the minimum quarterly distribution on the common units will be extinguished.

If the managing general partner is removed as managing general partner under circumstances where cause does not exist and no units held by the managing general partner and its affiliates (which will include us until such time as we cease to be an affiliate of the managing general partner) are voted in favor of that removal, the managing general partner will have the right to convert its managing general partner interest, including its incentive distribution rights, into common units or to receive cash in exchange for the managing general partner interest.

Limited call right

If at any time the Partnership's managing general partner and its affiliates (other than CVR Energy and its subsidiaries) own more than 80% of the then-issued and outstanding partnership securities of any class, the managing general partner will have the right, which it may assign in whole or in part to any of its affiliates or to the Partnership, to acquire all, but not less than all, of the remaining partnership securities of the class held by unaffiliated persons. At any time following the Partnership's initial offering, if any, if we fail to hold at least 20% of the units of the Partnership our common GP units will be deemed to be part of the same class of partnership securities as the common LP units for purposes of this provision. This provision will make it easier for the managing general partner to take the Partnership private in its discretion.

The limited call right is exercisable by the managing general partner, acting in its individual capacity, and may be assigned to its affiliates.

The purchase price in the event of such an acquisition will be the greater of:

(1) the highest cash price paid by either of the managing general partner or any of its affiliates for any partnership securities of the class purchased within the 90 days preceding the date on which the managing general partner first mails notice of its election to purchase those partnership securities; and

(2) the current market price as of the date three days before the date the notice is mailed.

Indemnification

Under the partnership agreement, the Partnership will indemnify the following persons in most circumstances, to the fullest extent permitted by law, from and against all losses, claims, damages, or similar events:

(1) the Partnership's general partners;

(2) any departing general partner;

(3) any person who is or was an officer, director, fiduciary or trustee of any entity described in (1) or (2) above or of any of the Partnership's subsidiaries;

(4) any person who is or was serving as a director, officer, fiduciary or trustee of another person at the request of the managing general partner or any departing managing general partner or any of their affiliates;

(5) any person who controls a general partner; or

(6) any person designated by the Partnership's managing general partner.

Any indemnification under these provisions will only be out of the Partnership's assets. Unless they otherwise agree, the Partnership's general partners will not be personally liable for, or have any obligation to contribute or loan funds or assets to the Partnership to enable the Partnership to effectuate, indemnification.

Reimbursement of Expenses

The partnership agreement requires the Partnership to reimburse the Partnership's managing general partner and its affiliates for all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership and all other expenses allocable to the Partnership or otherwise incurred by the managing general partner and its affiliates in connection with operating the Partnership's business, including overhead allocated to the Partnership by us. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for the Partnership or on behalf of the Partnership, and expenses allocated to the managing general partner by its affiliates. The managing general partner is entitled to determine in good faith the expenses that are allocable to the Partnership.

Conflicts of Interest Arising from the Partnership Structure

Conflicts of interest exist and may arise in the future as a result of (1) the overlap of directors and officers between us and the Partnership's managing general partner, which may result in conflicting obligations by our directors and officers, (2) duties of the Partnership's managing general partner to act for the benefit of its owners, which may conflict with our interests and the interests of our stockholders, and (3) our duties as a general partner of the Partnership to act for the benefit of all unit holders, including future unaffiliated partners, which may conflict with our interests and the interests of our stockholders. The directors and officers of the Partnership's managing general partner, Fertilizer GP, have fiduciary duties to manage Fertilizer GP in a manner beneficial to its owners, but at the same time, Fertilizer GP has a fiduciary duty to manage the Partnership in a manner beneficial to its unit holders, including us. In addition, since we are a general partner of the Partnership, we have a legal duty to exercise our special GP rights in a manner beneficial to the Partnership's unit holders, who may in the future include unaffiliated partners, but at the same time our directors and officers have a fiduciary duty to act in a manner beneficial to us and our stockholders.

With respect to conflicts of interest between us and the Partnership, and in particular with respect to contractual arrangements between us and the Partnership and amendments to existing contractual arrangements, we expect to adopt a conflicts of interest policy to govern transactions between us and the Partnership. Under the policy, transactions above $5 million between us and the Partnership will need to be approved by our conflicts committee, which will consist of one or more directors who have no interest in the Partnership or the managing general partner of the Partnership, and transactions above $1 million will need to be either (1) approved by the conflicts committee, (2) no less favorable to us than those available from an unrelated third party or (3) take into account other simultaneous transactions being entered into among the parties, equitable to us. See "Certain Relationships and Related Party Transactions — Conflicts of Interests Policy for Transactions Between the Partnership and Us."

With respect to conflicts of interest between the Partnership and Fertilizer GP, the Partnership's managing general partner will resolve that conflict. The partnership agreement will permit the board of directors of the managing general partner to establish a conflicts committee. See " — Management of the Partnership." The partnership agreement contains provisions that modify and limit the fiduciary duties of Fertilizer GP and us to the unit holders. The partnership agreement also restricts the remedies available to unit holders (including us) for actions taken that, without those limitations, might constitute breaches of fiduciary duty.

Fertilizer GP, as the managing general partner, will not be in breach of its obligations under the partnership agreement or its duties to the Partnership or its unit holders (including us) if the resolution of the conflict is:

- approved by Fertilizer GP's conflicts committee, although Fertilizer GP is not obligated to seek such approval;
- approved by the vote of a majority of the outstanding common units, excluding any common units owned by Fertilizer GP and its affiliates (including us so long as we remain on affiliate).);
- on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties; or

- fair and reasonable to the Partnership, taking into account the totality of the relationships between the parties involved, including other transactions that may be particularly favorable or advantageous to the Partnership.

Fertilizer GP may, but is not required to, seek approval from the conflicts committee of its board of directors or from the common unit holders. If Fertilizer GP does not seek approval from the conflicts committee and its board of directors determines that the resolution or course of action taken with respect to the conflict of interest satisfies either of the standards set forth in the third and fourth bullet points above, then it will be presumed that, in making its decision, the board of directors acted in good faith, and in any proceeding brought by or on behalf of any partner or the Partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Unless the resolution of a conflict is specifically provided for in the partnership agreement, Fertilizer GP or the conflicts committee may consider any factors it determines in good faith to consider when resolving a conflict. When the partnership agreement requires someone to act in good faith, it requires that person to reasonably believe that he is acting in the best interests of the Partnership, unless the context otherwise requires.

Conflicts of interest could arise in the situations described below, among others.

Fertilizer GP will hold all of the incentive distribution rights in the Partnership.

Fertilizer GP, as managing general partner of the Partnership, will hold all of the incentive distribution rights in the Partnership. Incentive distribution rights will give Fertilizer GP a right to increasing percentages of the Partnership's quarterly distributions from operating surplus after the aggregate adjusted operating surplus generated by the Partnership during the period from its formation through June 30, 2009 has been distributed in respect of the special GP units and/or the common and subordinated units. Fertilizer GP may have an incentive to manage the Partnership in a manner which increases these future cash flows rather than in a manner which increases current cash flows. See "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — The managing general partner of the Partnership will have a fiduciary duty to favor the interests of its owners, and these interests may differ from or conflict with our interests and the interests of our stockholders."

Initial officers and directors of Fertilizer GP also serve as officers and directors of us and have obligations to both the Partnership and our business.

Initially, all of the directors and executive officers of Fertilizer GP also serve as directors and executive officers of CVR Energy. We have entered into a management services agreement with Fertilizer GP and Partnership pursuant to which our management provides services to the Partnership. The executive officers who work for both us and Fertilizer GP, including our chief executive officer, chief operating officer, chief financial officer and general counsel, will divide their time between our business and the business of the Partnership. These executive officers will face conflicts of interests from time to time in making decisions that may benefit either our company or the Partnership. When making decisions on behalf of Fertilizer GP they will have to take into account the interests of the Partnership and not of us.

The owners of the Partnership's managing general partner may compete with us or the Partnership or own businesses that compete with us or the Partnership.

The owners of Fertilizer GP, which are our controlling stockholders and senior management, are permitted to compete with us or the Partnership or to own businesses that compete with us or the Partnership. In addition, the owners of Fertilizer GP are not required to share business opportunities with us or the Partnership. See "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — The managing general partner of the Partnership will have a fiduciary duty to favor the interests of its owners, and these interests may differ from or conflict with our interests and the interests of our stockholders."

Fertilizer GP is allowed to take into account the interests of parties other than the Partnership in resolving conflicts.

The partnership agreement contains provisions that reduce the standards to which its general partners would otherwise be held by state fiduciary duty law. For example, the partnership agreement permits Fertilizer GP to make a number of decisions in its individual capacity, as opposed to its capacity as managing general partner. This entitles Fertilizer GP to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, the Partnership, the Partnership's affiliates or any partner. Examples include the exercise of Fertilizer GP's call right and the determination of whether to consent to any merger or consolidation of the Partnership.

Fertilizer GP has limited its liability and reduced its fiduciary duties, and has also restricted the remedies available to the Partnership's unit holders (including us) for actions that, without the limitations, might constitute breaches of fiduciary duty.

In addition to the provisions described above, the partnership agreement contains provisions that restrict the remedies available to its unit holders for actions that might otherwise constitute breaches of fiduciary duty. For example:

- The partnership agreement provides that Fertilizer GP shall not have any liability to the Partnership or its unit holders (including us) for decisions made in its capacity as managing general partner so long as it acted in good faith, meaning it believed that the decision was in the best interests of the Partnership.
- The partnership agreement generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of the board of directors of Fertilizer GP and not involving a vote of unit holders must be on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or be "fair and reasonable" to the Partnership, as determined by Fertilizer GP in good faith, and that, in determining whether a transaction or resolution is "fair and reasonable," Fertilizer GP may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to the Partnership.
- The partnership agreement provides that Fertilizer GP and its officers and directors will not be liable for monetary damages to the Partnership or its partners for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that the general partner or its officers or directors acted in bad faith or engaged in fraud or willful misconduct.

Actions taken by Fertilizer GP may affect the amount of cash distributions to unit holders.

The amount of cash that is available for distribution to unit holders, including us, is affected by decisions of Fertilizer GP regarding such matters as:

- amount and timing of asset purchases and sales;
- cash expenditures;
- borrowings;
- issuance of additional units; and
- the creation, reduction, or increase of reserves in any quarter.

In addition, borrowings by the Partnership and its affiliates do not constitute a breach of any duty owed by Fertilizer GP to the Partnership's unit holders, including us, including borrowings that have the purpose or effect of enabling Fertilizer GP to receive distributions on the incentive distribution rights. For example, in the event that the Partnership does not generate sufficient cash from operations to pay the minimum quarterly distribution, the partnership agreement permits the Partnership to borrow funds, which would enable the Partnership to make this distribution on all outstanding units.

Contracts between the Partnership, on the one hand, and Fertilizer GP, on the other, will not be the result of arm's-length negotiations.

The partnership agreement allows the Partnership's managing general partner to determine, in good faith, any amounts to pay itself for any services rendered to the Partnership. Neither the partnership agreement nor any of the other agreements, contracts and arrangements between the Partnership and the managing general partner are or will be the result of arm's-length negotiations.

The partnership agreement generally provides that any affiliated transaction, such as an agreement, contract or arrangement among the Partnership and its general partners and their affiliates, must be:

- on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties; or
- "fair and reasonable" to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership).

Fertilizer GP intends to limit the liability of the Partnership's general partners regarding the Partnership's obligations.

Fertilizer GP intends to limit the liability of the Partnership's general partners under contractual arrangements so that the other party has recourse only to the Partnership's assets and not against the Partnership's general partners or their assets. The partnership agreement provides that any action taken by Fertilizer GP to limit the general partners' liability or the Partnership's liability is not a breach of Fertilizer GP's fiduciary duties, even if the Partnership could have obtained terms that are more favorable without the limitation on liability.

The Partnership may choose not to retain separate counsel for itself.

The attorneys, independent accountants and others who perform services for the Partnership will be retained by Fertilizer GP or its affiliates. Attorneys, independent accountants and others who perform services for the Partnership are selected by Fertilizer GP or the conflicts committee and may perform services for Fertilizer GP and its affiliates. The Partnership may retain separate counsel for itself in the event of a conflict of interest between a general partner and its affiliates, on the one hand, and the Partnership or the holders of common units, on the other, depending on the nature of the conflict, although it does not intend to do so in most cases.

Fertilizer GP, as managing general partner, has the power and authority to conduct the Partnership's business (subject to our specified approval rights).

Under the partnership agreement, Fertilizer GP, as managing general partner, has full power and authority to do all things, other than those items that require unit holder approval or our approval or with respect to which it has sought conflicts committee approval, on such terms as it determines to be necessary or appropriate to conduct the Partnership's business including, but not limited to, the following (subject to our specified approval rights):

- the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including indebtedness that is convertible into securities of the Partnership, and the incurring of any other obligations;
- the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the Partnership's business or assets;
- the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the Partnership's assets or the merger or other combination of the Partnership with or into another person;
- the negotiation, execution and performance of any contracts, conveyances or other instruments;
- the distribution of partnership cash;
- the selection and dismissal of employees and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring;
- the maintenance of insurance for the Partnership's benefit and the benefit of its partners;
- the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations, limited liability companies or other relationships;
- the control of any matters affecting the Partnership's rights and obligations, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation, arbitration or mediation and the incurring of legal expense and the settlement of claims and litigation;
- the indemnification of any person against liabilities and contingencies to the extent permitted by law;
- the purchase, sale or other acquisition or disposition of the Partnership's securities, or the issuance of additional options, rights, warrants and appreciation rights relating to the Partnership's securities; and
- the entering into of agreements with any affiliates to render services to the Partnership or to itself in the discharge of its duties as our managing general partner.

The partnership agreement limits the fiduciary duties of the managing general partner to the Partnership and to other unit holders.

The Partnership's general partners are accountable to the Partnership and its unit holders as a fiduciary. Fiduciary duties owed to unit holders by the general partners are prescribed by law and the partnership agreement. The Delaware Limited Partnership Act provides that Delaware limited partnerships may, in their partnership agreements, restrict or expand the fiduciary duties owed by the general partner to partners and the partnership.

The partnership agreement contains various provisions restricting the fiduciary duties that might otherwise be owed by Fertilizer GP. The Partnership has adopted these provisions to allow the Partnership's general partners or their affiliates to engage in transactions with the Partnership that would otherwise be prohibited by state law fiduciary standards and to take into account the interests of other parties in addition to the Partnership's interests when resolving conflicts of interest. Without such modifications, such transactions could result in violations of the Partnership's general partners' state law fiduciary duty standards. We believe this is appropriate and necessary because (1) the board of directors of Fertilizer GP, the Partnership's managing general partner, has both fiduciary duties to manage the Partnership's managing general partner in a manner beneficial to its owners and fiduciary duties to manage the Partnership in a manner beneficial to unit holders (including CVR Energy) and (2) we, in our capacity of general partner, have both duties to exercise our special GP rights in a manner beneficial to our stockholders and fiduciary duties to exercise such rights in a manner beneficial to all of the Partnership's unit holders. Without these modifications, the Partnership's general partners' ability to make decisions involving conflicts of interest would be restricted. The modifications to the fiduciary standards enable the Partnership's general partners to take into consideration all parties involved in the proposed action, so long as the resolution is "fair and reasonable" to the Partnership. These modifications disadvantage the common unit holders because they restrict the rights and remedies that would otherwise be available to unit holders for actions that, without those limitations, might constitute breaches of fiduciary duty, as described below, and permit the Partnership's general partners to take into account the interests of third parties in addition to the Partnership's interests when resolving conflicts of interest.

The following is a summary of the material restrictions of the fiduciary duties owed by the managing general partner:

- State law fiduciary duty standards are generally considered to include an obligation to act in good faith and with due care and loyalty. The duty of care, in the absence of a provision in a partnership agreement providing otherwise, would generally require a general partner to act for the partnership in the same manner as a prudent person would act on his own behalf. The duty of loyalty, in the absence of a provision in a partnership agreement providing otherwise, would generally prohibit a general partner of a Delaware limited partnership from taking any action or engaging in any transaction where a conflict of interest is present.
- The partnership agreement contains provisions that waive or consent to conduct by the Partnership's general partners and their affiliates that might otherwise raise issues as to compliance with fiduciary duties or applicable law. For example, the partnership agreement provides that when either of the general partners is acting in its capacity as a general partner, as opposed to in its individual capacity, it must act in "good faith" and will not be subject to any other standard under applicable law. In addition, when either of the general partners is acting in its individual capacity, as opposed to in its capacity as a general partner, it may act without any fiduciary obligation to the Partnership or the unit holders whatsoever. These standards reduce the obligations to which the Partnership's general partners would otherwise be held.
- The partnership agreement generally provides that affiliated transactions and resolutions of conflicts of interest not involving a vote of unit holders and that are not approved by the conflicts committee of the board of directors of the Partnership's managing general partner must be (1) on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (2) "fair and reasonable" to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership).
- If the Partnership's managing general partner does not seek approval from the conflicts committee or the common unit holders and its board of directors determines that the resolution or course of action taken with respect to the conflict of interest satisfies either of the standards set forth in the bullet points above, then it will be presumed that, in making its decision, the board of directors of the managing general partner, which may include board members affected by the conflict of interest, acted in good faith, and in any proceeding brought by or on behalf of any partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. These standards reduce the obligations to which the Partnership's managing general partner would otherwise be held.

- In addition to the other more specific provisions limiting the obligations of the Partnership's general partners, the partnership agreement further provides that the Partnership's general partners and their officers and directors will not be liable for monetary damages to the Partnership or its partners for errors of judgment or for any acts or omissions unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that the general partner or its officers and directors acted in bad faith or engaged in fraud or willful misconduct.

Under the partnership agreement, the Partnership will indemnify its general partners and their respective officers, directors and managers, to the fullest extent permitted by law, against liabilities, costs and expenses incurred by such general partners or these other persons. The Partnership must provide this indemnification unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that these persons acted in bad faith or engaged in fraud or willful misconduct. The Partnership also must provide this indemnification for criminal proceedings unless the general partner or these other persons acted with knowledge that their conduct was unlawful. Thus, the Partnership's general partners could be indemnified for their negligent acts if they meet the requirements set forth above. To the extent that these provisions purport to include indemnification for liabilities arising under the Securities Act, in the opinion of the SEC such indemnification is contrary to public policy and therefore unenforceable. See "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — The partnership agreement limits the fiduciary duties of the managing general partner and restricts the remedies available to us for actions taken by the managing general partner that might otherwise constitute breaches of fiduciary duty."

Other Intercompany Agreements

In connection with the formation of the Partnership, we will enter into several other agreements with the Partnership which will govern the business relations among us, the Partnership and the managing general partner following this offering.

Feedstock and Shared Services Agreement

We will enter into a feedstock and shared services agreement with the Partnership under which the two parties will provide feedstock and other services to one another. These feedstocks and services will be utilized in the respective production processes of the refinery and the fertilizer plant. Feedstocks provided under the agreement will include, among others, hydrogen, high-pressure steam, nitrogen, instrument air, oxygen and natural gas.

The Partnership will be obligated to provide us with all of our net hydrogen requirements from time to time. Such hydrogen will need to meet certain specifications and will be at a price based on an ammonia price of $300 per short ton, to be adjusted under certain circumstances. After a date to be determined by the Partnership (which will be no earlier than December 1, 2007), the Partnership will have the right to reduce the amount of hydrogen it is obligated to provide to us pursuant to the terms of the agreement. The agreement specifies a hydrogen reduction date of no earlier than December 1, 2007 (as determined by the Partnership) because we anticipate that after that date our continuous catalytic reformer unit will be online and generating hydrogen in amounts which should be sufficient for our needs in most circumstances. Prior to the hydrogen reduction date, the hydrogen price will be subject to a 30% discount. For the period beyond the hydrogen reduction date, the agreement will provide hydrogen supply and pricing terms for circumstances where the refinery requires more hydrogen than it can generate by itself.

The agreement will provide that both parties must deliver high-pressure steam to one another under agreed upon circumstances. We must use commercially reasonable efforts to provide high-pressure steam to the Partnership for purposes of allowing the Partnership to commence and recommence operation of the fertilizer plant from time to time, and also for use at the BOC air separation plant adjacent to our own facility. We will not be required to provide such high-pressure steam if doing so would have a material adverse effect on the refinery's operations. Also, the Partnership must make available to us any high-pressure steam produced by the fertilizer plant that is not required for the operation of the fertilizer plant. The price for such high pressure steam will be calculated using a formula that is based on steam flow and the price of natural gas as published in "Inside F.E.R.C.'s Gas Market Report" under the heading "Prices of Spot Gas delivered to Pipelines" for Southern Star Central Gas Pipeline, Inc. for Texas, Oklahoma and Kansas.

The Partnership will also be obligated to make available to us any nitrogen produced by the BOC air separation plant that is not required for the operation of the fertilizer plant, as determined in a commercially reasonable manner by the Partnership. The price for the nitrogen will be based on a cost of $0.035 cents per kilowatt hour, as adjusted to reflect changes in the Partnership's electric bill.

The agreement will also provide that both we and the Partnership must deliver instrument air to one another in some circumstances. The Partnership must make instrument air available for purchase by us at a minimum flow rate, to the extent produced by the BOC air separation plant and available to the Partnership. The price for such instrument air will be $18,000 per month, prorated according to the number of days of use per month, subject to certain adjustments, including adjustments to reflect changes in the Partnership's electric bill. To the extent that instrument air is not available from the BOC air separation plant and is available from us, we will be required to make instrument air available to the Partnership for purchase at a price of $18,000 per month, prorated according to the number of days of use per month, subject to certain adjustments, including adjustments to reflect changes in our electric bill.

With respect to oxygen requirements, the Partnership will be obligated to provide us with oxygen produced by the BOC air separation plant and made available to the Partnership to the extent that such oxygen is not required for operation of the fertilizer plant. The oxygen will be required to meet certain specifications and will be sold at a fixed price as provided in the agreement.

The agreement also addresses the means by which the Partnership and we obtain natural gas. Currently, natural gas is delivered to both the fertilizer plant and the refinery pursuant to a contract between us and Atmos Energy. Under the feedstock and shared services agreement, we will purchase and the Partnership will reimburse us for, natural gas transportation and natural gas supplies on behalf of the Partnership. At our request or at the request of the Partnership, in order to supply the Partnership with natural gas directly, both parties will be required to use their commercially reasonable efforts to (i) add the Partnership as a party to the current contract with Atmos or reach some other mutually acceptable accommodation with Atmos whereby both we and the Partnership would each be able to receive, on an individual basis, natural gas transportation service from Atmos on similar terms and conditions as set forth in the current contract, and (ii) obtain separate natural gas purchasing arrangements so that we and the Partnership would each purchase natural gas supplies on their own account.

The agreement will also address the allocation of various other feedstocks, services and related costs between the parties. Sour water, water for use in fire emergencies and costs associated with security services are all allocated between the two parties by the terms of the agreement. The agreement also requires the Partnership to reimburse us for certain utility-related obligations that we owe to Tessenderlo Kerley, Inc. pursuant to a certain processing agreement between Tessenderlo Kerley and us. The Partnership has a similar agreement with Tessenderlo Kerley. Otherwise, costs relating to both our and the Partnership's existing agreements with Tessenderlo Kerley are allocated equally between the two parties except in certain circumstances.

The parties may temporarily suspend the provision of feedstock or services pursuant to the terms of the agreement if repairs or maintenance are necessary on applicable facilities. Additionally, the agreement will impose minimum insurance requirements on the parties and their affiliates. The agreement will also provide for mediation in the case of disputes arising under the agreement.

The agreement will have an initial term of 20 years, which will be automatically extended for successive five year renewal periods. Either party may terminate the agreement by giving notice no later than three years prior to a renewal date. The agreement will also be terminable by mutual consent of the parties, or if one party breaches the agreement and does not cure within applicable cure periods and the breach materially and adversely affects the ability of the terminating party to operate its facility. Additionally, the agreement may be terminated in some circumstances if substantially all of the operations at the fertilizer plant or the refinery are permanently terminated, or if either party is subject to a bankruptcy proceeding, or otherwise becomes insolvent.

Either party will be entitled to assign its rights and obligations under the agreement to an affiliate under common control with the assigning party, to a party's lenders for collateral security purposes, or to an entity that acquires all or substantially all of the equity or assets of the assigning party related to the refinery or fertilizer plant, as applicable, in each case subject to applicable consent requirements. The agreement will contain an indemnity provision whereby each of the parties agrees to indemnify the other party and its affiliates against liability arising from breach of the agreement, negligence, or willful misconduct by the indemnifying party or its affiliates. The indemnification obligation will be reduced, as applicable, by amounts actually recovered by the indemnified party from third parties or insurance coverage. The agreement also contains a provision that prohibits recovery of lost profits or revenue, or special, incidental, exemplary, punitive or consequential damages from either party or certain affiliates.

Coke Supply Agreement

We will enter into a coke supply agreement with the Partnership pursuant to which we will provide pet coke to the Partnership. This agreement will provide that we must deliver to the Partnership during each calendar year an annual required amount of pet coke equal to the lesser of (i) 100 percent of the pet coke produced at our petroleum refinery or (ii) 500,000 tons of pet coke. The Partnership will also be obligated to purchase this annual required amount. If during a calendar month we produce more than 41,667 tons of pet coke, then the Partnership will have the option, but not the obligation, to purchase the excess at the purchase price provided for in the agreement. If the Partnership declines this option, we may sell the excess to a third party.

The price which the Partnership will pay for the pet coke will be based on the lesser of a coke price derived from the price received by the Partnership for UAN (subject to a UAN based price ceiling and floor) or a coke index price but in no event will the pet coke price be less than zero. The Partnership will also pay any taxes associated with the sale, purchase, transportation, delivery, storage or consumption of the pet coke. The Partnership will be entitled to offset any amount payable for the pet coke against any amount due from us under the feedstock and shared services agreement between the parties. If the Partnership fails to pay an invoice on time, the Partnership will pay interest on the outstanding amount payable at a rate of three percent above the prime rate.

In the event we deliver pet coke to the Partnership on a short term basis and such pet coke is off-specification on more than 20 days in any calendar year, there will be a price adjustment to compensate the Partnership and/or capital contributions will be made to the Partnership to allow it to modify its equipment to process the pet coke received. If we determine that there will be a change in pet coke quality on a long term basis, then we will be required to notify the Partnership of such change with at least three years' notice. The Partnership will then determine the appropriate changes necessary to its fertilizer plant in order to process such off-specification coke. We will compensate the Partnership for the cost of making such modifications and/or adjust the price of pet coke on a mutually agreeable commercially reasonable basis.

The terms of the coke supply agreement provide benefits both to our petroleum business as well as to the nitrogen fertilizer business. The cost of the pet coke supplied by our refinery to the fertilizer facility in most cases will be lower than the price which the fertilizer business otherwise would pay to third parties. The cost to the fertilizer business will be lower both because the actual price paid will be lower and because the fertilizer business will pay significantly reduced transportation costs (since the pet coke is supplied by an adjacent facility which will involve no freight or tariff costs). In addition, because the cost paid by the fertilizer facility will be formulaically related to the price received for UAN (subject to a UAN based price floor and ceiling), the nitrogen fertilizer business will enjoy lower pet coke costs during periods of lower revenues regardless of the prevailing pet coke market.

In return for the refinery receiving a potentially lower price for coke in periods when the coke price is impacted by lower UAN prices, our refinery enjoys the following benefits associated with the disposition of a low value by-product of the refining process:

- we avoid the capital cost and operating expenses associated with coke handling;
- we enjoy flexibility in our refinery's crude slate and operations as a result of not being required to meet a specific coke quality (which most other pet coke users would otherwise require);
- we avoid the administration, credit risk and marketing fees associated with selling coke; and
- we obtain a contractual right of first refusal to a secure and reliable long-term source of hydrogen from the fertilizer business to back up the refinery's own internal hydrogen production. This beneficial redundancy could only otherwise be achieved through significant capital investment. Hydrogen is required by the refinery to remove sulfur from diesel fuel and gasoline and if hydrogen is not available to the refinery for even short periods of the time, it would have a significant negative financial consequence to the refinery.

The Partnership may be obligated to provide security for its payment obligations under the agreement if in our sole judgment there is a material adverse change in the financial condition or liquidity of the Partnership or in the Partnership's ability to make payments. This security shall not exceed an amount equal to 21 times the average daily dollar value of pet coke purchased by the Partnership from us for the 90 day period preceding the date on which we give notice to the Partnership that we have deemed that a material adverse change has occurred. Unless otherwise agreed by us and the Partnership, the Partnership can provide such security by means of a standby or documentary letter of credit, prepayment, a surety instrument, or a combination of the foregoing. If such security is not provided by the Partnership, we may require the Partnership to pay for future deliveries of pet coke on a cash-on-delivery basis, failing which we may suspend delivery of pet coke until such security is provided and terminate the agreement upon 30 days' prior written notice. Additionally, the Partnership may terminate the agreement within 60 days of providing security, so long as the Partnership provides five days prior written notice.

The agreement will have an initial term of 20 years, which will be automatically extended for successive five year renewal periods. Either party may terminate the agreement by giving notice no later than three years prior to a renewal date. The agreement will also be terminable by mutual consent of the parties, or if a party breaches the agreement and does not cure within applicable cure periods. Additionally, the agreement may be terminated in some circumstances if substantially all of the operations at the fertilizer plant or the refinery are permanently terminated, or if either party is subject to a bankruptcy proceeding or otherwise becomes insolvent. The agreement also provides for mediation in the case of disputes arising under the agreement.

Either party may assign its rights and obligations under the agreement to an affiliate under common control with the assigning party, to a party's lenders for collateral security purposes, or to an entity that acquires all or substantially all of the equity or assets of the assigning party related to the refinery or fertilizer plant, as applicable, in each case subject to applicable consent requirements.

The agreement will contain an indemnity provision whereby each of the parties agrees to indemnify the other party and its affiliates against liability arising from breach of the agreement, negligence, or willful misconduct by the indemnifying party or its affiliates. The indemnification obligation will be reduced, as applicable, by amounts actually recovered by the indemnified party from third parties or insurance coverage. The agreement also contains a provision that prohibits recovery of lost profits or revenue, or special, incidental, exemplary, punitive or consequential damages from either party or certain affiliates.

Raw Water and Facilities Sharing Agreement

We will enter into a raw water and facilities sharing agreement with the Partnership which will (i) provide for the allocation of raw water resources between the refinery and the fertilizer plant and (ii) provide for the management of the water intake system (consisting primarily of a water intake structure, water pumps, meters, and a short run of piping between the intake structure and the origin of the separate pipes that transport the water to each facility) which draws raw water from the Verdigris River for both our facility and the fertilizer plant. This agreement will provide that a water management team consisting of one representative from each party to the agreement will manage the Verdigris River water intake system. The water intake system is owned and operated by us. Both companies will have an undivided one-half interest in the water rights which will allow the water to be removed from the Verdigris River for use at our facility and the fertilizer plant.

The agreement will provide that both the fertilizer plant and the refinery will be entitled to receive sufficient amounts of water from the Verdigris River each day to enable them to conduct their businesses at their appropriate operational levels. However, if the amount of water available from the Verdigris River is insufficient to satisfy the operational requirements of both facilities, then such water shall be allocated between the two facilities on a prorated basis. This prorated basis will be determined by calculating the percentage of water used by each facility over the two calendar years prior to the shortage, making appropriate adjustments for any operational outages involving either of the two facilities.

Costs associated with operation of the water intake system and administration of water rights will be allocated on a prorated basis, calculated by us based on the percentage of water used by each facility during the calendar year in which such costs are incurred. However, in certain circumstances, such as where one party bears direct responsibility for the modification or repair of the water pumps, that party alone will bear all costs associated with such activity. Additionally, the Partnership must reimburse us for electricity required to operate the water pumps on a prorated basis that is calculated monthly.

Either we or the Partnership will be entitled to terminate the agreement by giving at least three years' prior written notice. Between the time that notice is given and the termination date, the parties must cooperate to allow the Partnership to build its own water intake system on the Verdigris River to be used for supplying water to the fertilizer plant. We will be required to grant easements and access over our property so that the Partnership can construct and utilize such new water pumps, provided that no such easements or access over our property shall have a material adverse affect on our business or operations at the refinery. The Partnership will bear all costs and expenses for such construction if it is the party that terminated the original water sharing agreement. If we terminate the original water sharing agreement, the Partnership may either install a new water intake system at its own expense, or require us to sell the existing water intake system to the Partnership for a price equal to the depreciated book value of the water intake system as of the date of transfer.

Either party will be able to assign its rights and obligations under the agreement to an affiliate under common control with the assigning party, to a party's lenders for collateral security purposes, or to an entity that acquires all or substantially all of the equity or assets of the assigning party related to the refinery or fertilizer plant, as applicable, in each case subject to applicable consent requirements. The agreement provides for mediation in the case of disputes arising under the agreement and the parties may also obtain injunctive relief to enforce their rights under the agreement. The agreement will contain an indemnity provision whereby each of the parties agrees to indemnify the other party and its affiliates against liability arising from breach of the agreement, negligence, or willful misconduct by the indemnifying party or its affiliates. The indemnification obligation will be reduced, as applicable, by amounts actually recovered by the indemnified party from third parties or insurance coverage. The agreement also contains a provision that prohibits recovery of lost profits or revenue, or special, incidental, exemplary, punitive or consequential damages from either party or certain affiliates.

The term of the agreement is perpetual unless (1) the agreement is terminated by either party upon three years' prior written notice in the manner described above or (2) the agreement is otherwise terminated by the mutual written consent of the parties.

Real Estate Transactions

We will transfer ownership of certain parcels of land to the partnership, enter into a cross easement agreement with the Partnership, and enter into a lease with the Partnership as described below:

Land Transfer. We will transfer ownership of certain parcels of land, including land that the fertilizer plant is situated on, to the Partnership so that the Partnership will be able to operate the fertilizer plant on its own land.

Cross Easement Agreement. We will enter into a new cross easement agreement with the Partnership so that both we and the Partnership will be able to access and utilize each other's land in certain circumstances in order to operate our respective businesses. The agreement will grant easements for the benefit of both parties and will establish easements for operational facilities, pipelines, equipment, access, and water rights, among other easements. The intent of the agreement is to structure easements which provides flexibility for both parties to develop their respective properties, without depriving either party of the benefits associated with the continuous reasonable use of the other parties' property.

The agreement provides that facilities located on each parties' property will generally be owned and maintained by the property-owning party; provided, however, that in certain specified cases where a facility that benefits one party is located on the other party's property, the benefited party will have the right to use, and will be responsible for operating and maintaining, the overlapping facility.

The easements granted under the agreement will be non-exclusive to the extent that future grants of easements do not interfere with easements granted under the agreement. The duration of the easements granted under the agreement will vary, and some will be perpetual. Easements pertaining to certain facilities that are required to carry out the terms of our other agreements with the Partnership will terminate upon the termination of such related agreements. We will grant a water rights easement to the Partnership which will be perpetual in duration. See " — Raw Water and Facilities Sharing Agreement."

The agreement will contain an indemnity provision whereby each of the parties agrees to indemnify, defend and hold harmless the other party against liability arising from negligence or willful misconduct by the indemnifying party. The agreement also requires the parties to carry minimum amounts of employer's liability insurance, commercial general liability insurance, and other types of insurance. Additionally, mortgages and title insurance policies of both of the parties will need to be amended to reflect our transfer of property to the Partnership and the entering into of the easement agreement. Mortgages will be subordinated to the agreement in order to prevent a foreclosure from terminating the agreement. The agreement provides for mediation in the case of disputes arising under the agreement. If either party transfers its fee simple ownership interest in the real property governed by the agreement, the new owner of the real property will be deemed to have assumed all of the obligations of the transferring party under the agreement, except that the transferring party will retain liability for all obligations under the agreement which arose prior to the date of transfer.

Lease Agreement. We will enter into a 5-year lease agreement with the Partnership under which we will lease certain office and laboratory space to the Partnership.

Environmental Agreement

We will enter into an environmental agreement with the Partnership which will provide for certain indemnification and access rights in connection with environmental matters affecting the refinery and the fertilizer plant. Generally, both we and the Partnership will agree to indemnify and defend each other and each other's affiliates against liabilities associated with certain hazardous materials and violations of environmental laws which are a result of or caused by the other's actions or business operations. This obligation will extend to indemnification for liabilities arising out of off-site disposal of certain hazardous materials. Indemnification obligations of the parties will be reduced by applicable amounts recovered by an indemnified party from third parties or from insurance coverage.

To the extent that one party's property experiences environmental contamination due to the activities of the other party and the contamination is known at the time the agreement was entered into, the contaminating party will be required to implement all government-mandated environmental activities relating to the contamination, or else indemnify the property-owning party for expenses incurred in connection with implementing such measures.

To the extent that liability arises from environmental contamination that is caused by us but is also commingled with environmental contamination caused by the Partnership, we may elect in our sole discretion and at our own cost and expense to perform government-mandated environmental activities relating to such liability, subject to certain conditions and provided that we will not waive any rights to indemnification or compensation otherwise provided for in the agreement.

The agreement will also address situations in which a party's responsibility to implement such government-mandated environmental activities as described above may be hindered by the property-owning party's creation of capital improvements on the property. If a contaminating party bears such responsibility but the property-owning party desires to implement a planned and approved capital improvement project on its property, the parties must meet and attempt to develop a soil management plan together. If the parties are unable to agree on a soil management plan 30 days after receiving notice, the property-owning party may proceed with its own commercially reasonable soil management plan. The contaminating party will be responsible for the costs of disposing of hazardous materials pursuant to such plan.

If the property-owning party needs to do work that is not a planned and approved capital improvement project but is necessary to protect the environment, health, or the integrity of the property, other procedures will be implemented. If the contaminating party still bears responsibility to implement government-mandated environmental activities relating to the property and the property-owning party discovers contamination caused by the other party during work on the capital improvement project, the property-owning party will give the contaminating party prompt notice after discovery of the contamination, and will allow the contaminating party to inspect the property. If the contaminating party accepts responsibility for the contamination, it may proceed with government-mandated environmental activities relating to the contamination, and it will be responsible for the costs of disposing hazardous materials relating to the contamination. The contaminating party will be responsible for the costs of disposing of hazardous materials pursuant to such plan. If the contaminating party does not accept responsibility for such contamination or fails to diligently proceed with government-mandated environmental activities related to the contamination, then the contaminating party must indemnify and reimburse the property-owning party upon the property-owning party's demand for costs and expenses incurred by the property-owning party in proceeding with such government-mandated environmental activities.

The agreement will also provide for indemnification in the case of contamination or releases of hazardous materials that are present but unknown at the time the agreement is entered into to the extent such contamination or releases are identified in reasonable detail during the period ending five years after the date of the agreement. The agreement will further provide for indemnification in the case of contamination or releases which occur subsequent to the date the agreement is entered into. If one party causes such contamination or release on the other party's property, the latter party must notify the contaminating party, and the contaminating party must take steps to implement all government-mandated environmental activities relating to the contamination, or else indemnify the property-owning party for the costs associated with doing such work.

The agreement will also grant each party reasonable access to the other party's property for the purpose of carrying out obligations under the agreement. However, both parties must keep certain information relating to the environmental conditions on the properties confidential. Furthermore, both parties are prohibited from investigating soil or groundwater conditions except as required for government-mandated environmental activities, in responding to an accidental or sudden contamination of certain hazardous materials, or in connection with implementation of a comprehensive coke management plan as discussed below.

Both parties will be required to develop a comprehensive coke management plan together within 90 days of the execution of the environmental agreement. The plan will establish procedures for the management of pet coke and the identification of significant pet coke-related contamination. Also, the parties will agree to indemnify and defend one another and each other's affiliates against liabilities arising under the coke management plan or relating to a failure to comply with or implement the coke management plan.

Either party will be entitled to assign its rights and obligations under the agreement to an affiliate under common control with the assigning party, to a party's lenders for collateral security purposes, or to an entity that acquires all or substantially all of the equity or assets of the assigning party related to the refinery or fertilizer plant, as applicable, in each case subject to applicable consent requirements. The agreement also provides for mediation in the case of disputes arising under the agreement. The term of the agreement is for at least 20 years, or for so long as the feedstock and shared services agreement is in force, whichever is longer. The agreement also contains a provision that prohibits recovery of lost profits or revenue, or special, incidental, exemplary, punitive or consequential damages from either party or certain of its affiliates.

Omnibus Agreement

We will enter into an omnibus agreement with the managing general partner and the Partnership. The following discussion describes provisions of the omnibus agreement.

Under the omnibus agreement, we will agree not to, and will cause our controlled affiliates other than the Partnership not to, engage in, whether by acquisition or otherwise, the production, transportation or distribution, on a wholesale basis, of fertilizer in the contiguous United States ("fertilizer restricted business") for so long as we continue to own at least 50% of the outstanding Partnership units. The restrictions will not apply to:

- any fertilizer restricted business acquired as part of a business or package of assets if a majority of the value of the total assets or business acquired is not attributable to fertilizer restricted business, as determined in good faith by our board of directors, as applicable; however, if at any time we complete such an acquisition, we must, within 365 days of the closing of the transaction, offer to sell the fertilizer-related assets to the Partnership for their fair market value plus any additional tax or other similar costs to us that would be required to transfer the fertilizer-related assets to the Partnership separately from the acquired business or package of assets;
- engaging in any fertilizer restricted business subject to the offer to the Partnership described in the immediately preceding paragraph pending the managing general partner's determination whether to accept such offer and pending the closing of any offers the Partnership accepts;
- engaging in any fertilizer restricted business if the managing general partner has previously advised us that the managing general partner's board of directors has elected not to cause the Partnership or its controlled affiliates to acquire such businesses; or

- acquiring up to 9.9% of any class of securities of any publicly-traded company that engages in any fertilizer restricted business.

Under the omnibus agreement the Partnership will agree not to, and will cause its controlled affiliates not to, engage in, whether by acquisition or otherwise, (i) the ownership or operation within the United States of any refinery with processing capacity greater than 20,000 barrels per day whose primary business is producing transportation fuels or (ii) the ownership or operation outside the United States of any refinery, regardless of its processing capacity or primary business ("refinery restricted business"), in either case, for so long as we continue to own at least 50% of the Partnership's outstanding units. The restrictions will not apply to:

- any refinery restricted business acquired as part of a business or package of assets if a majority of the value of the total assets or business acquired is not attributable to refinery restricted business, as determined in good faith by the managing general partner's board of directors; however, if at any time the Partnership completes such an acquisition, the Partnership must, within 365 days of the closing of the transaction, offer to sell the refinery-related assets to us for their fair market value plus any additional tax or other similar costs to the Partnership that would be required to transfer the refinery-related assets to us separately from the acquired business or package of assets;
- engaging in any refinery restricted business subject to the offer to us described in the immediately preceding paragraph pending our determination whether to accept such offer and pending the closing of any offers we accept;
- engaging in any refinery restricted business if we have previously advised the Partnership that our board of directors has elected not to cause us to acquire or seek to acquire such business; or
- acquiring up to a 9.9% ownership of any class of securities of any publicly-traded company that engages in any refinery restricted business.

Under the Omnibus Agreement we will also agree that the Partnership will have a preferential right to acquire before us any assets or group of assets that do not constitute (i) assets used in a refinery restricted business or (ii) assets used in a fertilizer restricted business. In determining whether to cause the Partnership to exercise any preferential right under the Omnibus Agreement, the managing general partner will be permitted to act in its sole discretion, without any fiduciary obligation to the Partnership or the unit holders whatsoever (including us). These obligations will continue until such time as we cease to own at least 50% of the Partnership's outstanding units.

Management Services Agreement

We will enter into a services agreement with the Partnership and the managing general partner of the Partnership pursuant to which we will provide certain management and other services to the Partnership, the managing general partner of the Partnership, and the Partnership's nitrogen fertilizer business. Under this agreement, the managing general partner of the Partnership will engage us to conduct the day-to-day business operations of the Partnership and the nitrogen fertilizer business. The services we will provide under the agreement include the following services, among others:

- services by our employees in capacities equivalent to the capacities of corporate executive officers, except that those who serve in such capacities under the agreement shall serve the Partnership on a shared, part-time basis only, unless we and the Partnership agree otherwise;
- administrative and professional services, including legal, accounting services, human resources, insurance, tax, credit, finance, government affairs and regulatory affairs;
- managing the property of the Partnership and Coffeyville Resources Nitrogen Fertilizers, LLC, a subsidiary of the Partnership, in the ordinary course of business;

- recommending capital raising activities to the board of directors of the managing general partner of the Partnership, including the issuance of debt or equity securities, the entry into credit facilities and other capital market transactions;
- managing or overseeing litigation and administrative or regulatory proceedings, and establishing appropriate insurance policies for the Partnership, and providing safety and environmental advice;
- recommending the payment of dividends or other distributions or equity securities; and
- managing or providing advice for other projects as may be agreed by us and the managing general partner of the Partnership from time to time.

As payment for services provided under the agreement, any of the managing general partner of the Partnership, the Partnership, or Coffeyville Resources Nitrogen Fertilizers, LLC must pay us (i) all costs incurred by us in connection with the employment of our employees, other than administrative personnel, who provide services to the Partnership under the agreement on a full-time basis, but excluding share-based compensation; (ii) a prorated share of costs incurred by us in connection with the employment of our employees, other than administrative personnel, who provide services to the Partnership under the agreement on a part-time basis, but excluding share-based compensation, and such prorated share shall be determined by us on a commercially reasonable basis, based on the percent of total working time that such shared personnel are engaged in performing services for the Partnership; (iii) a prorated share of certain administrative costs, including payroll, office costs, services by outside vendors, other sales, general and administrative costs and depreciation and amortization; and (iv) various other administrative costs in accordance with the terms of the agreement, including travel, insurance, legal and audit services, government and public relations and bank charges. Invoices that we submit under the agreement are due and payable net 15 days.

The Partnership and managing general partner are not required to pay any compensation, salaries, bonuses or benefits to any of CVR's employees who provide services to the Partnership on a full-time or part-time basis; CVR will continue to pay their compensation. However, personnel performing the actual day-to-day business and operations of the Partnership at the plant level will be employed directly by the Partnership and its subsidiaries, which will bear all personnel costs for these employees.

Either we or the managing general partner of the Partnership may temporarily or permanently exclude any particular service from the scope of the agreement upon 90 days' notice. We also have the right to delegate the performance of some or all of the services to be provided pursuant to the agreement to one of our affiliates or any other person or entity, though such delegation will not relieve us from our obligations under the agreement. Either we or the managing general partner of the Partnership may terminate the agreement upon at least 90 days' notice, but not more than one years' notice. Furthermore, the managing general partner of the Partnership may terminate the agreement immediately if we become bankrupt, or dissolve and commence liquidation or winding-up. The agreement may only be amended or modified by written agreement of all the parties.

In order to facilitate the carrying out of services under the agreement, we and our affiliates, on the one hand, and the Partnership, on the other, have granted one another certain royalty-free, non-exclusive and non-transferable rights to use one another's intellectual property under certain circumstances.

The agreement also contains an indemnity provision whereby the Partnership, the managing general partner of the Partnership, and Coffeyville Resources Nitrogen Fertilizers, LLC, as indemnifying parties, agree to indemnify us and our affiliates (other than the indemnifying parties themselves) against losses and liabilities incurred in connection with the performance of services under the agreement or any breach of this agreement, so long as such losses or liabilities do not arise from a breach of the agreement by us or other misconduct on our part, as provided in the agreement. The agreement also contains a provision stating that we are an independent contractor under the agreement and nothing in the agreement may be construed to impose an implied or express fiduciary duty owed by us, on the one hand, to the recipients of services under the agreement, on the other hand. The agreement prohibits recovery of lost profits or revenue, or special, incidental, exemplary, punitive or consequential damages from us or certain affiliates, except in cases of gross negligence, willful misconduct, bad faith, reckless disregard in performance of services under the agreement, or fraudulent or dishonest acts on our part.

Registration Rights Agreement

In connection with the formation of the Partnership, we will enter into a registration rights agreement with the Partnership upon closing of the transfer of the fertilizer business to the Partnership, pursuant to which the Partnership may be required to register the sale of any common units our special units convert into as well as any common units issuable upon conversion of any subordinated units our special units convert into. Under the registration rights agreement, following the Partnership's initial public offering, if any, we will have the right to request that the Partnership register the sale of our common units (and the common units issuable upon conversion of any subordinated units) on three occasions including requiring the Partnership to make available shelf registration statements permitting sales of common units into the market from time to time over an extended period. In addition, we will have the ability to exercise certain piggyback registration rights with respect to our common units if the Partnership elects to register any of its own equity securities. Our piggyback registration rights will not apply to any initial offering by the Partnership. The registration rights agreement will also include provisions dealing with holdback agreements, indemnification and contribution, and allocation of expenses.

Financial Impact of the Intercompany Agreements

The price paid by the nitrogen fertilizer business pursuant to the coke supply agreement will be based on the price received for UAN. Historically, the cost of product sold (exclusive of depreciation and amortization) in the nitrogen business was based on a coke price of $15 per ton beginning with the Initial Acquisition. This is reflected in the segment data in our historical financial statements as a cost for the nitrogen fertilizer business and as revenue for the petroleum business. If the new terms of the coke supply agreement had been in place over the past three years, the new coke supply agreement would have resulted in a decrease in cost of product sold (exclusive of depreciation and amortization) for the nitrogen fertilizer business (and a decrease in revenue for the petroleum business) of $2.9 million, $1.5 million, $0.7 million, $3.5 million and $0.4 million for the 304 day period ended December 31, 2004, the 174 day period ended June 24, 2005, the 233 day period ended December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007. There would have been no impact to our consolidated financial statements as intercompany transactions are eliminated upon consolidation.

In addition, based on management's current estimates, the management services agreement will result in an annual charge of approximately $11.5 million to the nitrogen fertilizer business for its portion of expenses which have been historically reflected in selling, general and administrative expenses (exclusive of depreciation and amortization) in our consolidated statement of operations. Historical nitrogen fertilizer segment operating income would decrease $4.1 million, increase $0.8 million, decrease $0.1 million, increase $7.4 million and decrease $0.7 million for the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, respectively, assuming an annualized $11.5 million charge for the management services in lieu of the historical allocations of selling, general and administrative expenses. The petroleum segment's operating income would have had offsetting increases or decreases, as applicable, for these periods.

The total change to operating income for the nitrogen fertilizer segment with respect to both the coke supply agreement included in cost of product sold (exclusive of depreciation and amortization) and the management services agreement included in selling, general and administrative (exclusive of depreciation and amortization) would be a decrease of $1.2 million, increase of $2.3 million, increase of $0.6 million, increase of $10.9 million and a decrease of $0.3 million for the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, the year ended December 31, 2006 and the three months ended March 31, 2007, respectively.

The feedstock and shared services agreement, the raw water and facilities sharing agreement, the cross-easement agreement, and the environmental agreement are not expected to have a significant impact on the financial results of the nitrogen fertilizer business. However, the requirement to supply hydrogen contained in the feedstock and shared services agreement could result in reduced fertilizer production due to a commitment to supply hydrogen to the refinery. The feedstock and shared services agreement requires the refinery to compensate the nitrogen fertilizer business for the value of production lost due to the hydrogen supply requirement.

DESCRIPTION OF OUR INDEBTEDNESS AND THE CASH FLOW SWAP

Second Amended and Restated Credit and Guaranty Agreement

On December 28, 2006, Coffeyville Resources, LLC, as the borrower, and Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Pipeline, Inc., Coffeyville Terminal, Inc., CL JV Holdings, LLC, which we refer to collectively as Holdings, and certain of their subsidiaries as guarantors entered into a Second Amended and Restated Credit and Guaranty Agreement with Goldman Sachs Credit Partners L.P. and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers and Joint Bookrunners, Credit Suisse, as Administrative Agent, Collateral Agent, Funded LC Issuing Bank and Revolving Issuing Bank, Deutsche Bank Trust Company Americas, as Syndication Agent, and ABN Amro Bank N.V., as Documentation Agent.

We intend to amend our Credit Facility prior to the consummation of this offering in order to permit the transfer of our nitrogen fertilizer business to the Partnership and the sale of the managing general partner interest in the Partnership to a new entity owned by our controlling stockholders and senior management. In addition, the managing general partner of the Partnership may, from time to time, seek to raise capital through a public or private offering of limited partner interests in the Partnership. If the managing general partner elects to pursue a public or private offering of limited partner interests in the Partnership, we expect that any such transaction would require amendments to our Credit Facility, as well as the Cash Flow Swap, in order to remove the Partnership and its subsidiaries as obligors under such instruments. Any such amendments could result in changes to the Credit Facility's pricing, mandatory prepayment provisions, covenants and other terms and could result in increased interest costs and require payment by us of additional fees. We have agreed to use our commercially reasonable efforts to obtain such amendments if the managing general partner elects to cause the Partnership to pursue a public or private offering and gives us at least 90 days written notice. However, we cannot assure you that we will be able to obtain any such amendment on terms acceptable to us or at all. If we are not able to amend our Credit Facility on terms satisfactory to us, we may need to refinance it with another facility. We will not be considered to have used our "commercially reasonable efforts" to obtain such amendments if we do not effect the requested modifications due to (i) payment of fees to the lenders or the swap counterparty, (ii) the costs of this type of amendment, (iii) an increase in applicable margins or spreads or (iv) changes to the terms required by the lenders including covenants, events of default and repayment and prepayment provisions provided that (i), (ii), (iii) and (iv) in the aggregate are not likely to have a material adverse effect on us. In order to effect the requested amendments, we may require that (1) the Partnership's initial public or private offering generate at least $140 million in net proceeds to us and (2) the Partnership repay its $75 million intercompany note due to us in full prior to or concurrently with the closing of its initial offering.

The following summary of the material terms of the Credit Facility is only a general description and is not complete and, as such, is subject to and is qualified in its entirety by reference to the provisions of the Credit Facility.

The Credit Facility provides financing of up to $1.075 billion, consisting of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap.

The revolving loan facility of $150.0 million provides for direct cash borrowings for general corporate purposes on a short-term basis. Letters of credit issued under the revolving loan facility are subject to a $75.0 million sub-limit. The revolving loan commitment expires on December 28, 2012. We have an option to extend this maturity upon written notice to our lenders; however, the revolving loan maturity cannot be extended beyond the final maturity of the term loans, which is December 28, 2013.

The $150.0 million funded letter of credit facility provides credit support for our obligations under the Cash Flow Swap. The funded letter of credit facility is fully cash collateralized by the funding by the lenders of cash into the credit linked deposit account. This account is held by the funded letter of credit issuing bank. Contingent upon the requirements of the Cash Flow Swap, we have the ability to reduce the funded letter of credit at any time upon written notice to the lenders. The funded letter of credit facility expires on December 28, 2010.

Coffeyville Resources, LLC initially entered into a first lien credit facility and a second lien credit facility on June 24, 2005 in connection with the acquisition of all of the subsidiaries of Coffeyville Group Holdings, LLC by the Goldman Sachs Funds and the Kelso Funds. The first lien credit facility consisted of $225 million of term loans, $50 million of delayed draw term loans, a $100 million revolving loan facility and a funded letter of credit facility of $150 million, and the second lien credit facility included a $275 million term loan. The first lien credit facility was subsequently amended and restated on June 29, 2006 on substantially the same terms as the original agreement, as amended. The primary reason for the June 2006 amendment and restatement was to reduce the applicable margin spreads for borrowings on the first lien term loans and the funded letter of credit facility and to make the capital expenditure covenant less restrictive. On December 28, 2006, Coffeyville Resources, LLC repaid all indebtedness then outstanding under the first lien credit facility and second lien credit facility and entered into the Credit Facility.

Interest Rate and Fees. The tranche D term loans bear interest at either (a) the greater of the prime rate and the Federal funds effective rate plus 0.5%, plus in either case 2.00% or, at the borrower’s option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds effective rate plus 1.75% or 1.50% or LIBOR plus 2.75% or 2.50%, respectively, upon achievement of certain rating conditions). The revolving loan facility borrowings bear interest at either (a) the greater of the prime rate and the Federal funds effective rate plus 0.5%, plus in either case 2.00% or, at the borrower’s option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds effective rate plus 1.75% or 1.50% or LIBOR plus 2.75% or 2.50%, respectively, upon achievement of certain rating conditions). Letters of credit issued under the $75.0 million sub-limit available under the revolving loan facility are subject to a fee equal to the applicable margin on revolving LIBOR loans owing to all revolving lenders and a fronting fee of 0.25% per annum owing to the issuing lender. Funded letters of credit are subject to a fee equal to the applicable margin on term LIBOR loans owing to all funded letter of credit lenders and a fronting fee of 0.125% per annum owing to the issuing lender. The borrower is also obligated to pay a fee of 0.10% to the administrative agent on a quarterly basis based on the average balance of funded letters of credit outstanding during the calculation period, for the maintenance of a credit linked deposit account backstopping funded letters of credit. In addition to the fees stated above, the Credit Facility requires the borrower to pay 0.50% in commitment fees on the unused portion of the revolving loan facility. The interest rate on the term loans under the Credit Facility on December 31, 2006 was 8.36%.

Prepayments. The Credit Facility requires the borrower to prepay outstanding loans, subject to certain exceptions, with:

- 100% of the net asset sale proceeds received by Holdings or any of its subsidiaries from specified asset sales and net insurance/condemnation proceeds, if the borrower does not reinvest those proceeds in assets to be used in its business or to make other certain permitted investments within 12 months or if, within 12 months of receipt, the borrower does not contract to reinvest those proceeds in assets to be used in its business or to make other certain permitted investments within 18 months of receipt, each subject to certain limitations;
- 100% of the cash proceeds from the incurrence of specified debt obligations by Holdings or any of its subsidiaries;
- 75% of “consolidated excess cash flow” less 100% of voluntary prepayments made during the fiscal year; provided that with respect to any fiscal year commencing with fiscal 2008 this percentage will be reduced to 50% if the total leverage ratio at the end of such fiscal year is

less than 1.50:1.00 and 25% if the total leverage ratio as of the end of such fiscal year is less than 1.00:1.00; and

- 100% of the cash proceeds received by Parent, Holdings or any subsidiary of Holdings from any initial public offering or secondary registered offering of equity interests, until the aggregate amount of such proceeds is equal to $280 million.

Mandatory prepayments will be applied first to the term loan, second to the swing line loans, third to the revolving loans, fourth to outstanding reimbursement obligations with respect to revolving letters of credit and funded letters of credit, and fifth to cash collateralize revolving letters of credit and funded letters of credit.

Voluntary prepayments of loans under the Credit Facility are permitted, in whole or in part, at the borrower's option, without premium or penalty.

Amortization. The tranche D term loans are repayable in quarterly installments in a principal amount equal to the principal amount of the tranche D term loans outstanding on the quarterly installment date multiplied by 0.25% for each quarterly installment made prior to April 1, 2013 and 23.5% for each quarterly installment made during the period commencing on April 1, 2013 through maturity on December 28, 2013.

Collateral and Guarantors. All obligations under the Credit Facility are guaranteed by Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Terminal, Inc., CL JV Holdings, LLC and their domestic subsidiaries. Indebtedness under the Credit Facility is secured by a first priority security interest in substantially all of Coffeyville Resources, LLC's assets, including a pledge of all of the capital stock of its domestic subsidiaries and 65% of all the capital stock of each of its foreign subsidiaries on a first lien priority basis. We intend to amend the Credit Facility prior to the consummation of this offering to include the Partnership, CVR Special GP, LLC and CVR LP, LLC as guarantors and collateral grantors under the Credit Facility.

Certain Covenants and Events of Default. The Credit Facility contains customary covenants. These agreements, among other things, restrict, subject to certain exceptions, the ability of Coffeyville Resources, LLC and its subsidiaries to incur additional indebtedness, create liens on assets, make restricted junior payments, enter into agreements that restrict subsidiary distributions, make investments, loans or advances, engage in mergers, acquisitions or sales of assets, dispose of subsidiary interests, enter into sale and leaseback transactions, engage in certain transactions with affiliates and stockholders, change the business conducted by the credit parties, and enter into hedging agreements. The Credit Facility provides that Coffeyville Resources, LLC may not enter into commodity agreements if, after giving effect thereto, the exposure under all such commodity agreements exceeds 75% of Actual Production (the borrower's estimated future production of refined products based on the actual production for the three prior months) or for a term of longer than six years from December 28, 2006. In addition, the borrower may not enter into material amendments related to any material rights under the Cash Flow Swap or the management agreements with Goldman, Sachs & Co. and Kelso & Company, L.P., (or, following effectiveness of an amendment to the Credit Facility, the Partnership's limited partnership agreement) without the prior written approval of the lenders.

The Credit Facility requires the borrower to maintain a minimum interest coverage ratio and a maximum total leverage ratio. These financial covenants are set forth in the table below:

Fiscal quarter ending	Minimum interest coverage ratio	Maximum leverage ratio
March 31, 2007	2.25:1.00	4.75:1.00
June 30, 2007	2.50:1.00	4.50:1.00
September 30, 2007	2.75:1.00	4.25:1.00
December 31, 2007	2.75:1.00	4.00:1.00
March 31, 2008	3.25:1.00	3.25:1.00
June 30, 2008	3.25:1.00	3.00:1.00
September 30, 2008	3.25:1.00	2.75:1.00
December 31, 2008	3.25:1.00	2.50:1.00
March 31, 2009 and thereafter	3.75:1.00	2.25:1.00 to 12/31/09, 2.00:1.00 thereafter

In addition, the Credit Facility also requires the borrower to maintain a maximum capital expenditures limitation of $225 million in 2007 (plus the difference between $260 million and the amount spent on capital expenditures in 2006), $100 million in 2008, $80 million in 2009, $80 million in 2010, and $50 million in 2011 and thereafter. We intend to amend the Credit Facility, prior to the consummation of this offering to change the capital expenditures thresholds to $375 million in 2007, $125 million in 2008, $125 million in 2009, $80 million in 2010, and $50 million in 2011 and thereafter. If the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, the amount of such difference may be carried forward and used to make capital expenditures in succeeding fiscal years. The capital expenditures limitation will not apply to any fiscal year commencing with fiscal 2009 if the borrower consummates an initial public offering and obtains a total leverage ratio of less than or equal to 1.25:1.00 for any quarter commencing with the quarter ended December 31, 2008. We believe that the limitations on our capital expenditures imposed by the Credit Facility should allow us to meet our current capital expenditure needs. However if future events require us or make it beneficial for us to make capital expenditures beyond those currently planned we would need to obtain consent from the lenders under our Credit Facility.

The Credit Facility also contains customary events of default. The events of default include the failure to pay interest and principal when due, including fees and any other amounts owed under the Credit Facility, a breach of certain covenants under the Credit Facility, a breach of any representation or warranty contained in the Credit Facility, any default under any of the documents entered into in connection with the Credit Facility, the failure to pay principal or interest or any other amount payable under other debt arrangements in an aggregate amount of at least $20 million, a breach or default with respect to material terms under other debt arrangements in an aggregate amount of at least $20 million which results in the debt becoming payable or declared due and payable before its stated maturity, a breach or default under the Cash Flow Swap that would permit the holder or holders to terminate the Cash Flow Swap, events of bankruptcy, judgments and attachments exceeding $20 million, events relating to employee benefit plans resulting in liability in excess of $20 million, the guarantees, collateral documents or the Credit Facility failing to be in full force and effect or being declared null and void, any guarantor repudiating its obligations, the failure of the collateral agent under the Credit Facility to have a lien on any material portion of the collateral, and any party under the Credit Facility (other than the agent or lenders under the Credit Facility) contesting the validity or enforceability of the Credit Facility.

The Credit Facility also contains an event of default upon the occurrence of a change of control. Under the Credit Facility, a “change of control” means (1) (x) prior to an initial public offering, the Goldman Sachs Funds and the Kelso Funds cease to beneficially own and control at least 35% on a fully diluted basis of the economic interest in the capital stock of Parent (Coffeyville Acquisition LLC or CVR Energy or any entity that owns all of the capital stock of Holdings) and (y) after a registered initial public offering of the capital stock of Parent, the Goldman Sachs Funds and the Kelso Funds cease to beneficially own and control, directly or indirectly, on a fully diluted basis at least 35% of the economic and voting interests in the capital stock of Parent, (2) any person or group other than the Goldman Sachs Funds and/or the Kelso Funds (a) acquires beneficial ownership of 35% or more on a fully diluted basis of the voting and/or economic interest in the capital stock of Parent and the percentage voting and/or economic interest acquired exceeds the percentage owned by the Goldman Sachs Funds and the Kelso Funds or (b) shall have obtained the power to elect a majority of the board of Parent, (3) Parent shall cease to own and control, directly or indirectly, 100% on a fully diluted basis of the capital stock of the borrower, (4) Holdings ceases to beneficially own and control all of the capital stock of the borrower or (5) the majority of the seats on the board of Parent cease to be occupied by continuing directors approved by the then-existing directors.

Qualified IPO. Under the terms of our Credit Facility, this offering will be deemed a "Qualified IPO" if the offering generates at least $250 million of gross proceeds and we use the proceeds of the offering, together with cash on hand, to repay at least $275 million of term loans under the Credit Facility. Assuming that the initial public offering price is at least $20 per share and that the total number of shares does not decrease, we expect this offering to constitute a Qualified IPO. However, it is possible that due to market conditions or otherwise this offering may fail to meet the criteria of a Qualified IPO under the Credit Facility. If this offering is not a Qualified IPO, the interest margin on LIBOR loans will increase from 3.00% to 3.25%; if this offering is a Qualified IPO, the interest margin on LIBOR loans may in the future decrease from 3.00% to 2.75% (if we have credit ratings of B2/B) or 2.50% (if we have credit ratings of B1/B+). Interest on base rate loans will similarly be adjusted. In addition, if the offering is a Qualified IPO, (1) we will be allowed to borrow an additional $225 million under the Credit Facility after June 30, 2008 to finance capital enhancement projects if we are in pro forma compliance with the financial covenants in the Credit Facility and the rating agencies confirm our ratings, (2) we will be allowed to pay an additional $35 million of dividends each year, if our corporate family ratings are at least B2 from Moody's and B from S&P, (3) we will not be subject to any capital expenditures limitations commencing with fiscal 2009 if our total leverage ratio is less than or equal to 1.25:1 for any quarter commencing with the quarter ended December 31, 2008, and (4) at any time after March 31, 2008 we will be allowed to reduce the Cash Flow Swap to not less than 35,000 barrels a day for fiscal 2008 and terminate the Cash Flow Swap for any year commencing with fiscal 2009, so long as our total leverage ratio is less than or equal to 1.25:1 and we have a corporate family rating of at least B2 from Moody's and B from S&P.

Other. The Credit Facility is subject to an intercreditor agreement among the lenders and the provider of the Cash Flow Swap, which relates to, among other things, priority of liens, payments and proceeds of sale of collateral.

Cash Flow Swap

In connection with the Subsequent Acquisition and as required under our existing credit facilities, Coffeyville Acquisition LLC entered into a crack spread hedging transaction with J. Aron. The agreements underlying the transaction were subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. See "Certain Relationships and Related Party Transactions." The derivative transaction was entered into for the purpose of managing our exposure to the price fluctuations in crude oil, heating oil and gasoline markets.

The fixed prices for each product in each calendar quarter are specified in the applicable swap confirmation. The floating price for

- crude oil for each quarter equals the average of the closing settlement price(s) on NYMEX for the Nearby Light Crude Futures Contract that is "first nearby" as of any determination date during that calendar quarter quoted in U.S. dollars per barrel;

- unleaded gasoline for each quarter equals the average of the closing settlement prices on NYMEX for the Unleaded Gasoline Futures Contract that is “first nearby” for any determination period to and including the determination period ending December 31, 2006 and the average of the closing settlement prices on NYMEX for Reformulated Gasoline Blendstock for Oxygen Blending Futures Contract that is “first nearby” for each determination period thereafter quoted in U.S. dollars per gallon; and
- heating oil for each quarter equals the average of the closing settlement prices on NYMEX for the Heating Oil Futures Contract that is “first nearby” as of any determination date during such calendar quarter quoted in U.S. dollars per gallon.

The hedge transaction is governed by the standard form 1992 International Swap and Derivatives Association, Inc., or ISDA Master Agreement, which includes a schedule to the ISDA Master Agreement setting forth certain specific transaction terms.

Coffeyville Resources, LLC’s obligations under the hedge transaction are:

- guaranteed by Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc. Coffeyville Terminal, Inc., CL JV Holdings, LLC and their domestic subsidiaries;
- secured by a $150 million funded letter of credit issued under the Credit Facility in favor of J. Aron; and
- to the extent J. Aron’s exposure under the derivative transaction exceeds $150 million, secured by the same collateral that secures our Credit Facility.

In addition, J. Aron is an additional named insured and loss payee under certain insurance policies of Coffeyville Resources, LLC.

The obligations of J. Aron under the derivative transaction are guaranteed by The Goldman Sachs Group, Inc.

The derivative transactions terminate on June 30, 2010. Prior to the termination date, neither party has a right to terminate the derivative transaction unless one of the events of default or termination events under the ISDA Master Agreement has occurred. In addition to standard events of default and termination events described in the ISDA Master Agreement, the schedule to the ISDA Master Agreement provides for the termination of the derivative transaction if:

- Coffeyville Resources, LLC’s obligations under the derivative transaction cease to be secured as described above equally and ratably with the security interest granted under the Credit Facility;
- Coffeyville Resources, LLC’s obligations under the derivative transaction cease to be guaranteed by Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc. Coffeyville Terminal, Inc., CL JV Holdings, LLC and their domestic subsidiaries; or
- Coffeyville Resources, LLC fails to maintain a $150 million funded letter of credit in favor of J. Aron.

If a termination event occurs, the derivative transaction will be cash-settled on the termination date designated by a party entitled to such designation under the ISDA Master Agreement (to the extent of the amounts owed to either party on the termination date, without netting of payments) and no further payments or deliveries under the derivative transaction will be required.

Intercreditor matters among J. Aron and the lenders under the Credit Facility are governed by the Intercreditor Agreement. J. Aron’s security interest in the collateral is pari passu with the security interest in the collateral granted under the Credit Facility. In addition, pursuant to the Intercreditor Agreement, J. Aron is entitled to vote together as a class with the lenders under the Credit Facility with respect to (1) any remedies proposed to be taken by the holders of the secured obligations with respect to the collateral, (2) any matters related to a breach, waiver or modification of the covenants in the Credit Facility that restrict the granting of liens, the incurrence of indebtedness, and the ability of Coffeyville Resources, LLC to enter into derivative transactions for more than 75% of Coffeyville Resources, LLC's actual production (based on the three month period preceding the trade date of the relevant derivative) of refined products or for a term longer than six years, (3) the maintenance of insurance, and (4) any matters relating to the collateral. For any of the foregoing matters, J. Aron is entitled to vote with the lenders under the Credit Facility as a single class to the extent of the greater of (x) its exposure under the derivative transaction, less the amount secured by the letter of credit and (y) $75 million.

DESCRIPTION OF CAPITAL STOCK

Immediately following the completion of this offering, our authorized capital stock will consist of 350,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of preferred stock, par value $0.01 per share, the rights and preferences of which may be established from time to time by our board of directors. Upon the completion of this offering, there will be 81,641,591 outstanding shares of common stock and no outstanding shares of preferred stock. The following description of our capital stock does not purport to be complete and is subject to and qualified by our amended and restated certificate of incorporation and bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and by the provisions of applicable Delaware law.

Common Stock

Holders of our common stock are entitled to one vote for each share on all matters voted upon by our stockholders, including the election of directors, and do not have cumulative voting rights. Subject to the rights of holders of any then outstanding shares of our preferred stock, our common stockholders are entitled to any dividends that may be declared by our board of directors. Holders of our common stock are entitled to share ratably in our net assets upon our dissolution or liquidation after payment or provision for all liabilities and any preferential liquidation rights of our preferred stock then outstanding. Holders of our common stock have no preemptive rights to purchase shares of our stock. The shares of our common stock are not subject to any redemption provisions and are not convertible into any other shares of our capital stock. All outstanding shares of our common stock are, and the shares of common stock to be issued in this offering will be, upon payment therefor, fully paid and nonassessable. The rights, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Our common stock will be represented by certificates, unless our board of directors adopts a resolution providing that some or all of our common stock shall be uncertificated. Any such resolution will not apply to any shares of common stock that are already certificated until such shares are surrendered to us.

Preferred Stock

Our board of directors may, from time to time, authorize the issuance of one or more series of preferred stock without stockholder approval. Subject to the provisions of our amended and restated certificate of incorporation and limitations prescribed by law, our board of directors is authorized to adopt resolutions to issue shares, designate the series, establish the number of shares, change the number of shares constituting any series, and provide or change the voting powers, preferences and relative participating, optional and other special rights, and any qualifications, limitations or restrictions on shares of our preferred stock, including dividend rights, terms of redemption, conversion rights and liquidation preferences, in each case without any action or vote by our stockholders. We have no current intention to issue any shares of preferred stock.

One of the effects of undesignated preferred stock may be to enable our board of directors to discourage an attempt to obtain control of our company by means of a tender offer, proxy contest, merger or otherwise. The issuance of preferred stock may adversely affect the rights of our common stockholders by, among other things:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing a change in control without further action by the stockholders.

Limitation on Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation limits the liability of directors to the fullest extent permitted by Delaware law. The effect of these provisions is to eliminate the rights of our company and our stockholders, through stockholders' derivative suits on behalf of our company, to recover monetary damages against a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, our directors will be personally liable to us and our stockholders for any breach of the director's duty of loyalty, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, under Section 174 of the Delaware General Corporation Law or for any transaction from which the director derived an improper personal benefit. In addition, our amended and restated certificate of incorporation and bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. We may enter into indemnification agreements with our current directors and executive officers prior to the completion of this offering. We also maintain directors and officers insurance.

Corporate Opportunities

Our amended and restated certificate of incorporation provides that the Goldman Sachs Funds and the Kelso Funds have no obligation to offer us an opportunity to participate in business opportunities presented to the Goldman Sachs Funds or the Kelso Funds or their respective affiliates even if the opportunity is one that we might reasonably have pursued, and that neither the Goldman Sachs Funds, the Kelso Funds nor their respective affiliates will be liable to us or our stockholders for breach of any duty by reason of any such activities unless, in the case of any person who is a director or officer of our company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as an officer or director of our company. Stockholders will be deemed to have notice of and consented to this provision of our certificate of incorporation.

In addition, the Partnership's limited partnership agreement provides that the owners of the managing general partner of the Partnership, which include the Goldman Sachs Funds and the Kelso Funds, are permitted to engage in separate businesses which directly compete with the Partnership and are not required to share or communicate or offer any potential corporate opportunities to the Partnership even if the opportunity is one that we might reasonably have pursued. The agreement provides that the owners of the managing general partner will not be liable to the Partnership or any partner for breach of any fiduciary or other duty by reason of the fact that such person pursued or acquired for itself any corporate opportunity. See "Risk Factors — Risks Related to the Limited Partnership Structure Through Which We Will Hold Our Interest in the Nitrogen Fertilizer Business — The managing general partner of the Partnership will have a fiduciary duty to favor the interests of its owners, and these interests may differ from, or conflict with, our interests and the interests of our stockholders."

Delaware Anti-Takeover Law

Our amended and restated certificate of incorporation provides that we are not subject to Section 203 of the Delaware General Corporation Law which regulates corporate acquisitions. This law provides that specified persons who, together with affiliates and associates, own, or within three years did own, 15% or more of the outstanding voting stock of a corporation may not engage in business combinations with the corporation for a period of three years after the date on which the person became an interested stockholder. The law defines the term "business combination" to include mergers, asset sales and other transactions in which the interested stockholder receives or could receive a financial benefit on other than a pro rata basis with other stockholders.

Removal of Directors; Vacancies

Our amended and restated certificate of incorporation and bylaws provide that any director or the entire board of directors may be removed with or without cause by the affirmative vote of the majority of all shares then entitled to vote at an election of directors. Our amended and restated certificate of incorporation and bylaws also provide that any vacancies on our board of directors will be filled by the affirmative vote of a majority of the board of directors then in office, even if less than a quorum, or by a sole remaining director.

Voting

The affirmative vote of a plurality of the shares of our common stock present, in person or by proxy will decide the election of any directors, and the affirmative vote of a majority of the shares of our common stock present, in person or by proxy will decide all other matters voted on by stockholders, unless the question is one upon which, by express provision of law, under our amended and restated certificate of incorporation, or under our bylaws, a different vote is required, in which case such provision will control.

Action by Written Consent

Our amended and restated certificate of incorporation and bylaws provide that stockholder action can be taken by written consent of the stockholders only if the Goldman Sachs Funds and the Kelso Funds collectively beneficially own more than 35.0% of the outstanding shares of our common stock.

Ability to Call Special Meetings

Our bylaws provide that special meetings of our stockholders can only be called pursuant to a resolution adopted by a majority of our board of directors or by the chairman of our board of directors. Special meetings may also be called by the holders not less than 25% of the outstanding shares of our common stock if the Goldman Sachs Funds and the Kelso Funds collectively beneficially own 50% or more of the outstanding shares of our common stock. Thereafter, stockholders will not be permitted to call a special meeting or to require our board to call a special meeting.

Amending Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation provides that our certificate of incorporation may be amended by the affirmative vote of a majority of the board of directors and by the affirmative vote of the majority of all shares of our common stock then entitled to vote at any annual or special meeting of stockholders. In addition, our amended and restated certificate of incorporation and bylaws provide that our bylaws may be amended, repealed or new bylaws may be adopted by the affirmative vote of a majority of the board of directors or by the affirmative vote of the majority of all shares of our common stock then entitled to vote at any annual or special meeting of stockholders.

Advance Notice Provisions for Stockholders

In order to nominate directors to our board of directors or bring other business before an annual meeting of our stockholders, a stockholder’s notice must be received by the Secretary of the Company at the principal executive offices of the Company not less than 120 calendar days before the date that our proxy statement is released to stockholders in connection with the previous year’s annual meeting of stockholders, subject to certain exceptions contained in our bylaws. If no annual meeting was held in the previous year, or if the date of the applicable annual meeting has been changed by more than 30 days from the date of the previous year’s annual meeting, then a stockholder’s notice, in order to be considered timely, must be received by the Secretary of the Company no later than the later of the 90th day prior to such annual meeting or the tenth day following the day on which notice of the date of the annual meeting was mailed or public disclosure of such date was made.

Listing

Our common stock has been approved for listing on the New York Stock Exchange under the symbol “CVI.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of this offering, we will have outstanding 81,641,591 shares of common stock. The 15,500,000 shares sold in this offering plus any additional shares sold by the selling stockholders upon exercise of the underwriters' option will be freely tradable without restriction under the Securities Act, unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act. In general, affiliates include executive officers, directors and our largest stockholders. Shares of common stock purchased by affiliates will remain subject to the resale limitations of Rule 144.

The remaining 66,141,591 shares outstanding prior to this offering are restricted securities within the meaning of Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144, 144(k) or Rule 701 promulgated under the Securities Act, which are summarized below.

Our executive officers and directors and the selling stockholders will enter into lock-up agreements in connection with this offering, generally providing that they will not offer, sell, contract to sell, or grant any option to purchase or otherwise dispose of our common stock or any securities exercisable for or convertible into our common stock owned by them for a period of 180 days after the date of this prospectus without the prior written consent of Goldman, Sachs & Co. and Deutsche Bank Securities Inc.

Despite possible earlier eligibility for sale under the provisions of Rules 144, 144(k) and 701 under the Securities Act, any shares subject to a lock-up agreement will not be salable until the lock-up agreement expires or is waived by Goldman, Sachs & Co. and Deutsche Bank Securities Inc. Taking into account the lock-up agreement, and assuming that Coffeyville Acquisition LLC or Coffeyville Acquisition II LLC are not released from their lock-up agreements, the 66,114,441 shares held by our affiliates will be eligible for future sale in accordance with the requirements of Rule 144 upon the expiration of applicable Rule 144 holding periods.

In general, under Rule 144 as currently in effect, after the expiration of lock-up agreements, a person who has beneficially owned restricted securities for at least one year would be entitled to sell within any three month period a number of shares that does not exceed the greater of the following:

- one percent of the number of shares of common stock then outstanding, which will equal approximately 816,416 shares immediately after this offering; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the sale.

Sales under Rule 144 are also subject to requirements with respect to manner-of-sale requirements, notice requirements and the availability of current public information about us. Under Rule 144(k), a person who is not deemed to have been our affiliate at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, is entitled to sell his or her shares without complying with the manner-of-sale, public information, volume limitation, or notice provisions of Rule 144.

Coffeyville Acquisition LLC, Coffeyville Acquisition II LLC and John J. Lipinski, who collectively hold 66,114,441 shares of our common stock, are parties to registration rights agreements with us. Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, who hold 65,861,991 shares collectively, can request that we register their shares with the SEC at any time on up to three occasions each, including pursuant to shelf registration statements. Mr. Lipinski can piggy back on any registration statement we file with the SEC.

Our non-executive officer employees will own the remaining 27,150 shares. We expect to file a Form S-8 registration statement to allow them to freely resell their shares.

UNITED STATES TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS

The following is a summary of the material United States federal income and estate tax consequences of the acquisition, ownership and disposition of our common stock by a non-U.S. holder. As used in this summary, the term "non-U.S. holder" means a beneficial owner of our common stock that is not, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States or a former citizen or resident of the United States subject to taxation as an expatriate;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- a partnership;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust, if (1) a United States court is able to exercise primary supervision over the trust's administration and one or more "United States persons" (within the meaning of the U.S. Internal Revenue Code of 1986, as amended, or the Code) has the authority to control all of the trust's substantial decisions, or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a "United States person."

An individual may be treated as a resident of the United States in any calendar year for United States federal income tax purposes, instead of a nonresident, by, among other ways, being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of this calculation, an individual would count all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

If an entity or arrangement treated as a partnership or other type of pass-through entity for U.S. federal income tax purposes owns our common stock, the tax treatment of a partner or beneficial owner of such entity may depend upon the status of the partner or beneficial owner and the activities of the partnership or entity and by certain determinations made at the partner or beneficial owner level. Partners and beneficial owners in such entities that own our common stock should consult their own tax advisors as to the particular U.S. federal income and estate tax consequences applicable to them.

This summary does not discuss all of the aspects of U.S. federal income and estate taxation that may be relevant to a non-U.S. holder in light of the non-U.S. holder's particular investment or other circumstances. In particular, this summary only addresses a non-U.S. holder that holds our common stock as a capital asset (generally, investment property) and does not address:

- special U.S. federal income tax rules that may apply to particular non-U.S. holders, such as financial institutions, insurance companies, tax-exempt organizations, and dealers and traders in securities or currencies;
- non-U.S. holders holding our common stock as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;
- any U.S. state and local or non-U.S. or other tax consequences; and
- the U.S. federal income or estate tax consequences for the beneficial owners of a non-U.S. holder.

This summary is based on provisions of the Code, applicable United States Treasury regulations and administrative and judicial interpretations, all as in effect or in existence on the date of this prospectus. Subsequent developments in United States federal income or estate tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income and estate tax consequences of purchasing, owning and disposing of our common stock as set forth in this summary. **Each non-U.S. holder should consult a tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax consequences of acquiring, holding and disposing of our common stock.**

Dividends

We do not anticipate making cash distributions on our common stock in the foreseeable future. See “Dividend Policy.” In the event, however, that we make cash distributions on our common stock, such distributions will constitute dividends for United States federal income tax purposes to the extent paid out of current or accumulated earnings and profits of the Company. To the extent such distributions exceed the Company’s earnings and profits, they will be treated first as a return of the stockholder’s basis in their common stock to the extent thereof, and then as gain from the sale of a capital asset. If we make a distribution that is treated as a dividend and is not effectively connected with a non-U.S. holder’s conduct of a trade or business in the United States, we will have to withhold a U.S. federal withholding tax at a rate of 30%, or a lower rate under an applicable income tax treaty, from the gross amount of the dividends paid to such non-U.S. holder. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

In order to claim the benefit of an applicable income tax treaty, a non-U.S. holder will be required to provide a properly executed U.S. Internal Revenue Service Form W-8BEN (or other applicable form) in accordance with the applicable certification and disclosure requirements. Special rules apply to partnerships and other pass-through entities and these certification and disclosure requirements also may apply to beneficial owners of partnerships and other pass-through entities that hold our common stock. A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the U.S. Internal Revenue Service. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty and the manner of claiming the benefits.

Dividends that are effectively connected with a non-U.S. holder’s conduct of a trade or business in the United States and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by the non-U.S. holder in the United States, will be taxed on a net income basis at the regular graduated rates and in the manner applicable to United States persons. In that case, we will not have to withhold U.S. federal withholding tax if the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8ECI (or other applicable form) in accordance with the applicable certification and disclosure requirements. In addition, a “branch profits tax” may be imposed at a 30% rate, or a lower rate under an applicable income tax treaty, on dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States.

Gain on disposition of our common stock

A non-U.S. holder generally will not be taxed on any gain recognized on a disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder’s conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; in these cases, the gain will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons (unless an applicable income tax treaty provides otherwise) and, if the non-U.S. holder is a foreign corporation, the “branch profits tax” described above may also apply;

- the non-U.S. holder is an individual who holds our common stock as a capital asset, is present in the United States for more than 182 days in the taxable year of the disposition and meets other requirements (in which case, except as otherwise provided by an applicable income tax treaty, the gain, which may be offset by U.S. source capital losses, generally will be subject to a flat 30% U.S. federal income tax, even though the non-U.S. holder is not considered a resident alien under the Code); or
- we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held our common stock.

Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not currently, and we do not anticipate becoming in the future, a U.S. real property holding corporation. However, because this determination is made from time to time and is dependent upon a number of factors, some of which are beyond our control, including the value of our assets, there can be no assurance that we will not become a U.S. real property holding corporation.

However, even if we are or have been a U.S. real property holding corporation, a non-U.S. holder which did not beneficially own, actually or constructively, more than 5% of the total fair market value of our common stock at any time during the shorter of the five-year period ending on the date of disposition or the period that our common stock was held by the non-U.S. holder (a "non-5% holder") and which is not otherwise taxed under any other circumstances described above, generally will not be taxed on any gain realized on the disposition of our common stock if, at any time during the calendar year of the disposition, our common stock was regularly traded on an established securities market within the meaning of the applicable United States Treasury regulations.

Our common stock has been approved for listing on the New York Stock Exchange. Although not free from doubt, our common stock should be considered to be regularly traded on an established securities market for any calendar quarter during which it is regularly quoted by brokers or dealers that hold themselves out to buy or sell our common stock at the quoted price. If our common stock were not considered to be regularly traded on an established securities market at any time during the applicable calendar year, then a non-5% holder would be taxed for U.S. federal income tax purposes on any gain realized on the disposition of our common stock on a net income basis as if the gain were effectively connected with the conduct of a U.S. trade or business by the non-5% holder during the taxable year and, in such case, the person acquiring our common stock from a non-5% holder generally would have to withhold 10% of the amount of the proceeds of the disposition. Such withholding may be reduced or eliminated pursuant to a withholding certificate issued by the U.S. Internal Revenue Service in accordance with applicable U.S. Treasury regulations. We urge all non-U.S. holders to consult their own tax advisors regarding the application of these rules to them.

Federal estate tax

Our common stock that is owned or treated as owned by an individual who is not a U.S. citizen or resident of the United States (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Information reporting and backup withholding tax

Dividends paid to a non-U.S. holder may be subject to U.S. information reporting and backup withholding. A non-U.S. holder will be exempt from backup withholding if the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8BEN or otherwise meets documentary evidence requirements for establishing its status as a non-U.S. holder or otherwise establishes an exemption.

The gross proceeds from the disposition of our common stock may be subject to U.S. information reporting and backup withholding. If a non-U.S. holder sells our common stock outside the United States through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to the non-U.S. holder outside the United States, then the U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, United States information reporting, but not U.S. backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a non-U.S. holder sells our common stock through a non-U.S. office of a broker that:

- is a United States person;
- derives 50% or more of its gross income in specific periods from the conduct of a trade or business in the United States;
- is a “controlled foreign corporation” for U.S. federal income tax purposes; or
- is a foreign partnership, if at any time during its tax year:
  - one or more of its partners are United States persons who in the aggregate hold more than 50% of the income or capital interests in the partnership; or
  - the foreign partnership is engaged in a U.S. trade or business,

unless the broker has documentary evidence in its files that the non-U.S. holder is not a United States person and certain other conditions are met or the non-U.S. holder otherwise establishes an exemption.

If a non-U.S. holder receives payments of the proceeds of a sale of our common stock to or through a United States office of a broker, the payment is subject to both U.S. backup withholding and information reporting unless the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8BEN certifying that the non-U.S. Holder is not a “United States person” or the non-U.S. holder otherwise establishes an exemption.

A non-U.S. holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed the non-U.S. holder’s U.S. federal income tax liability by filing a refund claim with the U.S. Internal Revenue Service.

UNDERWRITING

The Company, the selling stockholders and the underwriters to be subsequently identified will enter into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and Deutsche Bank Securities Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Deutsche Bank Securities Inc.	
Credit Suisse Securities (USA) LLC	
Citigroup Global Markets Inc.	
Simmons & Company International	
Total	15,500,000

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised. We expect that the underwriting agreement will provide that the obligations of the underwriters to take and pay for the shares are subject to a number of conditions, including, among others, the accuracy of the Company's representations and warranties in the underwriting agreement, completion of the Transactions, listing of the shares, receipt of specified letters from counsel and the Company's independent registered public accounting firm, and receipt of specified officers' certificates.

To the extent that the underwriters sell more than 15,500,000 shares, the underwriters have an option to buy up to an additional 2,325,000 shares from the selling stockholders to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the Company and the selling stockholders. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock.

Paid by the Company

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the selling stockholders

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. If all of the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms.

The Company, its executive officers and directors and the selling stockholders have agreed with the underwriters, subject to exceptions, not to dispose of or hedge any of the shares of common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans or shares issued in connection with acquisitions or business transactions. See “Shares Eligible for Future Sale” for a discussion of specified transfer restrictions.

The 180-day restricted period described in the preceding paragraph will be automatically extended if: (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or announces material news or a material event; or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 15-day period following the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

The underwriters have informed us that they do not presently intend to release shares or other securities subject to the lock-up agreements. Any determination to release any shares subject to the lock-up agreements would be based on a number of factors at the time of any such determination; such factors may include the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares proposed to be sold, and the timing, purpose and terms of the proposed sale.

At the Company’s request, Deutsche Bank Securities Inc. has reserved for sale, at the initial public offering price, up to 5% of the shares offered hereby sold to certain directors, officers, employees and persons having relationships with the Company. The number of shares of common stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered hereby.

Prior to this offering, there has been no public market for the common stock. The initial public offering price will be negotiated among the Company, the selling stockholders and the representatives. The factors to be considered in determining the initial public offering price of the shares include:

- the history and prospects for our industry;
- our historical performance, including our net sales, net income, margins and certain other financial information;
- estimates of our business potential and earnings prospects;
- an assessment of our management;
- investor demand for our shares of common stock;
- market valuations of companies that we and the representatives believe to be comparable; and
- prevailing securities markets at the time of this offering.

Our common stock has been approved for listing on the New York Stock Exchange under the symbol “CVI.”

In connection with this offering, the underwriters may purchase and sell shares of the common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares from the selling stockholders in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. “Naked” short sales are any sales in excess of that option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the shares of common stock and, together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the shares of common stock. As a result, the price of the shares of common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (2) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

The Company estimates that its share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately $7.5 million.

The Company and the selling stockholders have agreed to indemnify the several underwriters against specified liabilities, including liabilities under the Securities Act.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, investment banking, commercial banking and other services for our company, for which they received or will receive customary fees and expenses. Furthermore, certain of the underwriters and their respective affiliates may, from time to time, enter into arms-length transactions with us in the ordinary course of their business.

Goldman Sachs Credit Partners L.P. and Credit Suisse Securities (USA) LLC are joint lead arrangers and joint bookrunners under our Credit Facility, and Credit Suisse is the administrative agent and Deutsche Bank Trust Company Americas is the syndication agent under our Credit Facility. Goldman Sachs Credit Partners L.P. is the sole lender under the $775.0 million term loan facility under the Credit Facility and, accordingly, will receive all of the net proceeds of this offering that we use to repay term loans under the Credit Facility. Goldman Sachs Credit Partners L.P., Deutsche Bank Securities Inc., Credit Suisse and Citicorp North America, Inc. are lenders under the $150 million revolving loan facility under the Credit Facility. To the extent that we use net proceeds of this offering to repay revolving loans, affiliates of these underwriters will receive substantially all of such net proceeds. See "Description of Our Indebtedness and the Cash Flow Swap." If the underwriters exercise their option to buy additional shares from the selling stockholders, a Goldman, Sachs & Co. affiliate, one of the selling stockholders, will receive a portion of the net proceeds received by the selling stockholders.

Goldman Sachs Credit Partners L.P., as the sole lender under the term loan facility and a lender under the revolving loan facility, will receive more than 10% of the net proceeds of the offering. As a result, Goldman, Sachs & Co., an affiliate of Goldman Sachs Credit Partners L.P., is deemed to have a "conflict of interest" under Rule 2710(h) of the Conduct Rules of the NASD. In addition, because affiliates of Goldman, Sachs & Co. own more than 10% of the Company's outstanding common stock, Goldman, Sachs & Co. is deemed to be an affiliate of the Company under Rule 2720(b)(1) of the NASD Conduct Rules and, therefore, Goldman, Sachs & Co. is also deemed to have a conflict of interest under Rule 2720 of the NASD Conduct Rules. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 2720 of the NASD Conduct Rules. Rule 2720 requires that the initial public offering price can be no higher than that recommended by a "qualified independent underwriter," as defined by the NASD. Deutsche Bank Securities Inc. will serve in that capacity and will perform due diligence investigations and review and participate in the preparation of the registration statement of which this prospectus forms a part.

Goldman, Sachs & Co. also will receive a $5 million termination fee payable in connection with the termination of the management agreement. For a description of other transactions between us and Goldman Sachs & Co. and its affiliates, including payment of dividends by us to such affiliates, see "Certain Relationships and Related Party Transactions" and "The Nitrogen Fertilizer Limited Partnership."

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for our company by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York. Debevoise & Plimpton LLP, New York, New York is acting as counsel to the underwriters. Debevoise & Plimpton LLP has in the past provided, and continues to provide, legal services to Kelso & Company, including relating to Coffeyville Acquisition LLC.

EXPERTS

The consolidated financial statements of CVR Energy, Inc. and subsidiaries, which collectively refer to the consolidated financial statements for the 62 day period ended March 2, 2004 for the former Farmland Petroleum Division and one facility within Farmland's eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division (collectively, Original Predecessor), the consolidated financial statements for the 304-day period ended December 31, 2004 and for the 174-day period ended June 23, 2005 for Coffeyville Group Holdings, LLC and subsidiaries, excluding Leiber Holdings LLC, as discussed in note 1 to the consolidated financial statements, which we refer to as Immediate Predecessor, and the consolidated financial statements as of December 31, 2005 and 2006 and for the 233 day period ended December 31, 2005 and the year ended December 31, 2006 for Coffeyville Acquisition LLC and subsidiaries, which we refer to as Successor, have been included herein (and in the registration statement) in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the consolidated financial statements of CVR Energy, Inc. and subsidiaries noted above contains an explanatory paragraph that states that as discussed in note 1 to the consolidated financial statements, effective March 3, 2004, Immediate Predecessor acquired the net assets of Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, Successor acquired the net assets of Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the periods after the acquisitions are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable. Furthermore, the audit report covering the consolidated financial statements of Coffeyville Acquisition LLC noted above contains an emphasis paragraph that states, as discussed in note 2 to the consolidated financial statements, Farmland allocated certain general corporate expenses and interest expense to Original Predecessor for the 62 day period ended March 2, 2004. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and the exhibits and schedules filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document that has been filed as an exhibit and reference thereto is qualified in all respects by the terms of the filed exhibit. The registration statement, including exhibits and schedules, may be inspected without charge at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549, and copies of all or any part of it may be obtained from that office after payment of fees prescribed by the SEC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at http://www.sec.gov.

GLOSSARY OF SELECTED TERMS

The following are definitions of certain industry terms used in this prospectus.

2-1-1 crack spread	The approximate gross margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel.
Barrel	Common unit of measure in the oil industry which equates to 42 gallons.
Blendstocks	Various compounds that are combined with gasoline or diesel from the crude oil refining process to make finished gasoline and diesel fuel; these may include natural gasoline, FCC unit gasoline, ethanol, reformate or butane, among others.
Bonus plan	The CVR GP, LLC Profit Bonus Plan, which the managing general partner of the MLP intends to adopt prior to the consummation of this offering, and which will relate to distributions of profit made by Coffeyville Acquisition III LLC.
Bonus points	The class of interests to be issued under the bonus plan, which will represent the opportunity to receive a cash payment when distributions of profit are made pursuant to the limited liability company agreement of Coffeyville Acquisition III LLC.
bpd	Abbreviation for barrels per day.
Btu	British thermal units: a measure of energy. One Btu of heat is required to raise the temperature of one pound of water one degree Fahrenheit.
Bulk sales	Volume sales through third party pipelines, in contrast to tanker truck quantity sales.
Bulk spot basis	Prompt bulk sales (as compared to outer month sales).
By-products	Products that result from extracting high value products such as gasoline and diesel fuel from crude oil; these include black oil, sulfur, propane, pet coke and other products.
Capacity	Capacity is defined as the throughput a process unit is capable of sustaining, either on a calendar or stream day basis. The throughput may be expressed in terms of maximum sustainable, nameplate or economic capacity. The maximum sustainable or nameplate capacities may not be the most economical. The economic capacity is the throughput that generally provides the greatest economic benefit based on considerations such as feedstock costs, product values and downstream unit constraints.
Catalyst	A substance that alters, accelerates, or instigates chemical changes, but is neither produced, consumed nor altered in the process.
Coffeyville supply area	Refers to the states of Kansas, Oklahoma, Missouri, Nebraska and Iowa.

Coker unit	A refinery unit that utilizes the lowest value component of crude oil remaining after all higher value products are removed, further breaks down the component into more valuable products and converts the rest into pet coke.
Common units	The class of interests issued or to be issued under the limited liability company agreements governing Coffeyville Acquisition LLC, Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC, which provide for voting rights and have rights with respect to profits and losses of, and distributions from, the respective limited liability companies
Corn belt	The primary corn producing region of the United States, which includes Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio and Wisconsin.
Crack spread	A simplified calculation that measures the difference between the price for light products and crude oil. For example, 2-1-1 crack spread is often referenced and represents the approximate gross margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel.
Crude slate	The mix of different crude types (qualities) being charged to a crude unit.
Crude slate optimization	The process of determining the most economic crude oils to be refined based upon the prevailing product values, crude prices, crude oil yields and refinery process unit operating unit constraints to maximize profit.
Crude unit	The initial refinery unit to process crude oil by separating the crude oil according to boiling point under high heat to recover various hydrocarbon fractions.
Delayed coker	A refinery unit that processes heavy feedstock using high temperature and produces lighter products and petroleum coke.
Distillates	Primarily diesel fuel, kerosene and jet fuel.
Ethanol	A clear, colorless, flammable oxygenated hydrocarbon. Ethanol is typically produced chemically from ethylene, or biologically from fermentation of various sugars from carbohydrates found in agricultural crops and cellulosic residues from crops or wood. It is used in the United States as a gasoline octane enhancer and oxygenate.
Farm belt	Refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin.
Feedstocks	Petroleum products, such as crude oil and natural gas liquids, that are processed and blended into refined products.
Fluid catalytic cracking unit	Converts gas oil from the crude unit or coker unit into liquefied petroleum gas, distillates and gasoline blendstocks by applying heat in the presence of a catalyst.

Fluxant	Material added to coke to aid in the removal of coke metal impurities from the gasifier. The material consists of a mixture of fly ash and sand.
Heavy crude oil	A relatively inexpensive crude oil characterized by high relative density and viscosity. Heavy crude oils require greater levels of processing to produce high value products such as gasoline and diesel fuel.
Independent refiner	A refiner that does not have crude oil exploration or production operations. An independent refiner purchases the crude oil used as feedstock in its refinery operations from third parties.
Light crude oil	A relatively expensive crude oil characterized by low relative density and viscosity. Light crude oils require lower levels of processing to produce high value products such as gasoline and diesel fuel.
Liquefied petroleum gas	Light hydrocarbon material gaseous at atmospheric temperature and pressure, held in the liquid state by pressure to facilitate storage, transport and handling.
Magellan Midstream Partners L.P.	A publicly traded company whose business is the transportation, storage and distribution of refined petroleum products.
Maya	A heavy, sour crude oil from Mexico characterized by an API gravity of approximately 22.0 and a sulfur content of approximately 3.3 weight percent.
Modified Solomon complexity	Standard industry measure of a refinery's ability to process less expensive feedstock, such as heavier and high-sulfur content crude oils, into value-added products. The weighted average of the Solomon complexity factors for each operating unit multiplied by the throughput of each refinery unit, divided by the crude capacity of the refinery.
MTBE	Methyl Tertiary Butyl Ether, an ether produced from the reaction of isobutylene and methanol specifically for use as a gasoline blendstock. The EPA required MTBE or other oxygenates to be blended into reformulated gasoline.
Naphtha	The major constituent of gasoline fractionated from crude oil during the refining process, which is later processed in the reformer unit to increase octane.
Netbacks	Refers to the unit price of fertilizer, in dollars per ton, offered on a delivered basis and excludes shipment costs. Also referred to as plant gate price.
Operating units	Override units granted pursuant to the limited liability company agreements governing Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, which vest based on service.
Override units	The class of interests issued or to be issued under the limited liability company agreements governing Coffeyville Acquisition LLC, Coffeyville Acquisition II LLC and Coffeyville Acquisition

	III LLC, which represent profits interests in the respective limited liability companies. With respect to the override units issued under the limited liability company agreements of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, the units are classified as either operating units or value units.
PADD I	East Coast Petroleum Area for Defense District which includes Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia and West Virginia.
PADD II	Midwest Petroleum Area for Defense District which includes Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and Wisconsin.
PADD III	Gulf Coast Petroleum Area for Defense District which includes Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas.
PADD IV	Rocky Mountains Petroleum Area for Defense District which includes Colorado, Idaho, Montana, Utah, and Wyoming.
PADD V	West Coast Petroleum Area for Defense District which includes Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington.
Pet coke	A coal-like substance that is produced during the refining process.
Phantom performance points	Phantom points granted or to be granted pursuant to the Phantom Unit Plan I and Phantom Unit Plan II, which vest based on performance of the investment made by Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, respectively.
Phantom points	The class of interests to be issued under the Phantom Unit Plan I, and to be issued under the Phantom Unit Plan II, which represent or will represent the opportunity to receive a cash payment when distributions of profit are made pursuant to the limited liability company agreements of Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC. Phantom points are classified as either phantom service points or phantom performance points.
Phantom service points	Phantom points granted or to be granted pursuant to the Phantom Unit Plan I and Phantom Unit Plan II, which vest based on service.
Phantom Unit Plan I	The Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I), which relates to distributions made by Coffeyville Acquisition LLC.
Phantom Unit Plan II	The Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II), which we intend to adopt prior to the consummation of this offering, and which will relate to distributions made by Coffeyville Acquisition II LLC.

Profits interests	Interests in the profits of Coffeyville Acquisition LLC, Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC, also referred to as “override units.”
Rack sales	Sales which are made into tanker truck (versus bulk pipeline batcher) via either a proprietary or third terminal facility designed for truck loading.
Recordable incident	An injury, as defined by OSHA. All work-related deaths and illnesses, and those work-related injuries which result in loss of consciousness, restriction of work or motion, transfer to another job, or require medical treatment beyond first aid.
Recordable injury rate	The number of recordable injuries per 200,000 hours rate worked.
Refined products	Petroleum products, such as gasoline, diesel fuel and jet fuel, that are produced by a refinery.
Refining margin	A measurement calculated as the difference between net sales and cost of products sold (exclusive of depreciation and amortization).
Reformer unit	A refinery unit that processes naphtha and converts it to high-octane gasoline by using a platinum/rhenium catalyst. Also known as a platformer.
Reformulated gasoline	The composition and properties of which meet the requirements of the reformulated gasoline regulations.
Slag	A glasslike substance removed from the gasifier containing the metal impurities originally present in the coke.
Slurry	A byproduct of the fluid catalytic cracking process that is sold for further processing or blending with fuel oil.
Sour crude oil	A crude oil that is relatively high in sulfur content, requiring additional processing to remove the sulfur. Sour crude oil is typically less expensive than sweet crude oil.
Spot market	A market in which commodities are bought and sold for cash and delivered immediately.
Sweet crude oil	A crude oil that is relatively low in sulfur content, requiring less processing to remove the sulfur. Sweet crude oil is typically more expensive than sour crude oil.
Syngas	A mixture of gases (largely carbon monoxide and hydrogen) that results from heating coal in the presence of steam.
Throughput	The volume processed through a unit or a refinery.
Ton	One ton is equal to 2,000 pounds.
Turnaround	A periodically required standard procedure to refurbish and maintain a refinery that involves the shutdown and inspection of major processing units and occurs every three to four years.
UAN	UAN is a solution of urea and ammonium nitrate in water used as a fertilizer.

Utilization	Ratio of total refinery throughput to the rated capacity of the refinery.
Vacuum unit	Secondary refinery unit to process crude oil by separating product from the crude unit according to boiling point under high heat and low pressure to recover various hydrocarbons.
Value units	Override units granted pursuant to the limited liability company agreements governing Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC, which vest based on performance of the investment made by Coffeyville Acquisition LLC or Coffeyville Acquisition II LLC, respectively.
Wheat belt	The primary wheat producing region of the United States, which includes Oklahoma, Kansas, North Dakota, South Dakota and Texas.
WTI	West Texas Intermediate crude oil, a light, sweet crude oil, characterized by an API gravity between 38 and 40 and a sulfur content of approximately 0.3 weight percent that is used as a benchmark for other crude oils.
WTS	West Texas Sour crude oil, a relatively light, sour crude oil characterized by an API gravity of 32-33 degrees and a sulfur content of approximately 2 weight percent.
Yield	The percentage of refined products that is produced from crude and other feedstocks.

CVR Energy, Inc. and Subsidiaries

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

When the transactions referred to in note 1 of the notes to consolidated financial statements have been consummated, we will be in a position to render the following report:

/s/ KPMG LLP

Report of Independent Registered Public Accounting Firm

The Board of Directors
CVR Energy, Inc.:

We have audited the accompanying consolidated balance sheets of CVR Energy, Inc. (the Company), which collectively refers to the consolidated balance sheets as of December 31, 2005 and 2006 of Coffeyville Acquisition LLC and subsidiaries (the Successor) and the related consolidated statements of operations, equity, and cash flows for the former Farmland Industries, Inc. (Farmland) Petroleum Division and one facility within Farmland's eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division (collectively, Original Predecessor) for the 62-day period ended March 2, 2004 and for Coffeyville Group Holdings, LLC and subsidiaries, excluding Leiber Holdings, LLC, as discussed in note 1 to the consolidated financial statements (the Immediate Predecessor) for the 304-day period ended December 31, 2004 and for the 174-day period ended June 23, 2005 and for the Successor for the 233-day period ended December 31, 2005 and for the year ended December 31, 2006. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

As discussed in note 3 to the consolidated financial statements, Farmland allocated certain general corporate expense and interest expense to the Original Predecessor for the 62-day period ended March 2, 2004. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if the Predecessor had operated as a stand-alone entity.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Successor as of December 31, 2005 and 2006 and the results of the Original Predecessor's operations and cash flows for the 62-day period ended March 2, 2004 and the results of the Immediate Predecessor's operations and cash flows for the 304-day period ended December 31, 2004 and for the 174-day period ended June 23, 2005 and the results of the Successor's operations and cash flows for the 233-day period ended December 31, 2005 and for the year ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, effective March 3, 2004, the Immediate Predecessor acquired the net assets of the Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, the Successor acquired the net assets of the Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the periods after the acquisitions are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable.

Kansas City, Missouri
March 19, 2007
except as to note 1, which is as of   , 2007

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

	Coffeyville Acquisition LLC Successor December 31, 2005	Coffeyville Acquisition LLC Successor December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	$ 64,703,524	$ 41,919,260
Accounts receivable, net of allowance for doubtful accounts of $275,188 and $375,443, respectively	71,560,052	69,589,161
Inventories	154,275,818	161,432,793
Prepaid expenses and other current assets	14,709,309	18,524,017
Deferred income taxes	31,059,748	18,888,660
Income tax receivable	—	32,099,163
Total current assets	336,308,451	342,453,054
Property, plant, and equipment, net of accumulated depreciation	772,512,884	1,007,155,873
Intangible assets, net	1,008,547	638,456
Goodwill	83,774,885	83,774,885
Deferred financing costs, net	19,524,839	9,128,258
Other long-term assets	8,418,297	6,328,989
Total assets	$ 1,221,547,903	$ 1,449,479,515
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 2,235,973	$ 5,797,981
Accounts payable	87,914,833	138,911,088
Personnel accruals	10,796,896	24,731,283
Accrued taxes other than income taxes	4,841,234	9,034,841
Accrued income taxes	4,939,614	—
Payable to swap counterparty	96,688,956	36,894,802
Deferred revenue	12,029,987	8,812,350
Other current liabilities	8,831,937	6,017,435
Total current liabilities	228,279,430	230,199,780
Long-term liabilities:		
Long-term debt, less current portion	497,201,527	769,202,019
Accrued environmental liabilities	7,009,388	5,395,105
Deferred income taxes	209,523,747	284,122,958
Payable to swap counterparty	160,033,333	72,806,486
Total long-term liabilities	873,767,995	1,131,526,568
Minority interest in subsidiaries	—	4,326,188
Management voting common units subject to redemption, 227,500 and 201,063 units issued and outstanding in 2005 and 2006, respectively	4,172,350	6,980,907
Less: note receivable from management unit holder	(500,000)	—
Total management voting common units subject to redemption, net	3,672,350	6,980,907
Members' equity:		
Voting common units, 23,588,500 and 22,614,937 units issued and outstanding in 2005 and 2006, respectively	114,830,560	73,593,326
Management nonvoting override units, 2,758,895 and 2,976,353 units issued and outstanding in 2005 and 2006, respectively	997,568	2,852,746
Total members' equity	115,828,128	76,446,072
Total liabilities and equity	$ 1,221,547,903	$ 1,449,479,515

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

	Farmland Industries Original Predecessor	Coffeyville Group Holdings, LLC Immediate Predecessor		Coffeyville Acquisition LLC Successor	
	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006
Net sales	$ 261,086,529	$ 1,479,893,189	$ 980,706,261	$ 1,454,259,542	$ 3,037,567,362
Operating costs and expenses:					
Cost of product sold (exclusive of depreciation and amortization)	221,449,177	1,244,207,423	768,067,178	1,168,137,217	2,443,374,743
Direct operating expenses (exclusive of depreciation and amortization)	23,353,462	116,984,384	80,913,862	85,313,202	198,979,983
Selling, general and administrative expenses (exclusive of depreciation and amortization)	4,649,145	16,284,084	18,341,522	18,320,030	62,600,121
Depreciation and amortization	432,003	2,445,961	1,128,005	23,954,031	51,004,582
Total operating costs and expenses	249,883,787	1,379,921,852	868,450,567	1,295,724,480	2,755,959,429
Operating income	11,202,742	99,971,337	112,255,694	158,535,062	281,607,933
Other income (expense):					
Interest expense and other financing costs	—	(10,058,450)	(7,801,821)	(25,007,159)	(43,879,644)
Interest income	—	169,652	511,687	972,264	3,450,190
Gain (loss) on derivatives	—	546,604	(7,664,725)	(316,062,111)	94,493,141
Loss on extinguishment of debt	—	(7,166,110)	(8,093,754)	—	(23,360,306)
Other income (expense)	9,345	52,659	(762,616)	(563,190)	(899,831)
Total other income (expense)	9,345	(16,455,645)	(23,811,229)	(340,660,196)	29,803,550
Income (loss) before income taxes	11,212,087	83,515,692	88,444,465	(182,125,134)	311,411,483
Income tax expense (benefit)	—	33,805,480	36,047,516	(62,968,044)	119,840,160
Net income (loss)	$ 11,212,087	$ 49,710,212	$ 52,396,949	$ (119,157,090)	$ 191,571,323
Unaudited Pro Forma Information (Note 2)					
Basic earnings per common share					$ 2.27
Diluted earnings per common share					$ 2.26
Basic weighted average common shares outstanding					84,563,025
Diluted weighted average common shares outstanding					84,580,525

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY

	Divisional Equity	Voting Preferred	Nonvoting Common	Unearned Compensation	Total
Original Predecessor					
For the 62 days ended March 2, 2004					
Balance, December 31, 2003	$ 58,191,489	$ —	$ —	$ —	$ 58,191,489
Net income	11,212,087	—	—	—	11,212,087
Net distribution to Farmland Industries, Inc.	(53,216,357)	—	—	—	(53,216,357)
Balance, March 2, 2004	$ 16,187,219	$ —	$ —	$ —	$ 16,187,219
Immediate Predecessor					
For the 304 days ended December 31, 2004 and the 174 days ended June 23, 2005					
Members' Equity, March 3, 2004	$ —	$ —	$ —	$ —	$ —
Issuance of 63,200,000 preferred units for cash	—	63,200,000	—	—	63,200,000
Issuance of 11,152,941 common units to management for recourse promissory notes and unearned compensation	—	—	3,100,000	(3,037,000)	63,000
Issuance of 500,000 common units to management for recourse promissory notes and unearned compensation	—	—	2,047,450	(2,044,600)	2,850
Recognition of earned compensation expense related to common units	—	—	—	1,095,609	1,095,609
Dividends on preferred units ($1.50 per unit)	—	(94,686,276)	—	—	(94,686,276)
Dividends to management on common units ($0.48 per unit)	—	—	(5,301,233)	—	(5,301,233)
Net income	—	41,971,436	7,738,776	—	49,710,212
Members' Equity, December 31, 2004	—	10,485,160	7,584,993	(3,985,991)	14,084,162
Recognition of earned compensation expense related to common units	—	—	—	3,985,991	3,985,991
Contributed capital	—	728,724	—	—	728,724
Dividends on preferred units ($0.70 per unit)	—	(44,083,323)	—	—	(44,083,323)
Dividends to management on common units ($0.70 per unit)	—	—	(8,128,170)	—	(8,128,170)
Net income	—	44,239,908	8,157,041	—	52,396,949
Members' Equity, June 23, 2005	$ —	$ 11,370,469	$ 7,613,864	$ —	$ 18,984,333

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Management Voting Common Units Subject to Redemption		Note Receivable from Management Unit Holder	Total
	Units	Dollars	Dollars	Dollars
Successor				
For the 233 days ended December 31, 2005, and the year ended December 31, 2006				
Balance at May 13, 2005	—	$ —	$ —	$ —
Issuance of 177,500 common units for cash	177,500	1,775,000	—	1,775,000
Issuance of 50,000 common units for note receivable	50,000	500,000	(500,000)	—
Adjustment to fair value for management common units	—	3,035,586	—	3,035,586
Net loss allocated to management common units	—	(1,138,236)	—	(1,138,236)
Balance at December 31, 2005	227,500	4,172,350	(500,000)	3,672,350
Payment of note receivable	—	—	150,000	150,000
Forgiveness of note receivable	—	—	350,000	350,000
Adjustment to fair value for management common units	—	4,239,548	—	4,239,548
Prorata reduction of management common units outstanding	(26,437)	—	—	—
Distributions to management on common units	—	(3,119,188)	—	(3,119,188)
Net income allocated to management common units	—	1,688,197	—	1,688,197
Balance at December 31, 2006	201,063	$ 6,980,907	$ —	$ 6,980,907

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Voting Common Units		Management Nonvoting Override Operating Units		Management Nonvoting Override Value Units		Total
	Units	Dollars	Units	Dollars	Units	Dollars	Dollars
For the 233 days ended December 31, 2005, and the year ended December 31, 2006							
Balance at May 13, 2005	—	$ —	—	$ —	—	$ —	$ —
Issuance of 23,588,500 common units for cash	23,588,500	235,885,000	—	—	—	—	235,885,000
Issuance of 919,630 nonvested operating override units	—	—	919,630	—	—	—	—
Issuance of 1,839,265 nonvested value override units	—	—	—	—	1,839,265	—	—
Recognition of share-based compensation expense related to override units	—	—	—	602,381	—	395,187	997,568
Adjustment to fair value for management common units	—	(3,035,586)	—	—	—	—	(3,035,586)
Net loss allocated to common units	—	(118,018,854)	—	—	—	—	(118,018,854)
Balance at December 31, 2005	23,588,500	114,830,560	919,630	602,381	1,839,265	395,187	115,828,128
Issuance of 2,000,000 common units for cash	2,000,000	20,000,000	—	—	—	—	20,000,000
Recognition of share-based compensation expense related to override units	—	—	—	1,160,530	—	694,648	1,855,178
Adjustment to fair value for management common units	—	(4,239,548)	—	—	—	—	(4,239,548)
Prorata reduction of common units outstanding	(2,973,563)	—	—	—	—	—	—
Issuance of 72,492 nonvested operating override units	—	—	72,492	—	—	—	—
Issuance of 144,966 nonvested value override units	—	—	—	—	144,966	—	—
Distributions to common unit holders	—	(246,880,812)	—	—	—	—	(246,880,812)
Net income allocated to common units	—	189,883,126	—	—	—	—	189,883,126
Balance at December 31, 2006	22,614,937	$ 73,593,326	992,122	$ 1,762,911	1,984,231	$ 1,089,835	$ 76,446,072

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Farmland Industries Original Predecessor	Coffeyville Group Holdings, LLC Immediate Predecessor		Coffeyville Acquisition LLC Successor	
	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006
Cash flows from operating activities:					
Net income (loss)	$ 11,212,087	$ 49,710,212	$ 52,396,949	$ (119,157,090)	$ 191,571,323
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	432,003	2,445,961	1,128,005	23,954,031	51,004,582
Provision for doubtful accounts	—	190,468	(190,468)	275,189	100,255
Amortization of deferred financing costs	—	1,332,890	812,166	1,751,041	3,336,795
Loss on disposition of fixed assets	—	—	—	—	1,188,360
Loss on extinguishment of debt	—	7,166,110	8,093,754	—	23,360,306
Forgiveness of note receivable	—	—	—	—	350,000
Share-based compensation	—	1,095,609	3,985,991	997,568	6,181,366
Changes in assets and liabilities, net of effect of acquisition:					
Accounts receivable	19,635,303	(23,571,436)	(11,334,177)	(34,506,244)	1,870,636
Inventories	(6,399,677)	20,068,625	(59,045,550)	1,895,473	(7,156,975)
Prepaid expenses and other current assets	25,716,107	(6,758,666)	(937,543)	(6,491,633)	(5,383,117)
Other long-term assets	715,132	(5,379,727)	3,036,659	(4,651,733)	1,971,859
Accounts payable	(6,759,702)	31,059,282	16,124,794	40,655,763	5,004,826
Accrued income taxes	—	1,301,160	4,503,574	(136,398)	(37,038,777)
Deferred revenue	8,319,913	1,209,008	(9,073,050)	9,983,132	(3,217,637)
Other current liabilities	364,555	12,967,500	1,254,196	10,499,712	15,313,492
Payable to swap counterparty	—	—	—	256,722,289	(147,021,001)
Accrued environmental liabilities	(20,057)	(1,746,043)	(1,553,184)	(538,365)	(1,614,283)
Other long-term liabilities	—	(689,372)	(297,105)	(295,776)	—
Deferred income taxes	—	(615,680)	3,803,937	(98,424,817)	86,770,299
Net cash provided by operating activities	53,215,664	89,785,901	12,708,948	82,532,142	186,592,309
Cash flows from investing activities:					
Cash paid for acquisition of Original Predecessor	—	(116,599,329)	—	—	—
Cash paid for acquisition of Immediate Predecessor, net of cash acquired	—	—	—	(685,125,669)	—
Capital expenditures	—	(14,160,280)	(12,256,793)	(45,172,134)	(240,225,392)
Net cash used in investing activities	—	(130,759,609)	(12,256,793)	(730,297,803)	(240,225,392)
Cash flows from financing activities:					
Revolving debt payments	—	(57,686,789)	(343,449)	(69,286,016)	(900,000)
Revolving debt borrowings	—	57,743,299	492,308	69,286,016	900,000
Proceeds from issuance of long-term debt	—	171,900,000	—	500,000,000	805,000,000
Principal payments on long-term debt	—	(23,025,000)	(375,000)	(562,500)	(529,437,500)
Repayment of capital lease obligation	—	(1,176,424)	—	—	—
Net divisional equity distribution	(53,216,357)	—	—	—	—
Payment of financing costs	—	(16,309,917)	—	(24,628,315)	(9,363,681)
Prepayment penalty on extinguishment of debt	—	(1,095,000)	—	—	(5,500,000)
Payment of note receivable	—	—	—	—	150,000
Issuance of members' equity	—	63,263,000	—	237,660,000	20,000,000
Distribution of members' equity	—	(99,987,509)	(52,211,493)	—	(250,000,000)
Net cash provided by (used in) financing activities	(53,216,357)	93,625,660	(52,437,634)	712,469,185	30,848,819
Net increase (decrease) in cash and cash equivalents	(693)	52,651,952	(51,985,479)	64,703,524	(22,784,264)
Cash and cash equivalents, beginning of period	2,250	—	52,651,952	—	64,703,524
Cash and cash equivalents, end of period	$ 1,557	$ 52,651,952	$ 666,473	$ 64,703,524	$ 41,919,260
Supplemental disclosures					
Cash paid for income taxes	$ —	$ 33,820,000	$ 27,040,000	$ 35,593,172	$ 70,108,638
Cash paid for interest	$ —	$ 8,570,069	$ 7,287,351	$ 23,578,178	$ 51,854,047
Non-cash investing and financing activities:					
Accrual of construction in progress additions	$ —	$ —	$ —	$ —	$ 45,991,429
Contributed capital through Leiber tax savings	$ —	$ —	$ 728,724	$ —	$ —

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Organization and Nature of Business and the Acquisitions

General

CVR Energy, Inc. (CVR) was incorporated in Delaware in September 2006. CVR has assumed that concurrent with this offering, a newly formed direct subsidiary of CVR's will merge with Coffeyville Refining & Marketing, Inc. (CRM) and a separate newly formed direct subsidiary of CVR's will merge with Coffeyville Nitrogen Fertilizers, Inc. (CNF) which will make CRM and CNF directly owned subsidiaries of CVR.

In addition, prior to the consummation of this offering, CVR intends to transfer Coffeyville Nitrogen Fertilizers, LLC (CRNF), its nitrogen fertilizer business, to a newly created limited partnership (Partnership) in exchange for a managing general partner interest (managing GP) and a special general partner interest (special GP interest). CVR intends to sell the managing GP interest to an entity owned by its controlling stockholders and senior management at fair market value prior to the consummation of this offering.

The fair value of the managing general partner interest was determined, after consultation with management and a third party valuation firm, by calculating the projected cash flows due to the managing general partner under the terms of the Partnership's limited partnership agreement, subject to an appropriate discount. The Partnership's cash distributions were assumed to be flat at expected forward fertilizer prices, with cash reserves developed in periods of high prices and cash reserves reduced in periods of lower prices. The Partnership's projected cash flows utilized for the valuation were calculated based on estimates of production volumes and operating costs which were developed by management based on historical operations and experience. Price projections were based on information received from Blue Johnson & Associates, a fertilizer industry consultant in the United States, which CVR routinely uses for fertilizer market analysis.

In conjunction with CVR's ownership of the special GP interest, it will initially own all of the interests in the Partnership (other than the managing general partner interest and associated IDRs described below) and will initially be entitled to all cash that is distributed by the Partnership. The managing GP will not be entitled to participate in Partnership distributions except in respect of associated incentive distribution rights, or IDRs, which entitle the managing GP to receive increasing percentages of the Partnership's quarterly distributions if the Partnership increases its distributions above an amount specified in the Partnership Agreement. The Partnership will not make any distributions with respect to the IDRs until the Aggregate Adjusted Operating Surplus, as defined in the Partnership Agreement, generated by the Partnership during the period from its formation through June 30, 2009 has been distributed in respect of the special GP interests, which CVR will hold, and/or the Partnership's common and subordinated interests (none of which are yet outstanding, but which would be issued if the Partnership issues equity in the future). In addition, there will be no distributions paid on the managing GP's IDRs for so long as the Partnership or its subsidiaries are guarantors under CRLLC's Credit Facility.

The Partnership will be primarily managed by the managing GP, but will be operated by CVR's senior management pursuant to a management services agreement to be entered into among CVR, the managing GP, and the Partnership. In addition, CVR will have approval rights regarding the appointment, termination, and compensation of the chief executive officer and chief financial officer of the managing GP, will designate one member of the board of directors of the managing GP, and will have approval rights regarding specified major business decisions by the managing GP.

Successor is a Delaware limited liability company formed May 13, 2005. Successor, acting through wholly-owned subsidiaries, is an independent petroleum refiner and marketer in the mid-continental United States and a producer and marketer of upgraded nitrogen fertilizer products in North America.

On June 24, 2005, Successor acquired all of the outstanding stock of CRM; CNF; Coffeyville Crude Transportation, Inc. (CCT); Coffeyville Pipeline, Inc. (CP); and Coffeyville Terminal, Inc. (CT) (collectively, CRIncs) from Coffeyville Group Holdings, LLC (Immediate Predecessor) (the Subsequent Acquisition). As a result of this transaction, CRIncs ownership increased to 100% of CL JV Holdings, LLC (CLJV), a Delaware limited liability company formed on September 27, 2004. CRIncs directly and indirectly, through CLJV, collectively own 100% of Coffeyville Resources, LLC (CRLLC) and its wholly owned subsidiaries, Coffeyville Resources Refining & Marketing, LLC (CRRM); Coffeyville Resources Nitrogen Fertilizers, LLC (CRNF); Coffeyville Resources Crude Transportation, LLC (CRCT); Coffeyville Resources Pipeline, LLC (CRP); and Coffeyville Resources Terminal, LLC (CRT).

Successor had no financial statement activity during the period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil, and gasoline option agreements entered into with a related party (see notes 15 and 16) as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying consolidated statements of operations as gain (loss) on derivatives for the 233 days ended December 31, 2005.

Immediate Predecessor was a Delaware limited liability company formed in October 2003. There was no financial statement activity until March 3, 2004, when Immediate Predecessor, acting through wholly owned subsidiaries, acquired the assets of the former Farmland Industries, Inc. (Farmland) Petroleum Division and one facility located in Coffeyville, Kansas within Farmland's eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division (collectively, Original Predecessor) (the Initial Acquisition). As of March 3, 2004, Immediate Predecessor owned 100% of CRIncs, and CRIncs owned 100% of CRLLC and its wholly owned subsidiaries, CRRM, CRNF, CRCT, CRP, and CRT. Farmland was a farm supply cooperative and a processing and marketing cooperative. Original Predecessor operated as a division of Farmland (Petroleum), and as a plant within a division of Farmland (Nitrogen Fertilizer). The accompanying Original Predecessor financial statements principally reflect the refining, crude oil gathering, and petroleum distribution operations of Farmland and the only coke gasification plant of Farmland's nitrogen fertilizer operations.

Since the assets and liabilities of Successor and Immediate Predecessor (collectively, CVR) were each presented on a new basis of accounting, the financial information for Successor, Immediate Predecessor, and Original Predecessor (collectively, the Entities) is not comparable.

On October 8, 2004, Immediate Predecessor, acting through its wholly owned subsidiaries, CRM and CNF, contributed 68.7% of its membership in CRLLC to CLJV, in exchange for a controlling interest in CLJV. Concurrently, The Leiber Group, Inc., a company whose majority stockholder is Pegasus Partners II, L.P., the Immediate Predecessor's principal stockholder, contributed to CLJV its interest in the Judith Leiber business, which is a designer handbag business, in exchange for a minority interest in CLJV. The Judith Leiber business is owned through Leiber Holdings, LLC (LH), a Delaware limited liability company wholly owned by CLJV. Based on the relative values of the properties at the time of contribution to CLJV, CRM and CNF collectively, were entitled to 80.5% of CLJV's net profits and net losses. Under the terms of CRLLC's credit agreement, CRLLC was permitted to make tax distributions to its members, including CLJV, in amounts equal to the tax liability that would be incurred by CRLLC if its net income were subject to corporate-level income tax. From the tax distributions CLJV received from CRLLC as of December 31, 2004 and June 23, 2005, CLJV contributed $1,600,000 and $4,050,000, respectively, to LH which is presented as tax expense in the respective periods in the accompanying consolidated statements of operations for the reasons discussed below.

On June 23, 2005, as part of the stock purchase agreement, LH completed a merger with Leiber Merger, LLC, a wholly owned subsidiary of The Leiber Group, Inc. As a result of the merger, the surviving entity was LH. Under the terms of the agreement, CLJV forfeited all of its ownership in LH to The Leiber Group, Inc in exchange for LH's interest in CLJV. The result of this transaction was to effectively redistribute the contributed businesses back to The Leiber Group, Inc.

The operations of LH and its subsidiaries (collectively, Leiber) have not been included in the accompanying consolidated financial statements of the Immediate Predecessor because Leiber's operations were unrelated to, and are not part of, the ongoing operations of CVR. CLJV's management was not the same as the Immediate Predecessor's, the Successor's, or CVR's, there were no intercompany transactions between CLJV and the Immediate Predecessor, the Successor, or CVR, aside from the contributions, and the Immediate Predecessor only participated in the joint venture for a short period of time. CLJV's contributions to LH of $1,600,000 and $4,050,000 have been reflected as a reduction to accrued income taxes in the accompanying consolidated balance sheets to appropriately reflect the accrued income tax obligations of Immediate Predecessor as of December 31, 2004 and June 23, 2005, respectively. The tax benefits received from LH, as a result of losses incurred by LH, have been reflected as capital contributions in the accompanying consolidated financial statements of the Immediate Predecessor.

Farmland Industries, Inc.'s Bankruptcy Proceedings and the Initial Acquisition

On May 31, 2002 (the Petition Date), Farmland Industries, Inc. and four of its subsidiaries, Farmland Foods, Inc.; Farmland Pipeline Company, Inc.; Farmland Transportation, Inc.; and SFA, Inc. (collectively, the Debtors or Farmland), filed voluntary petitions for protection under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court, Western District of Missouri (the Court). Petroleum and Nitrogen Fertilizer were divisions of Farmland; therefore, their assets and liabilities were included in the bankruptcy filings. Farmland continued to manage the business as debtor-in-possession but could not engage in transactions outside the ordinary course of business without the approval of the Court.

As a result of the filing on May 31, 2002 of petitions under Chapter 11 of the Bankruptcy Code by the Debtors, the accompanying Original Predecessor's financial statements have been prepared in accordance with AICPA Statement of Position (SOP) 90-7, *Financial Reporting by Entities in Reorganization Under the Bankruptcy Code*, and in accordance with accounting principles generally accepted in the United States of America applicable to a going concern, which, unless otherwise noted, assume the realization of assets and the payment of liabilities in the ordinary course of business.

Pursuant to the provisions of the Bankruptcy Code, on November 27, 2002 the Debtors filed with the Court a Plan of Reorganization under which the Debtors' liabilities and equity interests would be restructured. Subsequently, on July 31, 2003, the Debtors filed with the Court an Amended Plan of Reorganization (the Amended Plan). The Amended Plan as filed in effect contemplated that the Debtors would continue in existence solely for the purpose of liquidating any remaining assets of the estate, including the Petroleum and Nitrogen Fertilizer segments. In accordance with the Amended Plan, on October 10, 2003, the Court entered an order approving the auction and bid procedures for the sale of the Petroleum Division and Coffeyville nitrogen fertilizer plant to subsidiaries of Immediate Predecessor. Through an auction process conducted by the Court, the assets of Original Predecessor were sold on March 3, 2004, to Immediate Predecessor for $106,727,365, including the assumption of $23,216,554 of liabilities. Immediate Predecessor also paid transaction costs of $9,871,964, which consisted of legal, accounting, and advisory fees of $7,371,964 paid to various parties and a finder's fee of $2,500,000 paid to Pegasus Capital Advisors, L.P. (see note 16). Immediate Predecessor's primary reason for the purchase was the belief that long-term fundamentals for the refining industry were strengthening and the capital requirement was within its desired investment range. The cost of the Initial Acquisition was financed through long-term borrowings of approximately $60.7 million and the issuance of preferred units of approximately $63.2 million. The allocation of the purchase price at March 3, 2004, the date of the Initial Acquisition, was as follows:

Assets acquired		
Inventories	$	100,491,131
Prepaid expenses and other current assets		1,085,598
Property, plant, and equipment		38,239,154
Total assets acquired	$	139,815,883
Liabilities assumed		
Deferred revenue	$	9,910,897
Capital lease obligations		1,176,424
Accrued environmental liabilities		10,846,980
Other long-term liabilities		1,282,253
Total liabilities assumed	$	23,216,554
Cash paid for acquisition of Original Predecessor	$	116,599,329

The Subsequent Acquisition

On May 15, 2005, Successor and Immediate Predecessor entered into an agreement whereby Successor acquired 100% of the outstanding stock of CRIncs with an effective date of June 24, 2005 for $673,273,440, including the assumption of $353,084,637 of liabilities. Successor also paid transaction costs of $12,518,702, which consisted of legal, accounting, and advisory fees of $5,782,740 paid to various parties, and transaction fees of $6,000,000 and $735,962 in expenses related to the acquisition paid to institutional investors (see note 16). Successor's primary reason for the purchase was the belief that long-term fundamentals for the refining industry were strengthening and the capital requirement was within its desired investment range. The cost of the Subsequent Acquisition was financed through long-term borrowings of approximately $500 million, short-term borrowings of approximately $12.6 million, and the issuance of common units for approximately

$227.7 million. The allocation of the purchase price at June 24, 2005, the date of the Subsequent Acquisition, is as follows:

Assets acquired	
Cash	$ 666,473
Accounts receivable	37,328,997
Inventories	156,171,291
Prepaid expenses and other current assets	4,865,241
Intangibles, contractual agreements	1,322,000
Goodwill	83,774,885
Other long-term assets	3,837,647
Property, plant, and equipment	750,910,245
Total assets acquired	$ 1,038,876,779
Liabilities assumed	
Accounts payable	$ 47,259,070
Other current liabilities	16,017,210
Current income taxes	5,076,012
Deferred income taxes	276,888,816
Other long-term liabilities	7,843,529
Total liabilities assumed	$ 353,084,637
Cash paid for acquisition of Immediate Predecessor	$ 685,792,142

(2) Unaudited Pro Forma Information

Earnings per share is calculated on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering. Pro forma earnings per share assumes that in conjunction with the initial public offering, Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc. will merge with two of CVR's direct wholly owned subsidiaries; prior to the completion of this offering, CVR will effect a 658,619.93 for 1 stock split; CVR will issue 252,448 shares of its common stock to an executive officer in exchange for his shares in two of Successor's subsidiaries, CVR will issue 27,150 shares of its common stock to its employees, CVR will issue 17,500 shares of its common stock to two board of director members and CVR will issue 15,500,000 shares of common stock in this offering. No effect has been given to any shares that might be sold in this offering pursuant to the exercise by the underwriters of their option. The weighted average shares outstanding also gives effect to the increase in the number of shares which, when multiplied by the offering price, would be sufficient to replace the capital in excess of earnings withdrawn, as a result of CVR paying dividends for the year ended December 31, 2006 in excess of earnings for such period, or 2,921,434 shares.

Pro forma earnings per share for the year ended December 31, 2006 is calculated as follows (unaudited):

Net income for the year ended December 31, 2006	$	191,571,323
Pro forma weighted average shares outstanding:		
Existing CVR common shares		100
Effect of 658,619.93 to 1 stock split		65,861,893
Issuance of common shares to management in exchange for subsidiary shares		252,448
Issuance of common shares to employees		27,150
Issuance of common shares in this offering		15,500,000
Effect of dividends in excess of earnings		2,921,434
Basic weighted average shares outstanding		84,563,025
Dilutive securities — issuance of nonvested common shares to board directors		17,500
Diluted weighted average shares outstanding		84,580,525
Pro forma basic earnings per share	$	2.27
Pro forma dilutive earnings per share	$	2.27

(3) Basis of Presentation

The accompanying Original Predecessor financial statements reflect an allocation of certain general corporate expenses of Farmland, including general and corporate insurance, corporate retirement and benefits, human resources and payroll department salaries, facility costs, information services, and information systems support. The costs allocated to the Original Predecessor were $3,802,996 for the 62-day period ended March 2, 2004 and are included in selling, general, and administrative expenses (exclusive of depreciation and amortization). These allocations were based on a variety of factors dependent on the nature of the costs, including fixed asset levels, administrative headcount, and production headcount. The Petroleum Division and Coffeyville nitrogen plant represented a continually increasing percentage of Farmland's business as a result of Farmland's restructuring efforts, which by December 2003 included the disposition of nearly all Farmland's operating assets with the exception of the Petroleum Division and Coffeyville nitrogen plant. As a result, the Petroleum Division and Coffeyville nitrogen plant were allocated a higher percentage of corporate cost in the 62-day period ending on March 2, 2004 than in 2003. The costs of these services are not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity. Reorganization expenses for legal and professional fees incurred by Farmland in connection with the bankruptcy proceedings were not allocated to the Original Predecessor. In addition, umbrella property insurance premiums were allocated across Farmland's divisions based on recoverable values. Property insurance costs allocated to the Original Predecessor were $357,324 for the 62-day period ended March 2, 2004 and are included in direct operating expenses (exclusive of depreciation and amortization). All interest expense on secured borrowings was allocated based on identifiable net assets of each of Farmland's divisions. Under bankruptcy law, payment of interest on Farmland's unsecured debt was stayed beginning on the Petition Date. Accordingly, Farmland did not allocate any interest on its unsecured borrowings to the Original Predecessor for the 62 days ended March 2, 2004. Management believes all allocations described above were made on a reasonable basis.

Farmland used a centralized approach to cash management and the financing of its operations. As a result, amounts owed to or by Farmland are reflected as a component of divisional equity on the accompanying consolidated statements of equity. Farmland's divisional equity represents the net investment Farmland had in the reporting entity.

(4) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying CVR consolidated financial statements include the accounts of CVR Energy, Inc. and its majority-owned direct and indirect subsidiaries. The minority interest in their subsidiaries relates to stock that was issued to a related party on December 28, 2006 (see note 5). All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, CVR considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable

CVR grants credit to its customers. Credit is extended based on an evaluation of a customer's financial condition; generally, collateral is not required. Accounts receivable are due on negotiated terms and are stated at amounts due from customers, net of an allowance for doubtful accounts. Accounts outstanding longer than their contractual payment terms are considered past due. CVR determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade accounts are past due, the customer's ability to pay its obligations to CVR, and the condition of the general economy and the industry as a whole. CVR writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. At December 31, 2005 and 2006, two customers individually represented greater than 10% and collectively represented 41% and 29%, respectively, of the total accounts receivable balance. The largest concentration of credit for any one customer at December 31, 2005 and 2006 was 28% and 16%, respectively, of the accounts receivable balance.

Inventories

Inventories consist primarily of crude oil, blending stock and components, work in progress, fertilizer products, and refined fuels and by-products. Inventories are valued at the lower of moving-average cost, which approximates the first-in, first-out (FIFO) method, or market for fertilizer products and at the lower of FIFO cost or market for refined fuels and by-products for all periods presented. Refinery unfinished and finished products inventory values were determined using the ability-to-bare process, whereby raw materials and production costs are allocated to work-in-process and finished products based on their relative fair values. Other inventories, including other raw materials, spare parts, and supplies, are valued at the lower of average cost, which approximates FIFO, or market. The cost of inventories includes inbound freight costs.

In connection with the initial distribution of the accompanying Original Predecessor financial statements for purposes of effecting a business combination, the Original Predecessor changed its method of accounting for inventories from the last-in, first-out (LIFO) method to the FIFO method. Management believes the FIFO method is preferable in the circumstances because the FIFO method is considered to represent a better matching of costs with related revenues under current volatile market conditions. Accordingly, crude oil, blending stock and components, work in progress, and refined fuels and by-products are valued at the lower of FIFO cost or market for all years presented.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of prepayments for crude oil deliveries to the refinery for which title had not transferred, non-trade accounts receivables, current portions of prepaid insurance and deferred financing costs, and other general current assets.

Property, Plant, and Equipment

Additions to property, plant and equipment, including capitalized interest and certain costs allocable to construction and property purchases, are recorded at cost. Capitalized interest is added to any capital project over $1,000,000 in cost which is expected to take more than six months to complete. Depreciation is computed using principally the straight-line method over the estimated useful lives of the assets. The useful lives are as follows:

Asset	Range of useful lives, in years
Improvements to land	15 to 20
Buildings	20 to 30
Machinery and equipment	5 to 30
Automotive equipment	5
Furniture and fixtures	3 to 7

Our leasehold improvements are depreciated on the straight-line method over the shorter of the contractual lease term or the estimated useful life.

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquired entity over the fair value of the assets acquired less liabilities assumed. Intangible assets are assets that lack physical substance (excluding financial assets). Goodwill acquired in a business combination and intangible assets with indefinite useful lives are not amortized, and intangible assets with finite useful lives are amortized. Goodwill and intangible assets not subject to amortization are tested for impairment annually or more frequently if events or changes in circumstances indicate the asset might be impaired. CVR uses November 1 of each year as its annual valuation date for the impairment test. The annual review of impairment is performed by comparing the carrying value of the applicable reporting unit to its estimated fair value, using a combination of the discounted cash flow analysis and market approach. Our reporting units are defined as operating segments due to each operating segment containing only one component. As such all goodwill impairment testing is done at each operating segment.

Deferred Financing Costs

Deferred financing costs related to the term debt are amortized to interest expense using the effective-interest method over the life of the term debt. Deferred financing costs related to the revolving loan facility and the funded letters of credit facility are amortized to interest expense using the straight-line method through the termination date of each credit facility.

Planned Major Maintenance Costs

The direct-expense method of accounting is used for planned major maintenance activities. Maintenance costs are recognized as expense when maintenance services are performed. During the 304-day period ended December 31, 2004 and the year ended December 31, 2006, the Coffeyville nitrogen plant completed major scheduled turnarounds. Costs of approximately $1,800,000 and $2,570,000 associated with these turnarounds are included in direct operating expenses (exclusive of depreciation and amortization) for the respective periods. The Coffeyville refinery last completed a major scheduled turnaround in 2002 and is scheduled for the next turnaround in 2007. It is estimated that the costs incurred in 2007 related to the scheduled turnaround will be material to the financial statements. Costs of approximately $3,984,000 associated with the 2007 turnaround and incurred in 2006 were included in direct operating expenses (exclusive of depreciation and amortization) for the year ended December 31, 2006.

Cost Classifications

Cost of product sold (exclusive of depreciation and amortization) includes cost of crude oil, other feedstocks, blendstocks, pet coke expense and freight and distribution expenses. Cost of product sold excludes depreciation and amortization of $0, $211,479, $149,806, $1,061,217 and $2,147,778 for the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005 and the year ended December 31, 2006, respectively.

Direct operating expenses (exclusive of depreciation and amortization) includes direct costs of labor, maintenance and services, energy and utility costs, environmental compliance costs as well as chemicals and catalysts and other direct operating expenses. Direct operating expenses exclude depreciation and amortization of $432,003, $1,966,175, $906,718, $22,706,227 and $47,714,060 for the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005 and the year ended December 31, 2006, respectively.

Selling, general and administrative expenses (exclusive of depreciation and amortization) consist primarily of legal expenses, treasury, accounting, marketing, human resources and maintaining the corporate offices in Texas and Kansas. Selling, general and administrative expenses excludes depreciation and amortization of $0, $268,306, $71,481, $186,587 and $1,142,744 for the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005 and the year ended December 31, 2006, respectively.

Income Taxes

Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualified patronage refunds, and Farmland did not allocate income taxes to its divisions. As a result, the accompanying Original Predecessor financial statements do not reflect any provision for income taxes.

Successor accounts for income taxes under the provision of Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes.* SFAS 109 requires the asset and liability approach for accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the anticipated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred amounts are measured using enacted tax rates expected to apply to taxable income in the year those temporary differences are expected to be recovered or settled.

Impairment of Long-Lived Assets

CVR accounts for long-lived assets in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.* In accordance with SFAS 144, CVR reviews long-lived assets (excluding goodwill, intangible assets with indefinite lives, and deferred tax assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future net cash flows, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds their fair value. Assets to be disposed of are reported at the lower of their carrying value or fair value less cost to sell. No impairment charges were recognized for any of the periods presented.

Revenue Recognition

Sales are recognized when the product is delivered and all significant obligations of CVR have been satisfied. Deferred revenue represents customer prepayments under contracts to guarantee a price and supply of nitrogen fertilizer in quantities expected to be delivered in the next 12 months in the normal course of business. Taxes collected from customers and remitted to governmental authorities are not included in reported revenues.

Shipping Costs

Pass-through finished goods delivery costs reimbursed by customers are reported in net sales, while an offsetting expense is included in cost of product sold (exclusive of depreciation and amortization).

Derivative Instruments and Fair Value of Financial Instruments

CVR uses futures contracts, options, and forward swap contracts primarily to reduce the exposure to changes in crude oil prices, finished goods product prices and interest rates and to provide economic hedges of inventory positions. These derivative instruments have not been designated as hedges for accounting purposes. Accordingly, these instruments are recorded in the consolidated balance sheets at fair value, and each period’s gain or loss is recorded as a component of gain (loss) on derivatives in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.*

Financial instruments consisting of cash and cash equivalents, accounts receivable, and accounts payable are carried at cost, which approximates fair value, as a result of the short-term nature of the instruments. The carrying value of long-term and revolving debt approximates fair value as a result of the floating interest rates assigned to those financial instruments.

Share-Based Compensation

CVR accounts for share-based compensation in accordance with SFAS No. 123(R), *Share-Based Payments.* In accordance with SFAS 123(R), CVR applies a fair-value-based measurement method in accounting for share-based compensation.

Environmental Matters

Liabilities related to future remediation costs of past environmental contamination of properties are recognized when the related costs are considered probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting environmental liabilities, no offset is made for potential recoveries. All liabilities are monitored and adjusted as new facts or changes in law or technology occur. Environmental expenditures are capitalized at the time of the expenditure when such costs provide future economic benefits.

Use of Estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, using management's best estimates and judgments where appropriate. These estimates and judgments affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates and judgments.

New Accounting Pronouncements

In December 2004, Financial Accounting Standards Board, or FASB, issued SFAS No. 151, *Inventory Costs*, which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and spoilage. Under SFAS 151, such items will be recognized as current-period charges. In addition, SFAS 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. Successor adopted SFAS 151 effective January 1, 2006. There was no impact on our financial position or results of operation as a result of adopting this standard.

The Emerging Issues Task Force, or EITF, reached a consensus on Issue No. 04-13, *Accounting for Purchases and Sales of Inventory with the Same Counterparty*, and the FASB ratified it on September 28, 2005. This Issue addresses accounting matters that arise when one company both sells inventory to and buys inventory from another company in the same line of business, specifically, when it is appropriate to measure purchases and sales of inventory at fair value and record them in cost of sales and revenues, and when they should be recorded as an exchange measured at the book value of the item sold. This Issue is to be applied to new arrangements entered into in reporting periods beginning after March 15, 2006. There was not a significant impact on our financial position or results of operations as a result of adoption.

In June 2006, the FASB ratified its consensus on EITF Issue No. 06-3, *How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement.* EITF 06-3 includes any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer and may include sales, use, value added, and some excise taxes. These taxes should be presented on either a gross or net basis, and if reported on a gross basis, a company should disclose amounts on those taxes in interim and annual financial statements for each period for which an income statement is presented. The guidance in EITF 06-3 is effective for all periods beginning after December 15, 2006 and is not expected to significantly affect our financial position or results of operations.

In June 2006, the FASB issued FASB Interpretation No. (FIN) 48, *Accounting for Uncertain Tax Positions — an interpretation of FASB SFAS No. 109.* FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*, by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. If a tax position is more likely than not to be sustained upon examination, then an enterprise would be required to recognize in its financial statements the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The application of FIN 48 is effective for fiscal years beginning after December 15, 2006 and is not expected to have a material impact on our financial position or results of operations.

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections*, which replaces APB Opinion No. 20, *Accounting Changes*, and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements.* SFAS 154 retained accounting guidance related to changes in estimates, changes in a reporting entity and error corrections. However, changes in accounting principles must be accounted for retrospectively by modifying the financial statements of prior periods unless it is impracticable to do so. SFAS 154 is effective for accounting changes made in fiscal years beginning after December 15, 2005. The adoption of SFAS 154 did not have a material impact on our financial position or results of operations.

The Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 108*, Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements*, on September 13, 2006. SAB 108 was issued to address diversity in practice in quantifying financial statement misstatements and the potential under current practice for the build-up of improper amounts on the balance sheet. The effects of applying the guidance issued in SAB 108 are to be reflected in annual financial statements covering the first fiscal year ending after November 15, 2006. The initial adoption of SAB 108 in 2006 did not have an impact on our financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. SFAS 157 states that fair value is "the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price)". The statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently evaluating the effect that this statement will have on our financial statements.

In September 2006, the FASB issued FASB Staff Position (FSP) No. AUG AIR-1, *Accounting for Planned Major Maintenance Activities*, that disallowed the accrue-in-advance method for planned major maintenance activities. Our scheduled turnaround activities are considered planned major maintenance activities. Since we do not use the accrue-in-advance method of accounting for our turnaround activities, this FSP has no impact on our financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities. Under this standard, an entity is required to provide additional information that will assist investors and other users of financial information to more easily understand the effect of the company's choice to use fair value on its earnings. Further, the entity is required to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. This standard does not eliminate the disclosure requirements about fair value measurements included in SFAS 157 and SFAS No. 107, Disclosures about Fair Value of Financial Instruments*. SFAS 159 is effective for fiscal years beginning after November 15, 2007, and early adoption is permitted as of January 1, 2007, provided that the entity makes that choice in the first quarter of 2007 and also elects to apply the provisions of SFAS 157. We are currently evaluating the potential adoption impact of that SFAS 159 will have on our financial condition, results of operations and cash flows.

(5) Members' Equity

Immediate Predecessor issued 63,200,000 voting preferred units at $1 par value for cash to finance the Initial Acquisition, as described in note 1. The preferred units were the only voting units of Immediate Predecessor and, prior to May 10, 2004, had preferential rights to distributions. The preferred units only had voting preferences and preferences related to the distributions. The preference required that the holders of preferred units were to be distributed $63,200,000, plus a preferred yield equal to 15% per annum compounded monthly, before any distributions could be made to holders of common units. Of the 63,200,000 of voting preferred units issued, all 55,500,000 preferred units issued and outstanding were issued to related parties. Pegasus Partners II, L.P., which held 52,500,000 preferred units, is an affiliate of Pegasus Capital Advisors, L.P. with whom the Immediate Predecessor entered into a management services agreement. The remaining 3,000,000 of preferred units were issued to management members who had employment agreements with subsidiaries of the Immediate Predecessor.

Concurrent with the issuance of the preferred units, management of Immediate Predecessor was issued 11,152,941 nonvoting restricted common units for recourse promissory notes aggregating $63,000. Based on the estimated relative fair value of the restricted common units on March 3, 2004, $3,100,000 was allocated to the common units. Accordingly, unearned compensation of $3,037,000 was recognized as a contra-equity balance in the accompanying consolidated balance sheet. The holders of these common units were not vested at the date of issuance. Prior to May 10, 2004, distribution rights were subordinated to the preferred unit holders, as described above. On May 10, 2004, the promissory notes were repaid with cash and an additional 500,000 nonvoting restricted common units were issued to an officer of Immediate Predecessor for a recourse promissory note of $2,850. Based on the estimated fair value of the units on May 10, 2004, unearned compensation of $2,044,600 was recognized as a contra-equity balance in the accompanying consolidated balance sheet. Concurrent with the Subsequent Acquisition at June 23, 2005, as described in note 1, all of the restricted common units were fully vested. Immediate Predecessor recognized $1,095,609 and $3,985,991 in compensation expense for the 304-day period ended December 31, 2004 and the 174-day period ended June 23, 2005, respectively, related to earned compensation.

On May 10, 2004, Immediate Predecessor refinanced its existing long term-debt with a $150 million term loan and used the proceeds of the borrowings to repay the outstanding borrowings under Immediate Predecessor’s previous credit facility. The borrowings were also used to distribute a $99,987,509 dividend, which included the preference payment of $63,200,000 plus the yield of $1,802,956 to the preferred unit holders and a $63,000 payment to the common unit holders for undistributed capital per the LLC agreement. The remaining $34,921,553 was distributed to the preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

On June 23, 2005, immediately prior to the Subsequent Acquisition (see note 1), the Immediate Predecessor used available cash balances to distribute a $52,211,493 dividend to the preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

Successor issued 22,766,000 voting common units at $10 par value for cash to finance the Subsequent Acquisition, as described in note 1. An additional 50,000 voting common units at $10 par value were issued to a member of management for an unsecured recourse promissory note that accrued interest at 7% and required annual principal and interest payments through December 2009. The unpaid balance of the unsecured recourse promissory note and all unpaid interest was forgiven September 25, 2006 (see note 16).

As required by the term loan agreements to fund certain capital projects, on September 14, 2005 an additional $10,000,000 capital contribution was received in return for 1,000,000 voting common units and on May 23, 2006 an additional $20,000,000 capital contribution was received in return for 2,000,000 at $10 par value (Delayed Draw Capital).

Common units held by management contain put rights held by management and call rights held by Successor exercisable at fair value in the event the management member becomes inactive.

Accordingly, in accordance with EITF Topic No. D-98, *Classification and Measurement of Redeemable Securities*, common units held by management were initially recorded at fair value at the date of issuance and have been classified in temporary equity as Management Voting Common Units Subject to Redemption (Capital Subject to Redemption) in the accompanying consolidated balance sheets.

On November 30, 2006, an amendment to the Second Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC was approved with a pro rata reduction among all holders of common units in order to effect a total reduction of the number of outstanding Common Units. This amendment reduced the number of outstanding Common Units by 11.62%. Because cash unit holder's value and ownership interest before and after the reallocation is unchanged and since no transfer of value occurred among the common unit holders, this pro rata reduction had no accounting consequence. At December 31, 2006, management held 201,063 of the 22,816,000 voting common units.

On December 28, 2006, Successor refinanced its existing long term-debt with a $775 million term loan and used the proceeds of the borrowings to repay the outstanding borrowings under its previous first and second lien credit facilities, pay related fees and expenses and pay a distribution of $250 million to its common unit holders at December 28, 2006.

The put rights with respect to management's common units, provide that following their termination of employment, they have the right to sell all (but not less than all) of their common units to Coffeyville Acquisition LLC at their "Fair Market Value" (as that term is defined in the LLC Agreement) if they were terminated without "Cause", or as a result of death, "Disability" or resignation with "Good Reason" (each as defined in the LLC Agreement) or due to "Retirement" (as that term is defined in the LLC Agreement). Coffeyville Acquisition LLC has call rights with respect to the executive's common units, so that following the executive's termination of employment, Coffeyville Acquisition LLC has the right to purchase the common units at their Fair Market Value if the executive was terminated without Cause, or as a result of the executive's death, Disability or resignation with Good Reason or due to Retirement. The call price will be the lesser of the common unit's Fair Market Value or Carrying Value (which means the capital contribution, if any, made by the executive in respect of such interest less the amount of distributions made in respect of such interest) if the executive is terminated for Cause or he resigns without Good Reason. For any other termination of employment, the call price will be at the Fair Market Value or Carrying Value of such common units, in the sole discretion of Coffeyville Acquisition LLC's board of directors. No put or call rights apply to override units following the executive's termination of employment unless Coffeyville Acquisition LLC's board of directors (or the compensation committee thereof) determines in its discretion that put and call rights will apply.

CVR accounts for changes in redemption value of management common units in the period the changes occur and adjusts the carrying value of the Capital Subject to Redemption to equal the redemption value at the end of each reporting period with an equal and offsetting adjustment to Members' Equity. None of the Capital Subject to Redemption was redeemable at December 31, 2005 or December 31, 2006.

At December 31, 2005 the Capital Subject to Redemption was revalued through an independent appraisal process, and the value was determined to be $18.34 per unit. Accordingly, the carrying value of the Capital Subject to Redemption increased by $3,035,586 for the 233-day period ended December 31, 2005 with an equal and offsetting decrease to Members' Equity.

At December 31, 2006, the Capital Subject to Redemption was revalued through an independent appraisal process, and the value was determined to be $34.72 per unit. The appraisal utilized a discounted cash flow (DCF) method, a variation of the income approach, and the guideline public company method, a variation of the market approach, to determine the fair value. The guideline public company method utilized a weighting of market multiples from publicly traded petroleum refiners and fertilizer manufactures that are comparable to the Company. The recognition of the value of $34.72 per unit increased the carrying value of the Capital Subject to Redemption by $4,239,548 for the year ended December 31, 2006 with an equal and offsetting decrease to Members' Equity. This increase was the result of higher forward market price assumptions, which were consistent with what was observed in the market during the period, in the refining business resulting in increased free cash flow projections utilized in the DCF method. The market multiples for the public-traded comparable companies also increased from December 31, 2005, resulting in increased value of the units.

Concurrent with the Subsequent Acquisition, Successor issued nonvoting override operating units to certain management members who hold common units. There were no required capital contributions for the override operating units.

919,630 override operating units at an adjusted benchmark value of $11.31 per unit

In accordance with SFAS 123(R), using the Monte Carlo method of valuation, the estimated fair value of the override operating units on June 24, 2005 was $3,604,950. Pursuant to the forfeiture schedule described below, the Company is recognizing compensation expense over the service period for each separate portion of the award for which the forfeiture restriction lapsed as if the award was, in-substance, multiple awards. Compensation expense for the 233-day period ended December 31, 2005 and year ended December 31, 2006 were $602,381 and $1,157,206, respectively. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Explicit service period	Based on forfeiture schedule below
• Grant-date fair value — controlling basis	$5.16 per share
• Marketability and minority interest discounts	$1.24 per share (24% discount)
• Volatility	37%

The benchmark value of the originally issued override operating units was originally set at $10 per unit. Concurrent with the prorata reduction of common units outstanding at November 30, 2006, the benchmark amount per each unit was adjusted to $11.31.

On December 28, 2006, Successor issued additional nonvoting override operating units to a certain management member who holds common units. There were no required capital contributions for the override operating units.

72,492 override operating units at a benchmark value of $34.72 per unit

In accordance with SFAS 123(R), a combination of a binomial model and a probability-weighted expected return method which utilized the company's cash flow projections resulted in an estimated fair value of the override operating units on December 28, 2006 was $472,648. Management believes that this method is preferable for the valuation of the override units as it allows a better integration of the cash flows with other inputs, including the timing of potential exit events that impact the estimated fair value of the override units. Pursuant to the forfeiture schedule described below, the Company is recognizing compensation expense over the service period for each separate portion of the award for which the forfeiture restriction lapsed as if the award was, in-substance, multiple awards.

Compensation expense for the year ended December 31, 2006 was $3,324. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Explicit service period	Based on forfeiture schedule below
• Grant-date fair value — controlling basis	$8.15 per share
• Marketability and minority interest discounts	$1.63 per share (20% discount)
• Volatility	41%

Override operating units participate in distributions in proportion to the number of total common, non-forfeited override operating and participating override value units issued. Distributions to override operating units will be reduced until the total cumulative reductions are equal to the benchmark value. Override operating units are forfeited upon termination of employment for cause. In the event of all other terminations of employment, the override operating units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

On the tenth anniversary of the issuance of override operating units, such units shall convert into an equivalent number of override value units.

Concurrent with the Subsequent Acquisition, Successor issued nonvoting override value units to certain management members who hold common units. There were no required capital contributions for the override value units.

1,839,265 override value units at an adjusted benchmark value of $11.31 per unit

In accordance with SFAS 123(R), using the Monte Carlo method of valuation, the estimated fair value of the override value units on June 24, 2005 was $4,064,776. For the override value units, CVR is recognizing compensation expense ratably over the implied service period of 6 years. Compensation expense for the 233-day period ended December 31, 2005 and the year ended December 31, 2006 were $395,187, and $677,463, respectively. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Derived service period	6 years
• Grant-date fair value — controlling basis	$2.91 per share
• Marketability and minority interest discounts	$0.70 per share (24% discount)
• Volatility	37%

The benchmark value of the originally issued override operating units was originally set at $10 per unit. Concurrent with the prorata reduction of common units outstanding at November 30, 2006, the benchmark amount per each unit was adjusted to $11.31.

December 28, 2006, Successor issued additional nonvoting override value units to a certain management member who holds common units. There were no required capital contributions for the override value units.

144,966 override value units at a benchmark value of $34.72 per unit

In accordance with SFAS 123(R), a combination of a binomial model and a probability-weighted expected return method which utilized the Company's cash flow projections resulted in an estimated fair value of the override value units on December 28, 2006 of $945,178. Management believes that this method is preferable for the valuation of the override units as it allows a better integration of the cash flows with other inputs, including the timing of potential exit events that impact the estimated fair value of the override units. For the override value units, CVR is recognizing compensation expense ratably over the implied service period of 6 years. Compensation expense for the year ended December 31, 2006 was $17,185. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Derived service period	6 years
• Grant-date fair value — controlling basis	$8.15 per share
• Marketability and minority interest discounts	$1.63 per share (20% discount)
• Volatility	41%

Value units fully participate in cash distributions when the amount of such cash distributions to certain investors (Current Common Value) is equal to four times the original contributed capital of such investors (including the Delayed Draw Capital required to be contributed pursuant to the long term credit agreements). If the Current Common Value is less than two times the original contributed capital of such investors at the time of a distribution, none of the override value units participate. In the event the Current Common Value is greater than two times the original contributed capital of such investors but less than four times, the number of participating override value units is the product of 1) the number of issued override value units and 2) the fraction, the numerator of which is the Current Common Value minus two times original contributed capital, and the denominator of which is two times the original contributed capital. Distributions to participating override value units will be reduced until the total cumulative reductions are equal to the benchmark value. On the tenth anniversary of any override value unit (including any override value unit issued on the conversion of an override operating unit) the "two times" threshold referenced above will become "10 times" and the "four times" threshold referenced above will become "12 times". Unless the compensation committee of the board of directors takes an action to prevent forfeiture, override value units are forfeited upon termination of employment for any reason except that in the event of termination of employment by reason of death or disability, all override value units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Subject to Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

At December 31, 2006, there was approximately $6.2 million of unrecognized compensation expense related to nonvoting override units. This is expected to be recognized over a period of five years as follows:

Year Ending December 31,	Override Operating Units	Override Value Units
2007	$ 1,198,045	$ 883,684
2008	670,385	883,684
2009	344,178	883,684
2010	102,079	883,684
2011	—	385,383
	$ 2,314,687	$ 3,920,119

Successor, through an indirect subsidiary, has a Phantom Unit Appreciation Plan whereby directors, employees, and service providers may be awarded phantom points at the discretion of the board of directors or the compensation committee. Holders of service phantom points have rights to receive distributions when holders of override operating units receive distributions. Holders of performance phantom points have rights to receive distributions when holders of override value units receive distributions. There are no other rights or guarantees, and the plan expires on July 25, 2015, or at the discretion of the compensation committee of the board of directors. The total combined interest of the Phantom Unit Plan and the override units (combined Profits Interest) cannot exceed 15% of the notional and aggregate equity interests of the Successor. As of December 31, 2006, the issued Profits Interest represented 15% of combined common unit interest and Profits Interest of the Company. The Profits Interest was comprised of 11.1% and 3.9% of override interest and phantom interest, respectively. In accordance with SFAS 123(R), using a binomial model and a probability-weighted expected return method as a method of valuation, through an independent valuation process, the service phantom interest was valued at $33.82 per point and the performance phantom interest was valued at $27.48 per point. Successor has recorded $95,019 and $10,817,390 in personnel accruals as of December 31, 2005 and 2006, respectively. Compensation expense for the 233-day period ending December 31, 2005 and the year ending December 31, 2006 related to the Phantom Unit Plan was $95,019, and $10,722,371, respectively.

At December 31, 2006, there was approximately $20.3 million of unrecognized compensation expense related to the Phantom Unit Plan. This is expected to be recognized over a period of five years.

On December 28, 2006, two of Successor's subsidiaries granted common fractional shares of their stock to an executive management member (executive) in exchange for $10.00 to each subsidiary. The shares were fully vested on the date of grant. Compensation expense in the amount of $4,326,188 was recorded based upon the fair market value of the stock awarded on the grant date. The issuance of these shares generated minority interest on the consolidated balance sheet of Successor at December 31, 2006. The common fractional shares contain put rights held by the executive and call rights held by Successor's subsidiaries exercisable at fair market value in the event the executive becomes inactive.

The put rights provide that following termination of employment, the executive has the right to sell all (but not less than all) of their common shares to the subsidiary at their "Fair Market Value" (as that term is defined in the Stockholder's Agreement) if terminated without "Cause", or as a result of death, "Disability" or resignation with "Good Reason" (each defined in the Stockholder's Agreement) or due to "Retirement" (as that term is defined in the Stockholder's Agreement). The subsidiary has call rights with respect to the executive's common shares in the subsidiary, so that following the executive's termination of employment, the subsidiary has the right to purchase the common shares at their Fair Market Value if the executive was terminated without Cause, or as a result of the executive's death, Disability or resignation with Good Reason or due to Retirement. The call price will be the lesser of the common share's Fair Market Value at the time of the transfer or Carrying Value if the executive is terminated for Cause or he resigns without Good Reason. For any other termination of employment, the call price will be at the Fair market Value or Carrying Value of such common shares in the sole discretion of the board of the subsidiary.

Because one of the put rights rests outside of the control of the Company, these shares held by the executive are being accounted for in accordance with EITF Topic D-98, *Classification and Measurement of Redeemable Securities*. Accordingly, CVR will account for changes in the redemption value of the shares in the period the changes occur and adjust the carrying value at the end of each reporting period with an equal and offsetting adjustment to Members' Equity. None of the executive's shares in the subsidiaries was redeemable at December 31, 2006.

(6) Inventories

Inventories consisted of the following (in thousands):

	Successor	
	December 31, 2005	December 31, 2006
Finished goods	$ 58,513	$ 59,722
Raw materials and catalysts	47,437	60,810
In-process inventories	33,397	18,441
Parts and supplies	14,929	22,460
	$ 154,276	$ 161,433

(7) Property, Plant, and Equipment

A summary of costs for property, plant, and equipment is as follows (in thousands):

	Successor	
	December 31, 2005	December 31, 2006
Land and improvements	$ 9,346	$ 11,028
Buildings	10,306	11,042
Machinery and equipment	715,381	864,140
Automotive equipment	3,396	4,175
Furniture and fixtures	271	5,364
Leasehold improvements	—	887
Construction in progress	57,382	184,531
	796,082	1,081,167
Accumulated depreciation	23,569	74,011
	$ 772,513	$ 1,007,156

Capitalized interest recognized as a reduction in interest expense for the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, and the year ended December 31, 2006 totaled $297,694, $831,264, and $11,613,211, respectively.

(8) Goodwill and Intangible Assets

In connection with the Subsequent Acquisition described in note 1, Successor recorded goodwill of $83,774,885. SFAS No. 142, *Goodwill and Other Intangible Assets*, provides that goodwill and other intangible assets with indefinite lives shall not be amortized but shall be tested for impairment on an annual basis. In accordance with SFAS 142, Successor completed its annual test for impairment of goodwill as of November 1, 2005 and 2006. Based on the results of the test, no impairment of goodwill was recorded as of December 31, 2005 or 2006. The annual review of impairment is performed by comparing the carrying value of the applicable reporting unit to its estimated fair value using a combination of the discounted cash flow analysis and market approach. Successor's reporting units are defined as operating segments, as such all goodwill impairment testing is done at each operating segment.

Contractual agreements with a fair market value of $1,322,000 were acquired in the Subsequent Acquisition described in note 1. The intangible value of these agreements is amortized over the life of the agreements through June 2025. Amortization expense of $313,453 and $370,091 was recorded in depreciation and amortization for the 233-days ended December 31, 2005 and the year ended December 31, 2006, respectively.

Estimated amortization of the contractual agreements is as follows (in thousands):

Year Ending December 31,	Contractual Agreements
2007	165
2008	64
2009	33
2010	33
2011	33
Thereafter	310
	638

(9) Deferred Financing Costs

Deferred financing costs of $6,300,727 were paid in the Initial Acquisition described in note 1. Additional deferred financing costs of $10,009,193 were paid with the debt refinancing on May 10, 2004, as described in notes 5 and 11. The unamortized deferred financing costs of $6,071,110 related to the Initial Acquisition financing were written off when the related debt was extinguished and refinanced with the existing credit facility and these costs were included in loss on extinguishment of debt for the 304 days ended December 31, 2004. A prepayment penalty of $1,095,000 on the previous credit facility was also paid and expensed and included in loss on extinguishment of debt for the 304 days ended December 31, 2004. The unamortized deferred financing costs of $8,093,754 related to the May 10, 2004 refinancing were written off when the related debt was extinguished upon the Subsequent Acquisition described in note 1 and these costs were included in loss on extinguishment of debt for the 174 days ended June 23, 2005. For the 304 days ended December 31, 2004 and for the 174 days ended June 23, 2005, amortization of deferred financing costs reported as interest expense was $1,332,890 and $812,166, respectively, using the effective-interest amortization method.

Deferred financing costs of $24,628,315 were paid in the Subsequent Acquisition described in note 1. Effective December 28, 2006, the Company amended and restated its credit agreement with a consortium of banks, additionally capitalizing $8,462,390 in debt issuance costs. The Company determined that this amendment and restatement is within the scope of EITF 96-19, Debtor's Accounting for Modification or Exchange of Debt Instruments, as well as EITF 98-14, Debtor's Accounting for Changes in Line-of-Credit or Revolving-Debt Arrangements as the amendment relates to term loans, a revolving loan facility and a funded facility, each having a syndicate of different lenders.

As the transactions involved contemporaneous exchanges of cash between the same debtor and creditor in connection with the issuance of a new debt obligation and satisfaction of an existing debt obligation, the Company calculated which portions of the debt related to certain lenders had substantially different terms in accordance with the guidance in EITF 96-19. Specifically, the Company performed the 10% test specified under EITF 96-19 to determine if the modification of the term debt was considered substantial on a lender by lender basis.

The Company followed the guidance of EITF 98-14 related to the revolving loan facility and funded facility and prepared a comparison of the borrowing capacity for each lender in both the old and new revolving credit facilities and funding facilities. Based upon this analysis, 72 percent of the unamortized debt costs related to the old revolving credit facility were written off and 75 percent of the unamortized debt costs related to the old funding facility were written off.

In accordance with the above applicable guidance and analysis, a portion of the unamortized loan costs of $16,959,015 from the original credit facility as well as additional finance and legal charges associated with the second amended and restated credit facility of $901,291 were included in loss on extinguishment of debt for the year December 31, 2006. The remaining costs are being amortized over the life of the related debt instrument. Additionally, a prepayment penalty of $5,500,000 on the previous credit facility was also paid and expensed and included in loss on extinguishment of debt for the year ended December 31, 2006. For the 233 days ended December 31, 2005 and year ended December 31, 2006, amortization of deferred financing costs reported as interest expense totaled $1,751,041 and $3,336,795, respectively using the effective-interest amortization method for the term debt and the straight-line method for the letter of credit facility and revolving loan facility.

Deferred financing costs consisted of the following (in thousands):

	Successor	
	December 31, 2005	December 31, 2006
Deferred financing costs	$ 24,628	$ 11,065
Less accumulated amortization	1,751	21
Unamortized deferred financing costs	22,877	11,044
Less current portion	3,352	1,916
	$ 19,525	$ 9,128

Estimated amortization of deferred financing costs is as follows (in thousands):

Year Ending December 31,	Deferred Financing
2007	$ 1,916
2008	1,910
2009	1,893
2010	1,878
2011	1,378
Thereafter	2,069
	$ 11,044

(10) Other Long-Term Assets

Other long-term assets consisted of the following (in thousands):

	Successor	
	December 31, 2005	December 31, 2006
Prepaid insurance charges	$ 2,447	$ 1,070
Non-current receivables	4,889	4,040
Other assets	1,082	1,219
	$ 8,418	$ 6,329

Non-current receivables consist of unsettled mark-to-market gains on derivatives relating to the interest rate swap agreements described in notes 15 and 16.

CVR has prepaid an environmental insurance policy that covers environmental site protection for costs to be incurred beyond the next twelve months. See note 14 for a further description of the environmental commitments and contingencies.

Estimated amortization of prepaid insurance is as follows (in thousands):

Year Ending December 31,	Prepaid Insurance
2007	$ 6,197
2008	292
2009	292
2010	292
2011	194
	7,267
Less current portion	6,197
Total long-term	$ 1,070

(11) Long-Term Debt

At March 3, 2004, Immediate Predecessor entered into an agreement with a financial institution for a term loan of $21,900,000 with an interest rate based on the greater of the Index Rate (the greater of prime or the federal funds rate plus 50 basis points per annum) plus 4.5% or 9% and a $100,000,000 revolving credit facility with interest at the borrower's election of either the Index Rate plus 3% or the LIBOR rate plus 3.5%. Amounts totaling $21,900,000 of the term loan borrowings and $38,821,970 of the revolving credit facility were used to finance the Initial Acquisition on March 3, 2004 as described in note 1. Outstanding borrowings on May 10, 2004 were repaid in connection with the refinancing described below.

Effective May 10, 2004, Immediate Predecessor entered into a term loan of $150,000,000 and a $75,000,000 revolving loan facility with a syndicate of banks, financial institutions, and institutional lenders. Both loans were secured by substantially all of the Immediate Predecessor's real and personal property, including receivables, contract rights, general intangibles, inventories, equipment, and financial assets. Outstanding borrowings on June 23, 2005 were repaid in connection with the Subsequent Acquisition as described in note 1.

Effective June 24, 2005, Successor entered into a first lien credit facility and a guaranty agreement with two banks and one related party institutional lender (see note 16). The credit facility was in an aggregate amount not to exceed $525,000,000, consisting of $225,000,000 Tranche B Term Loans; $50,000,000 of Delayed Draw Term Loans available for the first 18 months of the agreement and subject to accelerated payment terms; a $100,000,000 Revolving Loan Facility; and a Funded Letters of Credit Facility (Funded Facility) of $150,000,000. The credit facility was secured by substantially all of Successor's assets. At December 31, 2005, $224,437,500 of Tranche B Term Loans was outstanding, and there was no outstanding balance on the Revolving Loan Facility or the Delayed Draw Term Loans. At December 31, 2005, Successor had $150,000,000 in Funded Letters of Credit outstanding to secure payment obligations under derivative financial instruments (see note 15). Outstanding borrowings on December 28, 2006 were repaid in connection with the refinancing described below.

The Term Loans and Revolving Loan Facility provided CVR the option of a 3-month LIBOR rate plus 2.5% per annum (rounded up to the next whole multiple of 1/16 of 1%) or an Index Rate (to be based on the current prime rate plus 1.5%). Interest was paid quarterly when using the Index Rate and at the expiration of the LIBOR term selected when using the LIBOR rate; interest varied with the Index Rate or LIBOR rate in effect at the time of the borrowing. The interest rate on December 31, 2005 was 7.06%. The annual fee for the Funded Facility was 2.725% of outstanding Funded Letters of Credit.

Effective June 24, 2005, Successor entered into a second lien $275,000,000 term loan and guaranty agreement with a bank and a related party institutional lender (see note 16) with the entire amount outstanding at December 31, 2005. CVR had the option of a 3-month LIBOR rate plus 6.75% per annum (rounded up to the next whole multiple of $^{1}/_{16}$ of 1%) or an Index Rate (to be based on the current prime rate plus 5.75%). The interest rate on December 31, 2005 was 11.31%. The loan was secured by a second lien on substantially all of CVR's assets. Outstanding borrowings on December 28, 2006 were repaid in connection with the refinancing described below.

On December 28, 2006, Successor entered into a second amended and restated credit and guaranty agreement (the credit and guaranty agreement) with two banks and one related party institutional lender (see note 16). The credit facility was in an aggregate amount not to exceed $1,075,000,000, consisting of $775,000,000 Tranche D Term Loans; a $150,000,000 Revolving Loan Facility; and a Funded Facility of $150,000,000. The credit facility was secured by substantially all of CVR's assets. At December 31, 2006, $775,000,000 of Tranche D Term Loans was outstanding, and there was no outstanding balance on the Revolving Loan Facility. At December 31, 2006, Successor had $150,000,000 in Funded Letters of Credit outstanding to secure payment obligations under derivative financial instruments (see note 15).

The Term Loan and Revolving Loan Facility provide CVR the option of a 3-month LIBOR rate plus 3.0% per annum (rounded up to the next whole multiple of $^{1}/_{16}$ of 1%) or an Index Rate (to be based on the current prime rate plus 2.0%). Interest is paid quarterly when using the Index Rate and at the expiration of the LIBOR term selected when using the LIBOR rate; interest varies with the Index Rate or LIBOR rate in effect at the time of the borrowing. The interest rate on December 31, 2006 was 8.36%. The annual fee for the Funded Facility is 3.225% of outstanding Funded Letters of Credit.

The loan and security agreements contain customary restrictive covenants applicable to CVR, including limitations on the level of additional indebtedness, commodity agreements, capital expenditures, payment of dividends, creation of liens, and sale of assets. These covenants also require CVR to maintain specified financial ratios as follows:

First Lien Credit Facility

Fiscal Quarter Ending	Minimum Interest Coverage Ratio	Maximum Leverage Ratio
March 31, 2007	2.25:1.00	4.75:1.00
June 30, 2007	2.50:1.00	4.50:1.00
September 30, 2007	2.75:1.00	4.25:1.00
December 31, 2007	2.75:1.00	4.00:1.00
March 31, 2008	3.25:1.00	3.25:1.00
June 30, 2008	3.25:1.00	3.00:1.00
September 30, 2008	3.25:1.00	2.75:1.00
December 31, 2008	3.25:1.00	2.50:1.00
March 31, 2009 - December 31, 2009	3.75:1.00	2.25:1.00
March 31, 2010 and thereafter	3.75:1.00	2.00:1.00

Failure to comply with the various restrictive and affirmative covenants of the loan agreements could negatively affect CVR's ability to incur additional indebtedness and/or pay required distributions. Successor is required to measure its compliance with these financial ratios and covenants quarterly and was in compliance with all covenants and reporting requirements under the terms of the agreement at December 31, 2006. As required by the debt agreements, CVR has entered into interest rate swap agreements (as described in note 15) that are required to be held for the remainder of the stated term.

Long-term debt consisted of the following at December 31, 2006:

First lien Tranche D term loans; principal payments of .25% of the principal balance due quarterly commencing April 2007, increasing to 23.5% of the principal balance due quarterly commencing April 2013, with a final payment of the aggregate remaining unpaid principal balance due December 2013

Future maturities of long-term debt are as follows:

Year Ending December 31,		Amount
2007	$	5,797,981
2008		7,663,223
2009		7,586,878
2010		7,511,293
2011		7,436,461
Thereafter		739,004,164
	$	775,000,000

Commencing with fiscal year 2007, CVR shall prepay the loans in an aggregate amount equal to 75% of Consolidated Excess Cash Flow (as defined in the credit and guaranty agreement, which includes a formulaic calculation consisting of many financial statement items, starting with consolidated Earnings Before Interest Taxes Depreciation and Amortization) less 100% of voluntary prepayments made during that fiscal year. Commencing with fiscal year 2008, the aggregate amount changes to 50% of Consolidated Excess Cash Flow provided the total leverage ratio is less than 1:50:1:00 or 25% of Consolidated Excess Cash Flow provided the total leverage ratio is less than 1:00:1:00

At December 31, 2006, Successor had $3.2 million in letters of credit outstanding to collateralize its environmental obligations and $3.2 million in letters of credit outstanding to secure transportation services for a crude oil pipeline. The letters of credit expire in July and August 2007 and March 2007 for the transportation services. These letters of credit were outstanding against the June 24, 2005 Revolving Loan Facility. In addition, Successor has a $6.4 million letter of credit outstanding against the new Revolving Loan Facility to provide transitional collateral to the lender that issued the letters of credit under the June 24, 2005 Credit Facility. The purpose of this transitional letter of credit is to allow time for Successor to replace the letters of credit while minimizing the impact to the respective letter of credit beneficiaries. This transitional letter of credit expires in August 2007. The fee for the revolving letters of credit is 3.25%.

The Revolving Loan Facility has a current expiration date of December 28, 2012. The Funded Facility has a current expiration date of December 28, 2010.

(12) Benefit Plans

CVR sponsors two defined-contribution 401(k) plans (the Plans) for all employees. Participants in the Plans may elect to contribute up to 50% of their annual salaries, and up to 100% of their annual income sharing. CVR matches up to 75% of the first 6% of the participant's contribution for the nonunion plan and 50% of the first 6% of the participant's contribution for the union plan. Both plans are administered by CVR and contributions for the union plan are determined in accordance with provisions of negotiated labor contracts. Participants in both Plans are immediately vested in their individual contributions. Both Plans have a three year vesting schedule for CVR's matching funds and contain a provision to count service with any predecessor organization. Successor's contributions under the Plans were $647,054, $661,922, $446,753 and $1,374,914 for the 304 days ended December 31, 2004, the 174 days ended June 23, 2005, the 233 days ended December 31, 2005, and the year ended December 31, 2006, respectively.

(13) Income Taxes

Income tax expense (benefit) is summarized below (in thousands):

	Immediate Predecessor		Successor	
	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	229 Days Ended December 31, 2005	Year Ended December 31, 2006
Current — Federal	$ 27,902	$ 26,145	$ 29,000	$ 26,096
State	6,519	6,099	6,457	6,974
Total current provision	34,421	32,244	35,457	33,070
Deferred — Federal	(499)	3,083	(80,500)	69,836
State	(117)	721	(17,925)	16,934
Total deferred provision	(616)	3,804	(98,425)	86,770
Total income taxes	$ 33,805	$ 36,048	$ (62,968)	$ 119,840

Income tax expense differed from the expected income tax (computed by applying the federal income tax rate of 35% to income before income taxes) as follows (in thousands):

	Immediate Predecessor		Successor	
	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	229 Days Ended December 31, 2005	Year Ended December 31, 2006
Computed expected taxes	$ 29,230	$ 30,956	$ (63,744)	$ 108,994
Loss on unexercised option agreements with no tax benefit to Successor	—	—	8,750	—
State taxes, net of federal benefit	4,162	4,433	(7,454)	15,540
Section 199, manufacturing deduction	—	(825)	(897)	(1,089)
Ultra low sulfur diesel credit, net	—	—	—	(4,462)
Other, net	413	1,484	377	857
Total income tax expense	$ 33,805	$ 36,048	$ (62,968)	$ 119,840

As more fully described in note 15, the loss on unexercised option agreements of $25,000,000 occurred at Coffeyville Acquisition LLC, and the tax deduction related to the loss was passed through to the partners of Coffeyville Acquisition LLC.

Certain provisions of the American Jobs Creation Act of 2004 (the Act) are providing federal income tax benefits to the Company. The Act created the new Internal Revenue Code section 199 which provides an income tax benefit to domestic manufacturers. The Company recognized an income tax benefit related to this manufacturing deduction of approximately $825,000, $897,000 and $1,089,000 for the 174 days ended June 23, 2005, the 233 days ended December 31, 2005 and the year ended December 31, 2006, respectively.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Additionally, the Act allows the Company an accelerated depreciation deduction of 75% of the qualified capital costs in the years incurred to meet the EPA's regulations requiring the phase-in of gasoline sulfur standards. The Act also provides for a $0.05 per gallon income tax credit on compliant diesel fuel produced up to an amount equal to the remaining 25% of the qualified capital costs. The Company recognized a net income tax benefit of approximately $4,462,000 on a credit of approximately $6,865,000 related to the production of ultra low sulfur diesel for the year ended December 31, 2006.

As indicated in note 4 "New Accounting Pronouncements", FIN 48 will apply to fiscal years beginning after December 15, 2006. Successor is currently evaluating its tax positions, but does not believe that the adoption of FIN 48 will not have a material effect on its financial statements.

The income tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are summarized below (in thousands):

	Successor	
	December 31, 2005	December 31, 2006
Deferred tax assets:		
Allowance for doubtful accounts	$ 109	$ 150
Personnel accruals	483	5,072
Inventories	560	673
Unrealized derivative losses, net	91,226	40,389
Deferred tax assets	92,378	46,284
Deferred tax liabilities:		
Property, plant, and equipment	269,462	309,472
Environmental obligations	1,238	1,061
Other	142	985
Deferred tax liabilities	270,842	311,518
Net deferred tax liabilities	$ (178,464)	$ (265,234)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that CVR will realize the benefits of these deductible differences. Therefore, Successor has not recorded any valuation allowances against deferred tax assets as of December 31, 2005 or 2006.

(14) Commitments and Contingent Liabilities

The minimum required payments for CVR's lease agreements and unconditional purchase obligations are as follows:

Year Ending December 31,	Operating Leases	Unconditional Purchase Obligations
2007	$ 3,892,374	$ 19,279,245
2008	3,855,630	19,034,729
2009	2,880,456	19,001,745
2010	1,525,474	16,610,265
2011	853,094	14,740,348
Thereafter	107,113	132,414,592
	$ 13,114,141	$ 221,080,924

CVR leases various equipment and real properties under long-term operating leases. For the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, and the year ended December 31, 2006, lease expense totaled approximately $518,918, $2,531,823, $1,754,564, $1,737,373 and $3,821,833, respectively. The lease agreements have various remaining terms. Some agreements are renewable, at CVR's option, for additional periods. It is expected, in the ordinary course of business, that leases will be renewed or replaced as they expire.

CVR licenses a gasification process from a third party associated with gasifier equipment used in the Nitrogen Fertilizer segment. The royalty fees for this license are incurred as the equipment is used and are subject to a cap which is expected to be paid in full by June 2007. At December 31, 2006, approximately $1,615,000 was included in accounts payable for this agreement. Royalty fee expense reflected in direct operating expenses (exclusive of depreciation and amortization) for the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, and the year ended December 31, 2006 was $1,403,304, $1,042,286, $914,878, and $2,134,506, respectively.

CRNF has an agreement with the City of Coffeyville pursuant to which it must make a series of future payments for electrical generation transmission and city margin. As of December 31, 2006, the remaining obligations of CRNF totaled $26.1 million through December 31, 2019. Total minimum committed contractual payments under the agreement will be $5.7 million for fiscal year 2007 and $1.7 million per year for each subsequent year.

CRRM has a Pipeline Construction, Operation and Transportation Commitment Agreement with Plains Pipeline, L.P. (Plains Pipeline) pursuant to which Plains Pipeline constructed a crude oil pipeline from Cushing, Oklahoma to Caney, Kansas. The term of the agreement is 20 years from when the pipeline became operational on March 1, 2005. Pursuant to the agreement, CRRM must transport approximately 80,000 barrels per day of its crude oil requirements for the Coffeyville refinery at a fixed charge per barrel for the first five years of the agreement. For the final fifteen years of the agreement, CRRM must transport all of its non-gathered crude oil up to the capacity of the Plains Pipeline. The rate is subject to a Federal Energy Regulatory Commission (FERC) tariff and is subject to change on an annual basis per the agreement. Lease expense associated with this agreement and included in cost of product sold (exclusive of depreciation and amortization) for the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005 and the year ended December 31, 2006 totaled approximately $2,603,066, $4,372,115, and $8,750,522, respectively.

During 1997, Farmland (subsequently assigned to CRP) entered into an Agreement of Capacity Lease and Operating Agreement with Williams Pipe Line Company (subsequently assigned to Magellan Pipe Line Company, L.P. (Magellan)) pursuant to which CRP leases pipeline capacity in certain pipelines between Coffeyville, Kansas and Caney, Kansas and between Coffeyville, Kansas and Independence, Kansas. Pursuant to this agreement, CRP is obligated to pay a fixed monthly charge to Magellan for annual leased capacity of 6,300,000 barrels until the scheduled expiration of the agreement on April 30, 2007. Lease expense associated with this agreement and included in cost of product sold (exclusive of depreciation and amortization) for the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005 and the year ended December 31, 2006 totaled approximately $232,500, $193,750, and $503,750, respectively.

During 2005, CRRM amended a Pipeline Capacity Lease Agreement with Mid-America Pipeline Company (MAPL) pursuant to which CRRM leases pipeline capacity in an outbound MAPL-operated pipeline between Coffeyville, Kansas and El Dorado, Kansas for the transportation of natural gas liquids (NGLs) and refined petroleum products. Pursuant to this agreement, CRRM is obligated to make fixed monthly lease payments. The agreement also obligates CRRM to reimburse MAPL a portion of certain permitted costs associated with obligations imposed by certain governmental laws. Lease expense associated with this agreement, included in cost of product sold (exclusive of depreciation and amortization) for the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005 and the year ended December 31, 2006, totaled approximately $156,271, $208,316, and $800,000, respectively. The lease expires September 30, 2011.

During 2005, CRRM entered into a Pipeage Contract with MAPL pursuant to which CRRM agreed to ship a minimum quantity of NGLs on an inbound pipeline operated by MAPL between Conway, Kansas and Coffeyville, Kansas. Pursuant to the contract, CRRM is obligated to ship 2,000,000 barrels (Minimum Commitment) of NGLs per year at a fixed rate per barrel through the expiration of the contract on September 30, 2011. All barrels above the Minimum Commitment are at a different fixed rate per barrel. The rates are subject to a tariff approved by the Kansas Corporation Commission (KCC) and are subject to change throughout the term of this contract as ordered by the KCC. Lease expense associated with this contract agreement and included in cost of product sold (exclusive of depreciation and amortization) for the 233-day period ended December 31, 2005 and the year ended December 31, 2006, totaled approximately $172,525 and $1,612,899, respectively.

During 2004, CRRM entered into a Pipeline Capacity Lease Agreement with ONEOK Field Services (OFS) and Frontier El Dorado Refining Company (Frontier) pursuant to which CRRM leases capacity in pipelines operated by OFS between Conway, Kansas and El Dorado, Kansas. Prior to the completion of a planned expansion project specified in the agreement, CRRM will be obligated to pay a fixed monthly charge which will increase after the expansion is complete. The lease expires September 30, 2011. The pipeline was not operational for its intended usage during 2006, therefore, no lease expense associated with this agreement was recognized for the year ended December 31, 2006.

During 2004, CRRM entered into a Transportation Services Agreement with CCPS Transportation, LLC (CCPS) pursuant to which CCPS reconfigured an existing pipeline (Spearhead Pipeline) to transport Canadian sourced crude oil to Cushing, Oklahoma. The term of the agreement is 10 years from the time the pipeline becomes operational, which occurred March 1, 2006. Pursuant to the agreement and pursuant to options for increased capacity which CRRM has exercised, CRRM is obligated to pay an incentive tariff, which is a fixed rate per barrel for a minimum of 10,000 barrels per day. Lease expense associated with this agreement included in cost of product sold (exclusive of depreciation and amortization) for the year ended December 31, 2006 totaled approximately $4,608,916.

During 2004, CRRM entered into a Terminalling Agreement with Plains Marketing, LP (Plains) whereby CRRM has the exclusive storage rights for working storage, blending, and terminalling services at several Plains tanks in Cushing, Oklahoma. Pursuant to the agreement, CRRM is obligated to pay a minimum throughput volume commitment of 29,200,000 barrels per year. This rate is subject to change annually based on changes in the Consumer Price Index (CPI-U) and the Producer Price Index (PPI-NG). Expenses associated with this agreement, included in cost of product sold (exclusive of depreciation and amortization) for the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005 and the year ended December 31, 2006, totaled approximately $811,815, $1,251,087 and $2,406,093, respectively. The agreement expires December 31, 2009.

During 2005 CRNF entered into an on-site product supply agreement with the BOC Group, Inc. Pursuant to the agreement, which expires in 2020, CRNF pays approximately $300,000 per month for the supply of oxygen and nitrogen to the fertilizer operation. Expenses associated with this agreement, included in direct operating expenses (exclusive of depreciation and amortization) for the year ended December 31, 2006 totaled approximately $3,520,759.

Effective December 31, 2005, a crude oil Supply agreement with Supplier A expired and was replaced by a new crude oil supply agreement with Supplier B (see note 18). Supplier A has initiated discussions with CRRM concerning alleged certain crude oil losses and other charges which Supplier A claims were eligible to be passed through to CRRM under the terms of the expired agreement. CRRM has offered a settlement with Supplier A and accordingly has recorded a liability of approximately $1,245,000 in accounts payable as of December 31, 2006.

During 2006, CRRM entered into a Lease Storage Agreement with TEPPCO Crude Pipeline, L.P. (TEPPCO) whereby CRRM leases 400,000 barrels of shell capacity at TEPPCO's Cushing tank farm in Cushing, Oklahoma. In September 2006, CRRM exercised its option to increase the shell capacity leased at the facility subject to this agreement from 400,000 barrels to 550,000 barrels. Pursuant to the agreement, CRRM is obligated to pay a monthly per barrel fee regardless of the number of barrels of crude oil actually stored at the leased facilities. The obligation begins once the storage capacity is operational, which is expected to occur in the first quarter of 2007.

During 2006, CRCT entered into a Pipeline Lease Agreement with Magellan whereby CRCT leases sixty-two miles of eight inch pipeline extending from Humboldt, Kansas to CRCT's facilities located in Broome, Kansas. Pursuant to the lease agreement, CRCT agrees to operate and maintain the leased pipeline and agrees to pay Magellan a fixed annual rental in advance. Expenses associated with this agreement, included in cost of product sold (exclusive of depreciation and amortization) for the year ended December 31, 2006 totaled approximately $76,042. The lease agreement expires on July 31, 2008.

As a result of the adoption of FIN 47, *Accounting for Conditional Asset Retirement Obligations,* in 2005, CVR recorded a net asset retirement obligation of $636,000 which was included in other liabilities at December 31, 2005 and 2006.

From time to time, CVR is involved in various lawsuits arising in the normal course of business, including matters such as those described below under, "Environmental, Health, and Safety Matters," and those described above. Liabilities related to such litigation are recognized when the related costs are probable and can be reasonably estimated. Management believes the company has accrued for losses for which it may ultimately be responsible. It is possible management's estimates of the outcomes will change within the next year due to uncertainties inherent in litigation and settlement negotiations. In the opinion of management, the ultimate resolution of any other litigation matters is not expected to have a material adverse effect on the accompanying consolidated financial statements.

Environmental, Health, and Safety (EHS) Matters

CVR is subject to various stringent federal, state, and local EHS rules and regulations. Liabilities related to EHS matters are recognized when the related costs are probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting EHS liabilities, no offset is made for potential recoveries. Such liabilities include estimates of CVR's share of costs attributable to potentially responsible parties which are insolvent or otherwise unable to pay. All liabilities are monitored and adjusted regularly as new facts emerge or changes in law or technology occur.

CVR owns and/or operates manufacturing and ancillary operations at various locations directly related to petroleum refining and distribution and nitrogen fertilizer manufacturing. Therefore, CVR has exposure to potential EHS liabilities related to past and present EHS conditions at some of these locations.

Through an Administrative Order issued to Original Predecessor under the Resource Conservation and Recovery Act, as amended (RCRA), CVR is a potential party responsible for conducting corrective actions at its Coffeyville, Kansas and Phillipsburg, Kansas facilities. In 2005, Coffeyville Resources Nitrogen Fertilizers, LLC agreed to participate in the State of Kansas Voluntary Cleanup and Property Redevelopment Program (VCPRP) to address a reported release of urea ammonium nitrate (UAN) at the Coffeyville UAN loading rack. As of December 31, 2005 and 2006, environmental accruals of $8,220,388 and $7,222,754 respectively, were reflected in the consolidated balance sheets for probable and estimated costs for remediation of environmental contamination under the RCRA Administrative Order and the VCPRP, including amounts totaling $1,211,000 and $1,827,649, respectively, included in other current liabilities. The Successor accruals were determined based on an estimate of payment costs through 2033, which scope of remediation was arranged with the EPA and are discounted at the appropriate risk free rates at December 31, 2005 and 2006, respectively. The accruals include estimated closure and post-closure costs of approximately $1,812,000 and $1,857,000 for two landfills at December 31, 2005 and 2006, respectively. The estimated future payments for these required obligations are as follows (in thousands):

Year Ending December 31,	Amount
2007	$ 1,828
2008	904
2009	493
2010	341
2011	341
Thereafter	6,001
Undiscounted total	9,908
Less amounts representing interest at 4.83%	2,685
Accrued environmental liabilities at December 31, 2006	$ 7,223

Management periodically reviews and, as appropriate, revises its environmental accruals. Based on current information and regulatory requirements, management believes that the accruals established for environmental expenditures are adequate.

The EPA has issued regulations intended to limit amounts of sulfur in diesel and gasoline. The EPA has granted Original Predecessor's petition for a technical hardship waiver with respect to the date for compliance in meeting the sulfur-lowering standards. Immediate Predecessor and Successor spent approximately $2 million in 2004, $27 million in 2005, and $79 million in 2006 and, based on information currently available, CVR anticipates spending approximately $18 million in 2007, $0.5 million in 2008, $5 million in 2009, and $20 million in 2010 to comply with the low-sulfur rules. The entire amounts are expected to be capitalized.

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. For the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, and the year ended December 31, 2006 capital expenditures were approximately $0, $2,563,295, $6,065,713, $20,165,483 and $144,793,610, respectively, and were incurred to improve the environmental compliance and efficiency of the operations.

CVR believes it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described above or other EHS matters which may develop in the future will not have a material adverse effect on the business, financial condition, or results of operations.

(15) Derivative Financial Instruments

Gain (loss) on derivatives consisted of the following:

	Immediate Predecessor		Successor	
	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	Year Ended December 31, 2006
Realized loss on swap agreements	$ —	$ —	$ (59,300,670)	$ (46,768,651)
Unrealized gain (loss) on swap agreements	—	—	(235,851,568)	126,771,145
Loss on termination of swap	—	—	(25,000,000)	—
Realized gain (loss) on other agreements	(219,096)	(7,664,725)	(1,867,513)	8,361,050
Unrealized gain (loss) on other agreements	765,700	—	(1,697,640)	2,411,340
Realized gain (loss) on interest rate swap agreements	—	—	(103,731)	4,398,164
Unrealized gain (loss) on interest rate swap agreements	—	—	7,759,011	(679,908)
Total gain (loss) on derivatives	$ 546,604	$ (7,664,725)	$ (316,062,111)	$ 94,493,140

CVR is subject to price fluctuations caused by supply conditions, weather, economic conditions, and other factors and to interest rate fluctuations. To manage price risk on crude oil and other inventories and to fix margins on certain future production, the Entities may enter into various derivative transactions. In addition, the Successor, as further described below, entered into certain commodity derivate contracts and an interest rate swap as required by the long-term debt agreements.

CVR has adopted SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, which imposes extensive record-keeping requirements in order to designate a derivative financial instrument as a hedge. CVR holds derivative instruments, such as exchange-traded crude oil futures, certain over-the-counter forward swap agreements, and interest rate swap agreements, which it believes provide an economic hedge on future transactions, but such instruments are not designated as hedges. Gains or losses related to the change in fair value and periodic settlements of these derivative instruments are classified as gain (loss) on derivatives.

At December 31, 2006, Successor's Petroleum Segment held commodity derivative contracts (swap agreements) for the period from July 1, 2005 to June 30, 2010 with a related party (see note 16). The swap agreements were originally executed on June 16, 2005 in conjunction with the Subsequent Acquisition of the Immediate Predecessor and required under the terms of the long-term debt agreements. The notional quantities on the date of execution were 100,911,000 barrels of crude oil; 2,348,802,750 gallons of unleaded gasoline and 1,889,459,250 gallons of heating oil. The swap agreements were executed at the prevailing market rate at the time of execution and Management believes the swap agreements provide an economic hedge on future transactions. At December 31, 2006 the notional open amounts under the swap agreements were 65,656,000 barrels of crude oil; 1,380,876,000 gallons of unleaded gasoline and 1,376,676,000 gallons of heating oil. These positions resulted in unrealized gains (losses) for the 233-day period ended December 31, 2005 and the year ended December 31, 2006 of $(235,851,568), and $126,771,145 using a valuation method that utilizes quoted market prices and assumptions for the estimated forward yield curves of the related commodities in periods when quoted market prices are unavailable. The Petroleum Segment recorded $(59,300,670), and $(46,768,651) in realized (losses) on these swap agreements for the 233-day period ended December 31, 2005 and the year ended December 31, 2006.

Successor entered certain crude oil, heating oil, and gasoline option agreements with a related party (see notes 1 and 16) as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying consolidated statements of operations as gain (loss) on derivatives for the 233 days ended December 31, 2005.

The Petroleum Segment also recorded mark-to-market net gains (losses), exclusive of the swap agreements described above and the interest rate swaps described in the following paragraph, in gain (loss) on derivatives of $546,604, $(7,664,725), $(3,565,153), and $10,772,391 for the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, and the year ended December 31, 2006, respectively. All of the activity related to the commodity derivative contracts is reported in the Petroleum Segment.

At December 31, 2006, Successor held derivative contracts known as interest rate swap agreements that converted Successor's floating-rate bank debt (see note 11) into 4.038% fixed-rate debt on a notional amount of $375,000,000. Half of the agreements are held with a related party (as described in note 16), and the other half are held with a financial institution that is a lender under CVR's long-term debt agreements. The swap agreements carry the following terms:

Period Covered	Notional Amount	Fixed Interest Rate
December 31, 2006 to March 30, 2007	$ 375 million	4.038%
March 31, 2007 to June 29, 2007	325 million	4.038%
June 29, 2007 to March 30, 2008	325 million	4.195%
March 31, 2008 to March 30, 2009	250 million	4.195%
March 31, 2009 to March 30, 2010	180 million	4.195%
March 31, 2010 to June 29, 2010	110 million	4.195%

CVR pays the fixed rates listed above and receives a floating rate based on three-month LIBOR rates, with payments calculated on the notional amounts listed above. The notional amounts do not represent actual amounts exchanged by the parties but instead represent the amounts on which the contracts are based. The swap is settled quarterly and marked to market at each reporting date, and all unrealized gains and losses are currently recognized in income. Transactions related to the interest rate swap agreements were not allocated to the Petroleum or Nitrogen Fertilizer segments. Mark-to-market net gains on derivatives and quarterly settlements were $7,655,280, and $3,718,256 for the 233-day period ended December 31, 2005, and the year ended December 31, 2006, respectively.

(16) Related Party Transactions

Pegasus Partners II, L.P. (Pegasus) was a majority owner of Immediate Predecessor.

On March 3, 2004, Immediate Predecessor entered into a management services agreement with an affiliate company of Pegasus, Pegasus Capital Advisors, L.P. (Affiliate) pursuant to which Affiliate provided Immediate Predecessor with managerial and advisory services. Amounts totaling approximately $545,000 and $1,000,000 relating to the agreement were expensed in selling, general, and administrative expenses (exclusive of depreciation and amortization) for the 304 days ended December 31, 2004 and for the 174 days ended June 23, 2005, respectively. Immediate Predecessor expensed approximately $455,000 in selling, general and administrative expenses (exclusive of depreciation and amortization) for legal fees paid on behalf of Affiliate in lieu of the remaining amounts owed under the management services agreement for the 304 days ended December 31, 2004.

Immediate Predecessor paid Affiliate a $4.0 million transaction fee upon closing of the Initial Acquisition referred to in note 1. The transaction fee relates to a $2.5 million finder’s fee included in the cost of the Initial Acquisition and $1.5 million in deferred financing costs. The deferred financing cost was subsequently written off in May 2004 as part of the refinancing. In conjunction with the debt refinancing on May 10, 2004, a $1.25 million fee was paid to Affiliate as a deferred financing cost and was subsequently written-off immediately prior to the Subsequent Acquisition.

GS Capital Partners V Fund, L.P. and related entities (GS or Goldman Sachs Funds) and Kelso Investment Associates VII, L.P. and related entity (Kelso or Kelso Funds) are majority owners of Successor.

Successor paid companies related to GS and Kelso each equal amounts totaling $6.0 million for transaction fees related to the Subsequent Acquisition, as well as an additional $0.7 million paid to GS for reimbursed expenses related to the Subsequent Acquisition. These expenditures were included in the cost of the Subsequent Acquisition referred to in note 1.

An affiliate of GS is one of the lenders in conjunction with the financing of the Subsequent Acquisition. Successor paid this affiliate of GS a $22.1 million fee included in deferred financing costs. For the 233 days ended December 31, 2005, Successor made interest payments of $1.8 million recorded in interest expense and paid letter of credit fees of approximately $155,000 recorded in selling, general, and administrative expenses (exclusive of depreciation and amortization), to this affiliate of GS. Additionally, a fee in the amount of $125,000 was paid to this affiliate of GS for assistance with modification of the credit facility in June 2006.

An affiliate of GS is one of the lenders in conjunction with the refinancing on December 28, 2006. Successor paid this affiliate of GS a $8,062,500 million fee and expense reimbursements of $78,243 included in deferred financing costs.

On June 24, 2005, Successor entered into a management services agreement with GS and Kelso pursuant to which GS and Kelso provide Successor with managerial and advisory services. In consideration for these services, an annual fee of $1.0 million each is paid to GS and Kelso, plus reimbursement for any out-of-pocket expenses. The agreement has a term ending on the date GS and Kelso cease to own any interests in Successor. Relating to the agreement, $1,310,416 and $2,315,937 were expensed in selling, general, and administrative expenses (exclusive of depreciation and amortization) for the 233 days ended December 31, 2005 and the year ended December 31, 2006, respectively. In addition, $1,046,575 and $0 were included in other current liabilities and approximately $78,671 and $0 were included in accounts payable at December 31, 2005 and 2006, respectively.

Successor entered into certain crude oil, heating oil, and gasoline swap agreements with a subsidiary of GS. The original swap agreements were entered into on May 16, 2005 (as described in note 1) and were terminated on June 16, 2005, resulting in a $25 million loss on termination of swap agreements for the 233 days ended December 31, 2005. Additional swap agreements with this subsidiary of GS were entered into on June 16, 2005, with an expiration date of June 30, 2010 (as described in note 15). Amounts totaling $(297,010,762) and $80,002,494 were reflected in gain (loss) on derivatives related to these swap agreements for the 233 days ended December 31, 2005, and year ended December 31, 2006, respectively. In addition, the consolidated balance sheet at December 31, 2005 and 2006 includes liabilities of $96,688,956 and $36,894,802, respectively, included in current payable to swap counterparty and $160,033,333 and $72,806,486 included in long-term payable to swap counterparty, respectively.

On June 30, 2005, Successor entered into three interest-rate swap agreements with the same subsidiary of GS (as described in note 15). Amounts totaling $3,826,342 and $1,857,801 were recognized related to these swap agreements for the 233 days ended December 31, 2005 and year ended December 31, 2006, respectively, and are reflected in gain (loss) on derivatives. In addition, the consolidated balance sheet at December 31, 2005 and 2006 includes $1,441,697 and $1,533,738 in prepaid expenses and other current assets and $2,441,216 and $2,014,504 in other long-term assets related to the same agreements, respectively.

Effective December 30, 2005, Successor entered into a crude oil supply agreement with a subsidiary of GS (Supplier). This agreement replaces a similar contract held with an independent party (see note 18). Both parties will negotiate the cost of each barrel of crude oil to be purchased from a third party. Successor will pay Supplier a fixed supply service fee per barrel over the negotiated cost of each barrel of crude purchased. The cost is adjusted further using a spread adjustment calculation based on the time period the crude oil is estimated to be delivered to the refinery, other market conditions, and other factors deemed appropriate. The monthly spread quantity for any delivery month at any time shall not exceed approximately 3.1 million barrels. The initial term of the agreement was to December 31, 2006. Successor and Supplier agreed to extend the term of the Supply Agreement for an additional 12 month period, January 1, 2007 through December 31, 2007 and in connection with the extension amended certain terms and conditions of the Supply Agreement. $1,290,731 and $1,622,824 were recorded on the consolidated balance sheet at December 31, 2005 and 2006, respectively, in prepaid expenses and other current assets for prepayment of crude oil. $31,750,784 and $13,458,977 were recorded in inventory and accounts payable at December 31, 2006. Expenses associated with this agreement, included in cost of product sold (exclusive of depreciation and amortization) for the year ended December 31, 2006 totaled approximately $1,591,120,148.

The Company had a note receivable with an executive member of management. During the period ended December 31, 2006, the board of directors approved to forgive the note receivable and related accrued interest receivable. The balance of the note receivable forgiven was $350,000. Accrued interest receivable forgiven was approximately $17,989. The total amount was charged to compensation expense.

(17) Business Segments

CVR measures segment profit as operating income for Petroleum and Nitrogen Fertilizer, CVR's two reporting segments, based on the definitions provided in SFAS No. 131, *Disclosures About Segments of an Enterprise and Related Information.*

Petroleum

Principal products of the Petroleum Segment are refined fuels, propane, and petroleum refining by-products including coke. CVR uses the coke in the manufacture of nitrogen fertilizer at the adjacent nitrogen fertilizer plant. For CVR, a $15-per-ton transfer price is used to record intercompany sales on the part of the Petroleum Segment and corresponding intercompany cost of product sold (exclusive of depreciation and amortization) for the Nitrogen Fertilizer Segment. The intercompany transactions are eliminated in the Other Segment. For Original Predecessor, the coke was transferred from the Petroleum Segment to the Nitrogen Fertilizer Segment at zero value such that no sales revenue on the part of the Petroleum Segment or corresponding cost of product sold (exclusive of depreciation and amortization) for the Nitrogen Fertilizer Segment was recorded. Because Original Predecessor did not record these transfers in its segment results and the information to restate these segment results in Original Predecessor periods is not available, financial results from those periods have not been restated. As a result, the results of operations for Original Predecessor periods are not comparable with those of Immediate Predecessor or Successor periods. Intercompany sales included in Petroleum net sales were $0, $4,297,440, $2,444,565, $2,782,455, and $5,339,715 for the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, and the year ended December 31, 2006, respectively.

Nitrogen Fertilizer

The principal product of the Nitrogen Fertilizer Segment is nitrogen fertilizer. Nitrogen fertilizer sales increased throughout the periods presented as the on stream factor improved. Intercompany cost of product sold (exclusive of depreciation and amortization) for the coke transfer described above was $0, $4,300,516, $2,778,079, $2,574,908, and $5,241,927 for the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, the 233-day period ended December 31, 2005, and the year ended December 31, 2006, respectively.

Other Segment

The Other Segment reflects intercompany eliminations, cash and cash equivalents, all debt related activities, income tax activities and other corporate activities that are not allocated to the operating segments.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Original Predecessor	Immediate Predecessor		Successor	
	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005	Year Ended December 31, 2006
Net sales					
Petroleum	$ 241,640,365	$ 1,390,768,126	$ 903,802,983	$ 1,363,390,142	$ 2,880,442,544
Nitrogen Fertilizer	19,446,164	93,422,503	79,347,843	93,651,855	162,464,533
Other	—	—	—	—	—
Intersegment elimination	—	(4,297,440)	(2,444,565)	(2,782,455)	(5,339,715)
Total	$ 261,086,529	$ 1,479,893,189	$ 980,706,261	$ 1,454,259,542	$ 3,037,567,362
Cost of product sold (exclusive of depreciation and amortization)					
Petroleum	$ 217,375,945	$ 1,228,074,299	$ 761,719,405	$ 1,156,208,301	$ 2,422,717,768
Nitrogen Fertilizer	4,073,232	20,433,642	9,125,852	14,503,824	25,898,902
Other	—	(2)	—	—	—
Intersegment elimination	—	(4,300,516)	(2,778,079)	(2,574,908)	(5,241,927)
Total	$ 221,449,177	$ 1,244,207,423	$ 768,067,178	$ 1,168,137,217	$ 2,443,374,743
Direct operating expenses (exclusive of depreciation and amortization)					
Petroleum	$ 14,925,611	$ 73,231,607	$ 52,611,148	$ 56,159,473	$ 135,296,759
Nitrogen Fertilizer	8,427,851	43,752,777	28,302,714	29,153,729	63,683,224
Other	—	—	—	—	—
Total	$ 23,353,462	$ 116,984,384	$ 80,913,862	$ 85,313,202	$ 198,979,983
Depreciation and amortization					
Petroleum	$ 271,284	$ 1,522,464	$ 770,728	$ 15,566,987	$ 33,016,619
Nitrogen Fertilizer	160,719	855,289	316,446	8,360,911	17,125,897
Other	—	68,208	40,831	26,133	862,066
Total	$ 432,003	$ 2,445,961	$ 1,128,005	$ 23,954,031	$ 51,004,582
Operating income (loss)					
Petroleum	$ 7,687,745	$ 77,094,034	$ 76,654,428	$ 123,044,854	$ 245,577,550
Nitrogen Fertilizer	3,514,997	22,874,227	35,267,752	35,731,056	36,842,252
Other	—	3,076	333,514	(240,848)	(811,869)
Total	$ 11,202,742	$ 99,971,337	$ 112,255,694	$ 158,535,062	$ 281,607,933
Capital expenditures					
Petroleum	$ —	$ 11,267,244	$ 10,790,042	$ 42,107,751	$ 223,553,105
Nitrogen fertilizer	—	2,697,852	1,434,921	2,017,385	13,257,681
Other	—	195,184	31,830	1,046,998	3,414,606
Total	$ —	$ 14,160,280	$ 12,256,793	$ 45,172,134	$ 240,225,392

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Original Predecessor	Immediate Predecessor		Successor	
	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005	Year Ended December 31, 2006
Total assets					
Petroleum		$ 145,861,715		$ 664,870,240	$ 907,314,951
Nitrogen Fertilizer		83,561,149		425,333,621	417,657,093
Other		(265,527)		131,344,042	124,507,471
Total		$ 229,157,337		$ 1,221,547,903	$ 1,449,479,515
Goodwill					
Petroleum		$ —		$ 42,806,422	$ 42,806,422
Nitrogen Fertilizer		—		40,968,463	40,968,463
Other		—		—	—
Total		$ —		$ 83,774,885	$ 83,774,885

(18) Major Customers and Suppliers

Sales to major customers were as follows:

	Original Predecessor	Immediate Predecessor		Successor	
	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005	Year Ended December 31, 2006
Petroleum					
Customer A	10%	18%	17%	16%	2%
Customer B	25%	10%	5%	6%	5%
Customer C	18%	17%	17%	15%	15%
Customer D	—	8%	14%	17%	10%
Customer E	9%	15%	11%	11%	10%
	62%	68%	64%	65%	42%
Nitrogen Fertilizer					
Customer F	48%	24%	16%	10%	5%
Customer G	0%	5%	9%	10%	6%
	48%	29%	25%	20%	11%

The Petroleum Segment maintains long-term contracts with one supplier for the purchase of its crude oil. The agreement with Supplier A expired in December 2005, at which time Successor entered into a similar arrangement with Supplier B, a related party (as described in note 16). Purchases contracted as a percentage of the total cost of product sold (exclusive of depreciation and amortization) for each of the periods were as follows:

	Original Predecessor	Immediate Predecessor		Successor	
	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005	Year Ended December 31, 2006
Supplier A	34%	68%	82%	73%	0%
Supplier B	—	—	—	—	67%
	34%	68%	82%	73%	67%

The Nitrogen Fertilizer Segment maintains long-term contracts with one supplier. Purchases from this supplier as a percentage of direct operating expenses (exclusive of depreciation and amortization) were as follows:

	Original Predecessor	Immediate Predecessor		Successor	
	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005	Year Ended December 31, 2006
Supplier	4%	5%	4%	5%	8%

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEET

	December 31, 2006	March 31, 2007 (unaudited)	Pro Forma March 31, 2007 (unaudited) (Note 2)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 41,919,260	$ 7,607,943	2,940,662
Accounts receivable, net of allowance for doubtful accounts of $375,443 and $140,109, respectively	69,589,161	25,197,308	25,197,308
Inventories	161,432,793	184,418,775	184,418,775
Prepaid expenses and other current assets	18,524,017	19,229,965	15,537,031
Income tax receivable	32,099,163	17,210,500	12,983,750
Deferred income taxes	18,888,660	3,765,991	3,765,991
Total current assets	342,453,054	257,430,482	244,843,517
Property, plant, and equipment, net of accumulated depreciation	1,007,155,873	1,113,555,099	1,114,953,618
Intangible assets, net	638,456	584,081	584,081
Goodwill	83,774,885	83,774,885	83,774,885
Deferred financing costs, net	9,128,258	8,652,412	8,652,412
Other long-term assets	6,328,989	5,368,712	5,368,712
Total assets	$ 1,449,479,515	$ 1,469,365,671	1,458,177,225
LIABILITIES AND EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 5,797,981	$ 7,720,986	4,931,468
Revolving debt	—	29,500,000	29,500,000
Accounts payable	138,911,088	194,575,263	193,865,048
Personnel accruals	24,731,283	20,220,754	20,220,754
Accrued taxes other than income taxes	9,034,841	7,902,013	7,902,013
Payable to swap counterparty	36,894,802	131,071,839	131,071,839
Deferred revenue	8,812,350	13,879,211	13,879,211
Other current liabilities	6,017,435	22,345,237	22,345,237
Total current liabilities	230,199,780	427,215,303	423,715,570
Long-term liabilities:			
Long-term debt, less current portion	769,202,019	767,279,014	490,068,532
Accrued environmental liabilities	5,395,105	5,879,762	5,879,762
Deferred income taxes	284,122,958	227,709,397	227,709,397
Payable to swap counterparty	72,806,486	107,972,734	107,972,734
Total long-term liabilities	1,131,526,568	1,108,840,907	831,630,425
Minority interest in subsidiaries	4,326,188	3,650,441	10,600,000
Management voting common units subject to redemption, 201,063 units issued and outstanding in 2006 and 2007, respectively	6,980,907	7,101,545	
Members' equity:			
Voting common units, 22,614,937 units issued and outstanding in 2006 and 2007, respectively	73,593,326	(80,901,264)	—
Management nonvoting override units, 2,976,353 units issued and outstanding in 2006 and 2007, respectively	2,852,746	3,458,739	—
Total members' equity	76,446,072	(77,442,525)	—
PRO FORMA STOCKHOLDERS' EQUITY			
Stockholders' equity:			
Common stock, $0.01 par value, 350,000,000 shares authorized; 81,641,591 shares issued and outstanding			816,416
Additional paid-in capital			191,414,814
Retained earnings			
Total pro forma stockholders' equity			192,231,230
Commitments and contingencies			
Total liabilities and equity	$ 1,449,479,515	$ 1,469,365,671	1,458,177,225

See accompanying notes to condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Net sales	$ 669,727,347	$ 390,482,819
Operating costs and expenses:		
Cost of product sold (exclusive of depreciation and amortization)	539,538,749	303,670,229
Direct operating expenses (exclusive of depreciation and amortization)	44,287,963	113,411,569
Selling, general and administrative expenses (exclusive of depreciation and amortization)	8,493,544	13,149,892
Depreciation and amortization	12,003,797	14,235,431
Total operating costs and expenses	604,324,053	444,467,121
Operating income (loss)	65,403,294	(53,984,302)
Other income (expense):		
Interest expense and other financing costs	(12,206,618)	(11,856,624)
Interest income	590,075	451,984
Loss on derivatives	(17,615,311)	(136,959,221)
Other income (expense)	57,615	764
Total other expense	(29,174,239)	(148,363,097)
Income (loss) before income taxes and minority interest in subsidiaries	36,229,055	(202,347,399)
Income tax expense (benefit)	14,106,160	(47,297,700)
Minority interest in (income) loss of subsidiaries	—	675,747
Net income (loss)	$ 22,122,895	$ (154,373,952)
Unaudited Pro Forma Information (Note 2)		
Basic earnings (loss) per common share	$ 0.27	$ (1.89)
Diluted earnings (loss) per common share	0.27	(1.89)
Basic weighted average common shares outstanding	81,641,591	81,641,591
Diluted weighted average common shares outstanding	81,659,091	81,641,591

See accompanying notes to condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Cash flows from operating activities:		
Net income (loss)	$ 22,122,895	$ (154,373,952)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	12,003,797	14,235,431
Provision for doubtful accounts	(82)	(235,334)
Amortization of deferred financing costs	828,027	473,386
Loss on disposition of fixed assets	—	24,268
Share-based compensation	454,704	605,993
Minority interest in loss of subsidiaries	—	(675,747)
Changes in assets and liabilities:		
Accounts receivable	14,265,218	44,627,187
Inventories	(22,461,422)	(22,985,982)
Prepaid expenses and other current assets	1,272,209	(703,488)
Other long-term assets	(2,064,719)	923,600
Accounts payable	(16,531,014)	46,538,770
Accrued income taxes	16,750,737	14,888,663
Deferred revenue	(6,266,630)	5,066,861
Other current liabilities	(7,714,984)	6,605,784
Payable to swap counterparty	3,399,919	129,343,285
Accrued environmental liabilities	(360,789)	484,657
Deferred income taxes	(7,665,577)	(41,290,892)
Net cash provided by operating activities	8,032,289	43,552,490
Cash flows from investing activities:		
Capital expenditures	(29,312,829)	(107,363,807)
Net cash used in investing activities	(29,312,829)	(107,363,807)
Cash flows from financing activities:		
Revolving debt borrowings	—	29,500,000
Proceeds from issuance of long-term debt	10,000,000	—
Principal payments on long-term debt	(561,094)	—
Payment of note receivable	150,000	—
Net cash provided by financing activities	9,588,906	29,500,000
Net decrease in cash and cash equivalents	(11,691,634)	(34,311,317)
Cash and cash equivalents, beginning of period	64,703,524	41,919,260
Cash and cash equivalents, end of period	$ 53,011,890	$ 7,607,943
Supplemental disclosures		
Cash paid for income taxes, net of refunds (received)	$ 5,021,000	$ (20,895,471)
Cash paid for interest	$ 12,278,266	$ 39,318
Non-cash investing and financing activities:		
Accrual of construction in progress additions including $4,078,661 in capitalized interest	$ —	$ 13,204,066

See accompanying notes to condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited) — (Continued)

(1) Organization and Basis of Presentation

On June 24, 2005, Coffeyville Acquisition LLC (CALLC) acquired all of the outstanding stock of Coffeyville Refining & Marketing, Inc. (CRM); Coffeyville Nitrogen Fertilizers, Inc. (CNF); Coffeyville Crude Transportation, Inc. (CCT); Coffeyville Pipeline, Inc. (CP); and Coffeyville Terminal, Inc. (CT) (collectively, CRIncs) (Subsequent Acquisition). CRIncs collectively own 100% of CL JV Holdings, LLC (CLJV), and through CLJV they collectively own 100% of Coffeyville Resources, LLC (CRLLC) and its wholly owned subsidiaries, Coffeyville Resources Refining & Marketing, LLC (CRRM); Coffeyville Resources Nitrogen Fertilizers, LLC (CRNF); Coffeyville Resources Crude Transportation, LLC (CRCT); Coffeyville Resources Pipeline, LLC (CRP); and Coffeyville Resources Terminal, LLC (CRT).

CALLC, through its wholly-owned subsidiaries, acts as an independent petroleum refiner and marketer in the mid-continental United States and a producer and marketer of upgraded nitrogen fertilizer products in North America.

CALLC formed CVR Energy, Inc. as a wholly owned subsidiary in Delaware in September 2006 in order to effect the initial public offering. CVR has assumed that concurrent with this offering, a newly formed direct subsidiary of CVR's will merge with Coffeyville Refining & Marketing, Inc. (CRM) and a separate newly formed direct subsidiary of CVR's will merge with Coffeyville Nitrogen Fertilizers, Inc. (CNF) which will make CRM and CNF direct wholly owned subsidiaries of CVR.

Prior to the consummation of this offering, CVR intends to transfer CRNF, its nitrogen fertilizer business, to a newly created limited partnership (Partnership) in exchange for a managing general partner interest (managing GP) and a special general partner interest (special GP interest). CVR intends to sell the managing GP interest to an entity owned by our controlling stockholders and senior management at fair market value prior to the consummation of this offering.

The fair value of the managing general partner interest was determined, after consultation with management and a third party valuation firm, by calculating the projected cash flows due to the managing general partner under the terms of the Partnership's limited partnership agreement, subject to an appropriate discount. The Partnership's cash distributions were assumed to be flat at expected forward fertilizer prices, with cash reserves developed in periods of high prices and cash reserves reduced in periods of lower prices. The Partnership's projected cash flows utilized for the valuation were calculated based on estimates of production volumes and operating costs which were developed by management based on historical operations and experience. Price projections were based on information received from Blue Johnson & Associates, a fertilizer industry consultant in the United States, which CVR routinely uses for fertilizer market analysis.

In conjunction with CVR's ownership of the special GP interest, it will initially own all of the interests in the Partnership (other than the managing general partner interest and associated IDRs described below) and will initially be entitled to all cash that is distributed by the Partnership. The managing GP will not be entitled to participate in Partnership distributions except in respect of associated incentive distribution rights, or IDRs, which entitle the managing GP to receive increasing percentages of the Partnership's quarterly distributions if the Partnership increases its distributions above an amount specified in the Partnerships Agreement. The Partnership will not make any distributions with respect to the IDRs until the Aggregate Adjusted Operating Surplus, as defined in the Partnership Agreement, generated by the Partnership during the period from its formation through June 30, 2009 has been distributed in respect of the special GP interests, which CVR will hold, and/or the Partnership's common and subordinated interests (none of which are yet outstanding, but which would be issued if the Partnership issues equity in the future). In addition, there will be no distributions paid on the managing GP IDRs for so long as the Partnership or its subsidiaries are guarantors under CRLLC's Credit Facility.

The Partnership will be primarily managed by the managing GP, but will be operated by CVR's senior management pursuant to a management services agreement to be entered into among CVR, the managing GP, and the Partnership. In addition, CVR will have approval rights regarding the appointment, termination, and compensation of the chief executive officer and chief financial officer of the managing GP, will designate one member of the board of directors of the managing GP, and will have approval rights regarding specified major business decisions by the managing GP.

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) and in accordance with the rules and regulations of the Securities and Exchange Commission. The consolidated financial statements include the accounts of CVR Energy, Inc. and its subsidiaries (CVR or the Company). All significant intercompany accounts and transactions have been eliminated in consolidation. Certain information and footnotes required for the complete financial statements under U.S. generally accepted accounting principles have not been included pursuant to such rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the December 31, 2006 audited financial statements and notes thereto of CVR.

In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to fairly present the financial position as of December 31, 2006 and March 31, 2007, and the results of operations and cash flows for the three months ended March 31, 2006 and March 31, 2007.

Results of operations and cash flows for the interim periods presented are not necessarily indicative of the results that will be realized for the year ending December 31, 2007 or any other interim period. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affected the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(2) Unaudited Pro Forma Information

Earnings per share is calculated on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering. Pro forma earnings per share assumes that in conjunction with the initial public offering, CRM and CNF will merge with two of CVR's direct wholly owned subsidiaries; prior to the completion of this offering, CVR will effect a 658,619.93 for 1 stock split; CVR will issue 252,448 shares of its common stock to an executive officer in exchange for his shares in two of CVR's subsidiaries, CVR will issue 27,150 shares of its common stock to its employees, CVR will issue 17,500 shares of its common stock to two board of director members and CVR will issue 15,500,000 shares of common stock in this offering. No effect has been given to any shares that might be sold in this offering pursuant to the exercise by the underwriters of their option. For the three months ended March 31, 2007, the 17,500 nonvested restricted shares of CVR common stock to be issued to two directors have been excluded from the calculation of pro forma diluted earnings per share because the inclusion of such shares in the number of weighted average shares outstanding would be antidilutive.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited) — (Continued)

Pro forma earnings (loss) per share for the three months ended March 31, 2006 and 2007 is calculated as follows:

	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Net income (loss)	$ 22,122,895	$ (154,373,952)
Pro forma weighted average shares outstanding:		
Existing CVR common shares	100	100
Effect of 658,619.93 to 1 stock split	65,861,893	65,861,893
Issuance of common shares to management in exchange for subsidiary shares	252,448	252,448
Issuance of common shares to employees	27,150	27,150
Issuance of common shares in this offering	15,500,000	15,500,000
Basic weighted average shares outstanding	81,641,591	81,641,591
Dilutive securities — issuance of nonvested common shares to board directors	17,500	—
Diluted weighted average shares outstanding	81,659,091	81,641,591
Pro forma basic earnings (loss) per share	$ 0.27	$ (1.89)
Pro forma dilutive earnings (loss) per share	$ 0.27	$ (1.89)

The pro forma balance sheet assumes the following transactions occurred on March 31, 2007:

- The payment of a $10.6 million dividend to Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC;
- The receipt of gross proceeds of $10.6 million for the sale of the managing general partner interest in the Partnership, through sale of the managing general partner, to Coffeyville Acquisition III LLC at estimated fair market value, as determined after consultation with management and a third party valuation firm, resulting in a taxable gain to the Company;
- The exchange of the Company's chief executive officer's shares in two of CVR's subsidiaries for shares of CVR common stock at fair market value, resulting in an estimated step-up in basis in the Company's property, plant, and equipment of approximately $1.4 million;
- The issuance of 15,500,000 shares of CVR common stock as a result of the public offering at an assumed initial offering price of $20.00 per share, resulting in aggregate gross proceeds of $310.0 million;
- The payment of underwriters' discounts and commissions and estimated offering expenses totaling approximately $27.65 million of which $3.0 million had been prepaid as of March 31, 2007 and $0.7 million had been accrued as of March 31, 2007;
- The conversion from a partnership structure to a corporate structure;
- The repayment of term debt of $280 million with the net proceeds of the offering; and

- The payment of a $10.0 million termination fee in connection with the termination of the management agreements payable to Goldman, Sachs & Co. and Kelso & Company, L.P. in conjunction with the offering.

(3) New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, which establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. SFAS 157 states that fair value is "the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price)". The statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently evaluating the effect that this statement will have on our financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. Under this standard, an entity is required to provide additional information that will assist investors and other users of financial information to more easily understand the effect of the company's choice to use fair value on its earnings. Further, the entity is required to display the fair value of those assets and liabilities for which the company has chosen to use fair value on the face of the balance sheet. This standard does not eliminate the disclosure requirements about fair value measurements included in SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*. SFAS 159 is effective for fiscal years beginning after November 15, 2007. We are currently evaluating the potential adoption impact that SFAS 159 will have on our financial condition, results of operations and cash flows.

(4) Members' Equity

Common units held by management contain put rights held by management and call rights held by CALLC exercisable at fair value in the event the management member becomes inactive. Accordingly, in accordance with Emerging Issues Task Force Topic No. D-98, *Classification and Measurement of Redeemable Securities*, common units held by management were initially recorded at fair value at the date of issuance and have been classified in temporary equity as Management Voting Common Units Subject to Redemption (capital subject to redemption) in the accompanying condensed consolidated balance sheets.

The put rights with respect to management's common units provide that following their termination of employment, they have the right to sell all (but not less than all) of their common units to CALLC at their "Fair Market Value" (as that term is defined in the LLC Agreement) if they were terminated without "Cause", or as a result of death, "Disability" or resignation with "Good Reason" (each as defined in the LLC Agreement) or due to "Retirement" (as that term is defined in the LLC Agreement). CALLC has call rights with respect to the executive's common units, so that following the executive's termination of employment, CALLC has the right to purchase the common units at their Fair Market Value if the executive was terminated without Cause, or as a result of the executive's death, Disability or resignation with Good Reason or due to Retirement. The call price will be the lesser of the common unit's Fair Market Value or Carrying Value (which means the capital contribution, if any, made by the executive in respect of such interest less the amount of distributions made in respect of such interest) if the executive is terminated for Cause or he resigns without Good Reason. For any other termination of employment, the call price will be at the Fair Market Value or Carrying Value of such common units, in the sole discretion of CALLC's board of directors. No put or call rights apply to override units following the executive's termination of employment unless CALLC's board of directors (or the compensation committee thereof) determines in its discretion that put and call rights will apply.

CVR accounts for changes in redemption value of management common units in the period the changes occur and adjusts the carrying value of the capital subject to redemption to equal the redemption value at the end of each reporting period with an equal and offsetting adjustment to Members' Equity. None of the capital subject to redemption was redeemable at December 31, 2006 or March 31, 2007.

At March 31, 2007, the capital subject to redemption was revalued through an independent appraisal process, and the value was determined to be $35.32 per unit. The appraisal utilized a discounted cash flow (DCF) method, a variation of the income approach, and the guideline public company method, a variation of the market approach, to determine the fair value. The guideline public company method utilized a weighting of market multiples from publicly-traded petroleum refiners and fertilizer manufactures that are comparable to the Company. The recognition of the value of $35.32 per unit increased the carrying value of the capital subject to redemption by $1,481,038 for the three months ended March 31, 2007 with an equal and offsetting decrease to members' equity. This increase was the result of higher forward market price assumptions, which were consistent with what was observed in the market during the period, in the refining business resulting in increased free cash flow projections utilized in the DCF method. The market multiples for the public-traded comparable companies also increased from December 31, 2006, resulting in increased value of the units.

Concurrent with the Subsequent Acquisition, CALLC issued nonvoting override operating units to certain management members holding common units. There were no required capital contributions for the override operating units.

919,630 override operating units at an adjusted benchmark value of $11.31 per unit

In accordance with SFAS 123(R) *Share Based Payments*, using the Monte Carlo method of valuation, the estimated fair value of the override operating units on June 24, 2005 was $3,604,950. Pursuant to the forfeiture schedule described below, the Company is recognizing compensation expense over the service period for each separate portion of the award for which the forfeiture restriction lapsed as if the award was, in-substance, multiple awards. Compensation expense of $285,339 was recognized for both the three months ending March 31, 2006 and 2007. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Explicit service period	Based on forfeiture schedule below
• Grant-date fair value — controlling basis	$5.16 per share
• Marketability and minority interest discounts	$1.24 per share (24% discount)
• Volatility	37%

On December 28, 2006, CALLC issued additional nonvoting override operating units to a certain management member who holds common units. There were no required capital contributions for the override operating units.

72,492 override operating units at a benchmark value of $34.72 per unit

In accordance with SFAS 123(R), a combination of a binomial model and a probability-weighted expected return method which utilized the company's cash flow projections resulted in an estimated fair value of the override operating units on December 28, 2006 was $472,648. Management believes that this method is preferable for the valuation of the override units as it allows a better integration of the cash flows with other inputs, including the timing of potential exit events that impact the estimated fair value of the override units. Pursuant to the forfeiture schedule described below, the Company is recognizing compensation expense over the service period for each separate portion of the award for which the forfeiture restriction lapsed as if the award was, in-substance, multiple awards. Compensation expense for the three months ended March 31, 2007 was $99,733. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Explicit service period	Based on forfeiture schedule below
• Grant-date fair value — controlling basis	$8.15 per share
• Marketability and minority interest discounts	$1.63 per share (20% discount)
• Volatility	41%

Override operating units participate in distributions in proportion to the number of total common, non-forfeited override operating and participating override value units issued. Distributions to override operating units will be reduced until the total cumulative reductions are equal to the benchmark value. Override operating units are forfeited upon termination of employment for cause. In the event of all other terminations of employment, the override operating units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

On the tenth anniversary of the issuance of override operating units, such units shall convert into an equivalent number of override value units.

Concurrent with the Subsequent Acquisition, CALLC issued nonvoting override value units to certain management members who hold common units. There were no required capital contributions for the override value units.

1,839,265 override value units at an adjusted benchmark value of $11.31 per unit

In accordance with SFAS 123(R), using the Monte Carlo method of valuation, the estimated fair value of the override value units on June 24, 2005 was $4,064,776. For the override value units, CVR is recognizing compensation expense ratably over the implied service period of 6 years. Compensation expense of $169,366 was recognized for both the three months ending March 31, 2006 and 2007. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Derived service period	6 years
• Grant-date fair value — controlling basis	$2.91 per share
• Marketability and minority interest discounts	$0.70 per share (24% discount)
• Volatility	37%

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited) — (Continued)

On December 28, 2006, the Company issued additional nonvoting override value units to a certain management member who holds common units. There were no required capital contributions for the override value units.

144,966 override value units at a benchmark value of $34.72 per unit

In accordance with SFAS 123(R), a combination of a binomial model and a probability-weighted expected return method which utilized the Company's cash flow projections resulted in an estimated fair value of the override value units on December 28, 2006 of $945,178. Management believes that this method is preferable for the valuation of the override units as it allows a better integration of the cash flows with other inputs, including the timing of potential exit events that impact the estimated fair value of the override units. For the override value units, CVR is recognizing compensation expense ratably over the implied service period of 6 years. Compensation expense for the three months ended March 31, 2007 was $51,555. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Derived service period	6 years
• Grant-date fair value — controlling basis	$8.15 per share
• Marketability and minority interest discounts	$1.63 per share (20% discount)
• Volatility	41%

Value units fully participate in cash distributions when the amount of such cash distributions to certain investors (Current Common Value) is equal to four times the original contributed capital of such investors (including the Delayed Draw Capital required to be contributed pursuant to the long term credit agreements). If the Current Common Value is less than two times the original contributed capital of such investors at the time of a distribution, none of the override value units participate. In the event the Current Common Value is greater than two times the original contributed capital of such investors but less than four times, the number of participating override value units is the product of 1) the number of issued override value units and 2) the fraction, the numerator of which is the Current Common Value minus two times original contributed capital, and the denominator of which is two times the original contributed capital. Distributions to participating override value units will be reduced until the total cumulative reductions are equal to the benchmark value. On the tenth anniversary of any override value unit (including any override value unit issued on the conversion of an override operating unit) the "two times" threshold referenced above will become "10 times" and the "four times" threshold referenced above will become "12 times". Unless the compensation committee of the board of directors takes an action to prevent forfeiture, override value units are forfeited upon termination of employment for any reason except that in the event of termination of employment by reason of death or disability, all override value units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Subject to Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0 %

At March 31, 2007, there was approximately $5.6 million of unrecognized compensation expense related to nonvoting override units. This is expected to be recognized over a period of five years as follows:

	Override Operating Units	Override Value Units
Nine months ending December 31, 2007	$ 812,974	$ 662,763
Year ending December 31, 2008	670,385	883,684
Year ending December 31, 2009	344,178	883,684
Year ending December 31, 2010	102,079	883,684
Year ending December 31, 2011	—	385,383
	$ 1,929,616	$ 3,699,198

CALLC, through a wholly-owned subsidiary, has a Phantom Unit Appreciation Plan whereby directors, employees, and service providers may be awarded phantom points at the discretion of the board of directors or the compensation committee. Holders of service phantom points have rights to receive distributions when holders of override operating units receive distributions. Holders of performance phantom points have rights to receive distributions when holders of override value units receive distributions. There are no other rights or guarantees, and the plan expires on July 25, 2015, or at the discretion of the compensation committee of the board of directors. The total combined interest of the Phantom Unit Plan and the override units (combined Profits Interest) cannot exceed 15% of the notional and aggregate equity interests of the Company. As of March 31, 2007, the issued Profits Interest represented 15% of combined common unit interest and Profits Interest of the Company. The Profits Interest was comprised of 11.1% and 3.9% of override interest and phantom interest, respectively. In accordance with SFAS 123(R), using a binomial model and a probability-weighted expected return method as a method of valuation, through an independent valuation process, the service phantom interest was valued at $37.30 per point and the performance phantom interest was valued at $30.67 per point. CVR has recorded $10,817,390 and $13,953,005 in personnel accruals as of December 31, 2006 and March 31, 2007, respectively. Compensation expense for the three month ended March 31, 2006 and 2007 related to the Phantom Unit Plan was $585,701 and $3,135,615, respectively.

At March 31, 2007 there was approximately $20.6 million of unrecognized compensation expense related to the Phantom Unit Plan. This is expected to be recognized over a period of five years.

(5) Inventories

Inventories consist primarily of crude oil, blending stock and components, work in progress, fertilizer products, and refined fuels and by-products. Inventories are valued at the lower of moving-average cost, which approximates the first-in, first-out (FIFO) method, or market for fertilizer products and at the lower of FIFO cost or market for refined fuels and by-products for all periods presented. Refinery unfinished and finished products inventory values were determined using the ability-to-bare process, whereby raw materials and production costs are allocated to work-in-process and finished products based on their relative fair values. Other inventories, including other raw materials, spare parts, and supplies, are valued at the lower of average cost, which approximates FIFO, or market. The cost of inventories includes inbound freight costs.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited) — (Continued)

Inventories consisted of the following (in thousands):

	December 31, 2006	March 31, 2007 (Unaudited)
Finished goods	$ 59,722	$ 57,049
Raw materials and catalysts	60,810	85,921
In-process inventories	18,441	20,683
Parts and supplies	22,460	20,766
	$ 161,433	$ 184,419

(6) Planned Major Maintenance Costs

The direct-expense method of accounting is used for planned major maintenance activities. Maintenance costs are recognized as expense when maintenance services are performed. The Coffeyville nitrogen plant last completed a major scheduled turnaround in the third quarter of 2006. The Coffeyville refinery started a major scheduled turnaround in February 2007 with completion in April 2007. Costs of approximately $66,000,000 associated with the 2007 turnaround were included in direct operating expenses (exclusive of depreciation and amortization) for the three months ended March 31, 2007.

(7) Cost Classifications

Cost of product sold (exclusive of depreciation and amortization) includes cost of crude oil, other feedstocks, blendstocks, pet coke expense and freight and distribution expenses. Cost of product sold excludes depreciation and amortization of $511,053, and $619,364 for the three months ended March 31, 2006 and 2007, respectively.

Direct operating expenses (exclusive of depreciation and amortization) includes direct costs of labor, maintenance and services, energy and utility costs, environmental compliance costs as well as chemicals and catalysts and other direct operating expenses. Direct operating expenses exclude depreciation and amortization of $11,409,248, and $13,530,107 for the three months ended March 31, 2006 and 2007, respectively.

Selling, general and administrative expenses (exclusive of depreciation and amortization) consist primarily of legal expenses, treasury, accounting, marketing, human resources and maintaining the corporate offices in Texas and Kansas. Selling, general and administrative expenses excludes depreciation and amortization of $83,496, and $85,960 for the three months ended March 31, 2006 and 2007, respectively.

(8) Income Taxes

In June 2006, the FASB issued FASB Interpretation No. (FIN) 48, *Accounting for Uncertain Tax Positions — an interpretation of FASB SFAS No. 109.* FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS 109, by prescribing a minimum financial statement recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company adopted the provisions of FIN 48 on January 1, 2007. The adoption of FIN 48 did not affect the Company's financial position or results of operations. The Company does not have any unrecognized tax benefits as of January 1, 2007 or March 31, 2007.

Accordingly, the Company did not accrue or recognize any amounts for interest or penalties in its financial statements during the first quarter of 2007. The Company will classify interest to be paid on an underpayment of income taxes and any related penalties as income tax expense if it is determined, in a subsequent period, that a tax position is more likely than not of being sustained by the taxing authority.

CVR Energy and its Subsidiaries file U.S. federal and various state income tax returns. The Company has not been subject to U.S. federal, state and local income tax examinations by tax authorities for any tax year. The U.S. federal and state tax years subject to examination are 2004 to 2006.

The Company's effective tax rate for the three months ended March 31, 2007 was 23.37%, as compared to the Company's effective tax rate of 38.94% for the three months ended March 31, 2006. The effective tax rate was lower primarily due to the federal income tax credit available to small business refiners related to the production of ultra low sulfur diesel fuel.

(9) Commitments and Contingent Liabilities

The minimum required payments for the Company's lease agreements and unconditional purchase obligations are as follows:

	Operating Leases	Unconditional Purchase Obligations
Nine months ending December 31, 2007	$ 2,601,617	$ 18,954,147
Year ending December 31, 2008	3,888,005	20,734,729
Year ending December 31, 2009	2,940,633	20,701,745
Year ending December 31, 2010	1,591,818	18,310,265
Year ending December 31, 2011	857,494	16,440,347
Year ending December 31, 2012	106,038	13,772,144
Thereafter	2,025	132,242,448
	$11,987,630	$241,155,825

The Company leases various equipment and real properties under long-term operating leases. For the three month periods ended March 31, 2006 and 2007, lease expense totaled $900,434, and $1,007,124, respectively. The lease agreements have various remaining terms. Some agreements are renewable, at the Company's option, for additional periods. It is expected, in the ordinary course of business, that leases will be renewed or replaced as they expire.

From time to time, the Company is involved in various lawsuits arising in the normal course of business, including matters such as those described below under, "Environmental, Health, and Safety Matters". Liabilities related to such litigation are recognized when the related costs are probable and can be reasonably estimated. Management believes the company has accrued for losses for which it may ultimately be responsible. It is possible that management's estimates of the outcomes will change within the next year due to uncertainties inherent in litigation and settlement negotiations. In the opinion of management, the ultimate resolution of any other litigation matters is not expected to have a material adverse effect on the accompanying consolidated financial statements.

Environmental, Health, and Safety (EHS) Matters

CVR is subject to various stringent federal, state, and local EHS rules and regulations. Liabilities related to EHS matters are recognized when the related costs are probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting EHS liabilities, no offset is made for potential recoveries. Such liabilities include estimates of the Company's share of costs attributable to potentially responsible parties which are insolvent or otherwise unable to pay. All liabilities are monitored and adjusted regularly as new facts emerge or changes in law or technology occur.

CVR owns and/or operates manufacturing and ancillary operations at various locations directly related to petroleum refining and distribution and nitrogen fertilizer manufacturing. Therefore, CVR has exposure to potential EHS liabilities related to past and present EHS conditions at some of these locations.

Through an Administrative Order issued to Farmland Industries, Inc. (predecessor entity to CVR) under the Resource Conservation and Recovery Act, as amended (RCRA), CVR is a potential party responsible for conducting corrective actions at its Coffeyville, Kansas and Phillipsburg, Kansas facilities. In 2005, Coffeyville Resources Nitrogen Fertilizers, LLC agreed to participate in the State of Kansas Voluntary Cleanup and Property Redevelopment Program (VCPRP) to address a reported release of urea ammonium nitrate (UAN) at the Coffeyville UAN loading rack. As of December 31, 2006 and March 31, 2007, environmental accruals of $7,222,754 and $7,057,111, respectively, were reflected in the consolidated balance sheets for probable and estimated costs for remediation of environmental contamination under the RCRA Administrative Order and the VCPRP, including amounts totaling $1,827,649 and $1,177,349, respectively, included in other current liabilities. The accruals were determined based on an estimate of payment costs through 2033, which scope of remediation was arranged with the Environmental Protection Agency (the EPA) and are discounted at the appropriate risk free rates at December 31, 2006 and March 31, 2007, respectively. The accruals include estimated closure and post-closure costs of approximately $1,857,000 and $1,818,000 for two landfills at December 31, 2006 and March 31, 2007, respectively. The estimated future payments for these required obligations are as follows (in thousands):

	Amount
Nine months ending December 31, 2007	$ 958
Year ending December 31, 2008	999
Year ending December 31, 2009	894
Year ending December 31, 2010	562
Year ending December 31, 2011	341
Year ending December 31, 2012	760
Thereafter	5,184
Undiscounted total	9,698
Less amounts representing interest at 4.77%	2,641
Accrued environmental liabilities at March 31, 2007	$ 7,057

In March 2004, a predecessor entity to CVR entered into a Consent Decree with the EPA and the Kansas Department of Health and Environment (KDHE) related to Farmland Industries, Inc.'s prior operation of CVR's oil refinery. Under the Consent Decree, CVR agreed to install controls on certain process equipment and make certain operational changes at CVR's refinery. As a result of this agreement to install certain controls and implement certain operational changes, the EPA and KDHE agreed not to impose civil penalties, and provided a release from liability for a prior owner's alleged noncompliance with the issues addressed by the Consent Decree. Pursuant to the Consent Decree, in the short term, the Company has increased the use of catalyst additives to the fluid catalytic cracking unit at the facility to reduce emissions of SO_2. The Company will begin adding catalyst to reduce oxides of nitrogen, or NOx, in 2007. In the long term, the Company will install controls to minimize both SO_2 and NOx emissions, which under terms of the Consent Decree require that final controls be in place by January 1, 2011. In addition, pursuant to the Consent Decree, the Company assumed certain cleanup obligations at the Coffeyville refinery and the Phillipsburg terminal. The Company agreed to retrofit certain heaters at the refinery with Ultra Low NOx burners. All heater retrofits have been performed and the Company is currently verifying that the heaters meet the Ultra Low NOx standards required by the Consent Decree. The Ultra Low NOx heater technology is in widespread use throughout the industry. There are other permitting, monitoring, record-keeping and reporting requirements associated with the Consent Decree. The overall cost of complying with the Consent Decree is expected to be approximately $41 million, of which approximately $35 million is expected to be capital expenditures and which does not include the cleanup obligations. No penalties are expected to be imposed as a result of the Consent Decree.

The EPA recently embarked on a petroleum refining initiative alleging industry-wide noncompliance with four “marquee” issues: New Source Review, flaring, leak detection and repair, and Benzene Waste Operations NESHAP. The Petroleum Refining Initiative has resulted in many refiners entering into consent decrees imposing civil penalties and requiring substantial expenditures for additional or enhanced pollution control. At this time, management does not know how, if at all, the Petroleum Refining Initiative will affect the Company as the current Consent Decree covers some, but not all, of the “marquee” issues.

Periodically, the Company receives communications from various federal, state and local governmental authorities asserting violation(s) of environmental laws and/or regulations. These governmental entities may also propose or assess fines or require corrective action for these asserted violations. The Company intends to respond in a timely manner to all such communications and to take appropriate corrective action. The Company does not anticipate that any such matters currently asserted will have a material adverse impact on the financial condition, results of operations or cash flows.

Management periodically reviews and, as appropriate, revises its environmental accruals. Based on current information and regulatory requirements, management believes that the accruals established for environmental expenditures are adequate.

The EPA has issued regulations intended to limit amounts of sulfur in diesel and gasoline. The EPA has granted the Company a petition for a technical hardship waiver with respect to the date for compliance in meeting the sulfur-lowering standards. CVR has spent approximately $2 million in 2004, $27 million in 2005, $79 million in 2006, $15 million in the first three months of 2007 and, based on information currently available, anticipates spending approximately $5 million in the last nine months of 2007, $2.5 million in 2008, $12 million in 2009, and $30 million in 2010 to comply with the low-sulfur rules. The entire amounts are expected to be capitalized.

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. For the three month periods ended March 31, 2006 and 2007, capital expenditures were $17,038,386 and $50,687,197, respectively, and were incurred to improve the environmental compliance and efficiency of the operations.

CVR believes it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described above or other EHS matters which may develop in the future will not have a material adverse effect on the Company’s business, condition, results of operations or cash flows.

(10) Derivative Financial Instruments

Loss on derivatives consisted of the following:

	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Realized gain (loss) on swap agreements	$ 1,251,509	$ (8,534,341)
Unrealized loss on swap agreements	(24,465,639)	(119,703,829)
Realized gain (loss) on other agreements	791,991	(2,763,019)
Unrealized gain (loss) on other agreements	642,160	(5,331,572)
Realized gain on interest rate swap agreements	653,351	1,240,925
Unrealized gain (loss) on interest rate swap agreements	3,511,317	(1,867,385)
Total loss on derivatives	$ (17,615,311)	$ (136,959,221)

CVR is subject to price fluctuations caused by supply conditions, weather, economic conditions, and other factors and to interest rate fluctuations. To manage price risk on crude oil and other inventories and to fix margins on certain future production, CVR may enter into various derivative transactions. In addition, CALLC, as further described below, entered into certain commodity derivate contracts and an interest rate swap as required by the long-term debt agreements.

CVR has adopted SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, (SFAS 133). SFAS 133 imposes extensive record-keeping requirements in order to designate a derivative financial instrument as a hedge. CVR holds derivative instruments, such as exchange-traded crude oil futures, certain over-the-counter forward swap agreements, and interest rate swap agreements, which it believes provide an economic hedge on future transactions, but such instruments are not designated as hedges. Gains or losses related to the change in fair value and periodic settlements of these derivative instruments are classified as loss on derivatives.

At March 31, 2007, CVR's Petroleum Segment held commodity derivative contracts (swap agreements) for the period from July 1, 2005 to June 30, 2010 with a related party (see note 11). The swap agreements were originally executed by CALLC on June 16, 2005 in conjunction with the Subsequent Acquisition and were required under the terms of the long-term debt agreements. The notional quantities on the date of execution were 100,911,000 barrels of crude oil; 1,889,459,250 gallons of heating oil and 2,348,802,750 gallons of unleaded gasoline. The swap agreements were executed at the prevailing market rate at the time of execution and Management believes the swap agreements provide an economic hedge on future transactions. At March 31, 2007 the notional open amounts under the swap agreements were 61,278,500 barrels of crude oil; 1,278,973,500 gallons of heating oil and 1,294,723,500 gallons of unleaded gasoline. These positions resulted in unrealized losses for the three month period ended March 31, 2006 and 2007 of $24,465,639 and $119,703,829, respectively, using a valuation method that utilizes quoted market prices and assumptions for the estimated forward yield curves of the related commodities in periods when quoted market prices are unavailable. The Petroleum Segment recorded $1,251,509 and $(8,534,341) in realized gains (losses) on these swap agreements for the three months ended March 31, 2006 and 2007, respectively.

The Petroleum Segment also recorded mark-to-market net gains (losses) on other commodity derivative contracts, exclusive of the swap agreements described above and the interest rate swaps described in the following paragraphs, in loss on derivatives of $1,434,151, and $(8,094,591), for the three month period ended March 31, 2006, and 2007, respectively. All of the activity related to the commodity derivative contracts is reported in the Petroleum Segment.

At March 31, 2006 and 2007, CALLC held derivative contracts known as interest rate swap agreements that converted CALLC's floating-rate bank debt into 4.038% fixed-rate debt on a notional amount of $325,000,000. Half of the agreements are held with a related party (as described in note 11), and the other half are held with a financial institution that is a lender under CALLC's long-term debt agreements. The swap agreements carry the following terms:

Period Covered	Notional Amount	Fixed Interest Rate
March 31, 2007 to June 29, 2007	325 million	4.038%
June 29, 2007 to March 30, 2008	325 million	4.195%
March 31, 2008 to March 30, 2009	250 million	4.195%
March 31, 2009 to March 30, 2010	180 million	4.195%
March 31, 2010 to June 29, 2010	110 million	4.195%

CVR pays the fixed rates listed above and receives a floating rate based on three-month LIBOR rates, with payments calculated on the notional amounts listed above. The notional amounts do not represent actual amounts exchanged by the parties but instead represent the amounts on which the contracts are based. The swap is settled quarterly and marked to market at each reporting date, and all unrealized gains and losses are currently recognized in income. Transactions related to the interest rate swap agreements were not allocated to the Petroleum or Nitrogen Fertilizer segments. Mark-to-market net gains (losses) on derivatives and quarterly settlements were $4,164,668 and $(626,460) for the three month period ended March 31, 2006 and 2007, respectively.

(11) Related Party Transactions

GS Capital Partners V Fund, L.P. and related entities (GS) and Kelso Investment Associates VII, L.P. and related entity (Kelso) are majority owners of CALLC.

On June 24, 2005, CALLC entered into a management services agreement with GS and Kelso pursuant to which GS and Kelso provide CALLC with managerial and advisory services. In consideration for these services, an annual fee of $1.0 million each is paid to GS and Kelso, plus reimbursement for any out-of-pocket expenses. The agreement has a term ending on the date GS and Kelso cease to own any interests in CALLC or upon termination payments totaling $10 million ($5 million to each of GS and Kelso) for services performed by GS and Kelso in respect of an initial public offering. These payments are contingent upon an initial public offering. Relating to the agreement, $493,151 and $537,915 was expensed in selling, general, and administrative expenses for the three months ended March 31, 2006 and 2007, respectively.

CALLC entered into certain crude oil, heating oil, and gasoline swap agreements with a subsidiary of GS. Additional swap agreements with this subsidiary of GS were entered into on June 16, 2005, with an expiration date of June 30, 2010 (as described in note 10). Losses totaling $23,214,130 and $128,238,170 were recognized related to these swap agreements for the three months ended March 31, 2006 and 2007, respectively, and are reflected in loss on derivatives. In addition, the consolidated balance sheet at December 31, 2006 and March 31, 2007 includes liabilities of $36,894,802 and $131,071,839, respectively, included in current payable to swap counterparty and $72,806,486 and $107,972,734, respectively, included in long-term payable to swap counterparty.

On June 30, 2005, CALLC entered into three interest-rate swap agreements with the same subsidiary of GS (as described in note 10). Amounts totaling $2,089,435 and $(312,527) were recognized related to these swap agreements for the three months ended March 31, 2006 and 2007, respectively, and are reflected in loss on derivatives. In addition, the consolidated balance sheets at December 31, 2006 and March 31, 2007 includes $1,533,738 and $1,050,631 in prepaid expenses and other current assets and $2,014,504 and $1,556,735 in other long-term assets related to the same agreements, respectively.

Effective December 30, 2005, the Company entered into a crude oil supply agreement (Supply Agreement) with a subsidiary of GS (Supplier). This agreement replaced a similar contract held with an independent party. Both parties will negotiate the cost of each barrel of crude oil to be purchased from a third party. CVR will pay Supplier a fixed supply service fee per barrel over the negotiated cost of each barrel of crude purchased. The cost is adjusted further using a spread adjustment calculation based on the time period the crude oil is estimated to be delivered to the refinery, other market conditions, and other factors deemed appropriate. The monthly spread quantity for any delivery month at any time shall not exceed approximately 3.1 million barrels. The initial term of the agreement was to December 31, 2006. CVR and Supplier agreed to extend the term of the Supply Agreement for an additional 12 month period, January 1, 2006 through December 31, 2007 and in connection with the extension amended certain terms and conditions of the Supply Agreement. $1,622,824 and $1,815,647 were recorded on the consolidated balance sheet at December 31, 2006 and March 31, 2007, respectively, in prepaid expenses and other current assets for prepayment of crude oil. In addition, $31,750,784 and $0 were recorded in inventory and $13,458,977 and $4,510,202 were recorded in accounts payable at December 31, 2006 and March 31, 2007, respectively. Expenses associated with this agreement, included in cost of product sold (exclusive of depreciation and amortization) for the three month periods ended March 31, 2006 and 2007 totaled $314,949,417 and $176,306,659, respectively. Interest expense associated with this agreement for the three month period ended March 31, 2006 and 2007 totaled $0 and $(1,029,006), respectively.

(12) Business Segments

CVR measures segment profit as operating income for Petroleum and Nitrogen Fertilizer, CVR's two reporting segments, based on the definitions provided in SFAS No. 131, *Disclosures About Segments of an Enterprise and Related Information.*

Petroleum

Principal products of the Petroleum Segment are refined fuels, propane, and petroleum refining by-products including coke. CVR uses the coke in the manufacture of nitrogen fertilizer at the adjacent nitrogen fertilizer plant. For CVR, a $15-per-ton transfer price is used to record intercompany sales on the part of the Petroleum Segment and corresponding intercompany cost of product sold (exclusive of depreciation and amortization) for the Nitrogen Fertilizer Segment. The intercompany transactions are eliminated in the Other Segment. Intercompany sales included in Petroleum net sales were $1,370,595, and $579,780 for the three months ended March 31, 2006 and 2007, respectively.

Nitrogen Fertilizer

The principal products of the Nitrogen Fertilizer Segment are anhydrous ammonia and urea ammonia nitrate solution (UAN). Intercompany cost of product sold (exclusive of depreciation and amortization) for the coke transfer described above was $1,383,710, and $849,766 for the three months ended March 31, 2006, and 2007, respectively.

Other Segment

The Other Segment reflects intercompany eliminations, cash and cash equivalents, all debt related activities, income tax activities and other corporate activities that are not allocated to the operating segments.

	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Net sales		
Petroleum	$ 619,604,912	$ 352,488,278
Nitrogen Fertilizer	51,493,030	38,574,321
Other	—	—
Intersegment eliminations	(1,370,595)	(579,780)
Total	$ 669,727,347	$ 390,482,819
Cost of product sold (exclusive of depreciation and amortization)		
Petroleum	$ 533,680,513	$ 298,459,569
Nitrogen Fertilizer	7,241,946	6,060,426
Other	—	—
Intersegment eliminations	(1,383,710)	(849,766)
Total	$ 539,538,749	$ 303,670,229
Direct operating expenses (exclusive of depreciation and amortization)		
Petroleum	$ 30,665,604	$ 96,673,455
Nitrogen Fertilizer	13,622,359	16,738,114
Other	—	—
Total	$ 44,287,963	$ 113,411,569
Depreciation and amortization		
Petroleum	$ 7,801,997	$ 9,793,908
Nitrogen Fertilizer	4,189,106	4,394,719
Other	12,694	46,804
Total	$ 12,003,797	$ 14,235,431
Operating income (loss)		
Petroleum	$ 41,618,934	$ (63,467,983)
Nitrogen Fertilizer	24,020,714	9,319,190
Other	(236,354)	164,491
Total	$ 65,403,294	$ (53,984,302)
Capital expenditures		
Petroleum	$ 25,460,971	$ 106,502,177
Nitrogen fertilizer	2,425,114	402,013
Other	1,426,744	459,617
Total	$ 29,312,829	$ 107,363,807

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited) — (Continued)

	Year Ended December 31, 2006	Three Months Ended March 31, 2007 (unaudited)
Total assets		
Petroleum	$ 907,314,951	$ 1,003,325,328
Nitrogen Fertilizer	417,657,093	411,091,768
Other	124,507,471	54,948,575
Total	$ 1,449,479,515	$ 1,469,365,671
Goodwill		
Petroleum	42,806,422	$ 42,806,422
Nitrogen Fertilizer	40,968,463	40,968,463
Other	—	—
Total	83,774,885	$ 83,774,885

(13) Major Customers and Suppliers

Sales to major customers were as follows:

	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Petroleum		
Customer A	16%	9%
Customer B	16%	4%
Customer C	10%	6%
Customer D	4%	11%
	46%	30%
Nitrogen Fertilizer		
Customer E	5%	19%
Customer F	10%	4%
	15%	23%

The Petroleum Segment maintains long-term contracts with one supplier for the purchase of its crude oil (as described in note 11). Purchases contracted as a percentage of the total cost of products sold (exclusive of depreciation and amortization) for each of the periods were as follows:

	Three Months Ended March 31, 2006 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Supplier A	68%	51%

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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Through and including , 2007 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

15,500,000 Shares

CVR Energy

CVR Energy, Inc.

Common Stock

PROSPECTUS

Goldman, Sachs & Co.

Deutsche Bank Securities
Credit Suisse
Citi
Simmons & Company
International

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution.***

The following table sets forth the costs and expenses to be paid by the Registrant in connection with the sale of the shares of common stock being registered hereby. All amounts are estimates except for the SEC registration fee, the NASD filing fee and the New York Stock Exchange listing fee.

SEC registration fee	$	40,125
NASD filing fee		38,000
The New York Stock Exchange listing fee		250,000
Accounting fees and expenses		1,850,000
Legal fees and expenses		3,850,000
Printing and engraving expenses		1,350,000
Blue Sky qualification fees and expenses		10,000
Transfer agent and registrar fees and expenses		10,000
Miscellaneous expenses		101,875
Total	$	7,500,000

Item 14. ***Indemnification of Directors and Officers.***

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Securities Act").

As permitted by the Delaware General Corporation Law, the Registrant's Certificate of Incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of fiduciary duty as a director, except for liability:

- for any breach of the director's duty of loyalty to the Registrant or its stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under section 174 of the Delaware General Corporation Law regarding unlawful dividends and stock purchases; or
- for any transaction for which the director derived an improper personal benefit.

As permitted by the Delaware General Corporation Law, the Registrant's Bylaws provide that:

- the Registrant is required to indemnify its directors and officers to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant may indemnify its other employees and agents to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant is required to advance expenses, as incurred, to its directors and officers in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant may advance expenses, as incurred, to its employees and agents in connection with a legal proceeding; and
- the rights conferred in the Bylaws are not exclusive.

The Registrant may enter into Indemnity Agreements with each of its current directors and officers to give these directors and officers additional contractual assurances regarding the scope of the indemnification set forth in the Registrant's Certificate of Incorporation and to provide additional procedural protections. At present, there is no pending litigation or proceeding involving a director, officer or employee of the Registrant regarding which indemnification is sought, nor is the Registrant aware of any threatened litigation that may result in claims for indemnification.

The indemnification provisions in the Registrant's Certificate of Incorporation and Bylaws and any Indemnity Agreements entered into between the Registrant and each of its directors and officers may be sufficiently broad to permit indemnification of the Registrant's directors and officers for liabilities arising under the Securities Act.

CVR Energy, Inc. and its subsidiaries are covered by liability insurance policies which indemnify their directors and officers against loss arising from claims by reason of their legal liability for acts as such directors, officers or trustees, subject to limitations and conditions as set forth in the policies.

The underwriting agreement to be entered into among the company, the selling stockholders and the underwriters will contain indemnification and contribution provisions.

Item 15. ***Recent Sales of Unregistered Securities.***

We issued 100 shares of common stock to Coffeyville Acquisition LLC in September 2006. The issuance was exempt from registration in accordance with Section 4(2) of the Securities Act of 1933.

Item 16. ***Exhibits and Financial Statement Schedules.***

(a) The following exhibits are filed herewith:

Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
3.1	Form of Amended and Restated Certificate of Incorporation of CVR Energy, Inc.
3.2	Form of Amended and Restated Bylaws of CVR Energy, Inc.
4.1	Specimen Common Stock Certificate.
5.1	Form of opinion of Fried, Frank, Harris, Shriver & Jacobson LLP.
10.1**	Second Amended and Restated Credit and Guaranty Agreement, dated as of December 28, 2006, among Coffeyville Resources, LLC and the other parties thereto.
10.2**	Amended and Restated First Lien Pledge and Security Agreement, dated as of December 28, 2006 among Coffeyville Resources, LLC, CL JV Holdings, LLC, Coffeyville Pipeline, Inc., Coffeyville Refining and Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Terminal, Inc., Coffeyville Resources Pipeline, LLC, Coffeyville Resources Refining & Marketing, LLC, Coffeyville Resources Nitrogen Fertilizers, LLC, Coffeyville Resources Crude Transportation, LLC and Coffeyville Resources Terminal, LLC, as grantors, and Credit Suisse, Cayman Islands Branch, as collateral agent.
10.3	Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I).
10.4†**	License Agreement For Use of the Texaco Gasification Process, Texaco Hydrogen Generation Process, and Texaco Gasification Power Systems, dated as of May 30, 1997 by and between Texaco Development Corporation and Farmland Industries, Inc., as amended.
10.5†**	Swap agreements with J. Aron & Company.
10.6†**	Amended and Restated On-Site Product Supply Agreement dated as of June 1, 2005, between The BOC Group, Inc. and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.7**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and John J. Lipinski.
10.8**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Stanley A. Riemann.

Number	Exhibit Title
10.9**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Kevan A. Vick.
10.10**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Wyatt E. Jernigan.
10.11**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and James T. Rens.
10.12**	Separation and Consulting Agreement dated as of November 21, 2005, by and between Coffeyville Resources, LLC and Philip L. Rinaldi.
10.13†**	Crude Oil Supply Agreement, dated as of December 23, 2005, as amended, between J. Aron & Company and Coffeyville Resources Refining and Marketing, LLC.
10.13.1†**	Amendment Agreement dated as of December 1, 2006 between J. Aron & Company and Coffeyville Resources Refining and Marketing, LLC.
10.14†**	Pipeline Construction, Operation and Transportation Commitment Agreement, dated February 11, 2004, as amended, between Plains Pipeline, L.P. and Coffeyville Resources Refining & Marketing, LLC.
10.15**	Electric Services Agreement dated January 13, 2004, between Coffeyville Resources Nitrogen Fertilizers, LLC and the City of Coffeyville, Kansas.
10.16**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Robert W. Haugen.
10.17**	Stockholders Agreement of Coffeyville Nitrogen Fertilizer, Inc., dated as of March 9, 2007, by and among Coffeyville Nitrogen Fertilizer, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.18**	Stockholders Agreement of Coffeyville Refining & Marketing, Inc., dated as of March 9, 2007, by and among Coffeyville Refining & Marketing, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.19**	Subscription Agreement, dated as of March 9, 2007, between Coffeyville Nitrogen Fertilizer, Inc. and John J. Lipinski.
10.20**	Subscription Agreement, dated as of March 9, 2007, between Coffeyville Refining & Marketing, Inc. and John J. Lipinski.
10.21**	Recapitalization Agreement, dated as of September 25, 2006, by and among Coffeyville Acquisition LLC, Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc. and CVR Energy, Inc.
10.22**	Purchase, Storage and Sale Agreement for Gathered Crude, dated as of March 20, 2007, between J. Aron & Company and Coffeyville Resources Refining & Marketing, LLC.
10.23**	Stock Purchase Agreement, dated as of May 15, 2005 by and between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC.
10.23.1**	Amendment No. 1 to the Stock Purchase Agreement, dated as of June 24, 2005 by and between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC.
10.23.2**	Amendment No. 2 to the Stock Purchase Agreement, dated as of July 25, 2005 by and between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC.
10.24	Form of Limited Partnership Agreement of CVR Partners, LP, dated as of , 2007, by and among CVR GP, LLC, CVR Special GP, LLC and CVR LP, LLC.
10.25	Form of Coke Supply Agreement, dated as of , 2007, by and between Coffeyville Resources Refining & Marketing, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.26	Form of Cross Easement Agreement, dated as of , 2007, by and between Coffeyville Resources Refining & Marketing, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.

Number	Exhibit Title
10.27	Form of Environmental Agreement, dated as of , 2007, by and between Coffeyville Resources Refining & Marketing, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.28	Form of Feedstock and Shared Services Agreement, dated as of , 2007, by and between Coffeyville Resources Refining & Marketing, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
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10.33.2	Form of Director Stock Option Agreement.
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10.47	Collective Bargaining Agreement, effective as of March 3, 2004, by and between Coffeyville Resources Crude Transportation, LLC and the Paper, Allied-Industrial, Chemical & Energy Workers International Union.

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23.1	Consent of KPMG LLP.
23.2	Consent of Fried, Frank, Harris, Shriver & Jacobson LLP (included in Exhibit 5.1).
23.3**	Consent of Blue, Johnson & Associates.
24.1**	Power of Attorney.
24.2**	Power of Attorney of Mark Tomkins.

* To be filed by amendment.

** Previously filed.

† Certain portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(b) None.

Item 17. ***Undertakings.***

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14 above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Sugar Land, State of Texas, on this 5th day of June, 2007.

CVR ENERGY, INC.

By: /s/ John J. Lipinski
John J. Lipinski
Chief Executive Officer and President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ John J. Lipinski John J. Lipinski	Chief Executive Officer, President and Director (Principal Executive Officer)	June 5, 2007
* James T. Rens	Chief Financial Officer (Principal Financial and Accounting Officer)	June 5, 2007
* Wesley Clark	Director	June 5, 2007
* Scott Lebovitz	Director	June 5, 2007
* George E. Matelich	Director	June 5, 2007
* Stanley de J. Osborne	Director	June 5, 2007
* Kenneth A. Pontarelli	Director	June 5, 2007
* Mark Tomkins	Director	June 5, 2007

* By: /s/ John J. Lipinski

John J. Lipinski,
As Attorney-in-Fact

Table of Contents

EXHIBIT INDEX

Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
3.1	Form of Amended and Restated Certificate of Incorporation of CVR Energy, Inc.
3.2	Form of Amended and Restated Bylaws of CVR Energy, Inc.
4.1	Specimen Common Stock Certificate.
5.1	Form of opinion of Fried, Frank, Harris, Shriver & Jacobson LLP.
10.1**	Second Amended and Restated Credit and Guaranty Agreement, dated as of December 28, 2006, among Coffeyville Resources, LLC and the other parties thereto.
10.2**	Amended and Restated First Lien Pledge and Security Agreement, dated as of December 28, 2006, among Coffeyville Resources, LLC, CL JV Holdings, LLC, Coffeyville Pipeline, Inc., Coffeyville Refining and Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Terminal, Inc., Coffeyville Resources Pipeline, LLC, Coffeyville Resources Refining & Marketing, LLC, Coffeyville Resources Nitrogen Fertilizers, LLC, Coffeyville Resources Crude Transportation, LLC and Coffeyville Resources Terminal, LLC, as grantors, and Credit Suisse, as collateral agent.
10.3	Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I).
10.4†**	License Agreement For Use of the Texaco Gasification Process, Texaco Hydrogen Generation Process, and Texaco Gasification Power Systems, dated as of May 30, 1997 by and between Texaco Development Corporation and Farmland Industries, Inc., as amended.
10.5†**	Swap agreements with J. Aron & Company.
10.6†**	Amended and Restated On-Site Product Supply Agreement dated as of June 1, 2005, between The BOC Group, Inc. and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.7**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and John J. Lipinski.
10.8**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Stanley A. Riemann.
10.9**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Kevan A. Vick.
10.10**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Wyatt E. Jernigan.
10.11**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and James T. Rens.
10.12**	Separation and Consulting Agreement dated as of November 21, 2005, by and between Coffeyville Resources, LLC and Philip L. Rinaldi.
10.13†**	Crude Oil Supply Agreement, dated as of December 23, 2005, as amended, between J. Aron & Company and Coffeyville Resources Refining and Marketing, LLC.
10.13.1†**	Amendment Agreement dated as of December 1, 2006 between J. Aron & Company and Coffeyville Resources Refining & Marketing, LLC.
10.14†**	Pipeline Construction, Operation and Transportation Commitment Agreement, dated February 11, 2004, as amended, between Plains Pipeline, L.P. and Coffeyville Resources Refining & Marketing, LLC.
10.15**	Electric Services Agreement dated January 13, 2004, between Coffeyville Resources Nitrogen Fertilizers, LLC and the City of Coffeyville, Kansas.
10.16**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Robert W. Haugen.

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10.17**	Stockholders Agreement of Coffeyville Nitrogen Fertilizer, Inc., dated as of March 9, 2007, by and among Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.18**	Stockholders Agreement of Coffeyville Refining & Marketing, Inc., dated as of March 9, 2007, by and among Coffeyville Refining & Marketing, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.19**	Subscription Agreement, dated as of March 9, 2007, by Coffeyville Nitrogen Fertilizers, Inc. and John J. Lipinski.
10.20**	Subscription Agreement, dated as of March 9, 2007, by Coffeyville Refining & Marketing, Inc. and John J. Lipinski.
10.21**	Recapitalization Agreement, dated as of September 25, 2006, by and among Coffeyville Acquisition LLC, Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc. and CVR Energy, Inc.
10.22**	Purchase, Storage and Sale Agreement for Gathered Crude, dated as of March 20, 2007, between J. Aron & Company and Coffeyville Resources Refining & Marketing, LLC.
10.23**	Stock Purchase Agreement, dated as of May 15, 2005 by and between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC.
10.23.1**	Amendment No. 1 to the Stock Purchase Agreement, dated as of June 24, 2005 by and between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC.
10.23.2**	Amendment No. 2 to the Stock Purchase Agreement, dated as of July 25, 2005 by and between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC.
10.24	Form of Limited Partnership Agreement of CVR Partners, LP, dated as of , 2007, by and among CVR GP, LLC, CVR Special GP, LLC and CVR LP, LLC.
10.25	Form of Coke Supply Agreement, dated as of , 2007, by and between Coffeyville Resources Refining & Marketing, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
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24.2**	Power of Attorney of Mark Tomkins.

* To be filed by amendment.

** Previously filed.

† Certain portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

CVR ENERGY, INC.

CVR Energy, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

(a) The name of the Corporation is CVR Energy, Inc. The Corporation filed its original Certification of Incorporation with the Secretary of State of the State of Delaware pursuant to Section 102 of the Delaware General Corporation Law, as amended, (the "DGCL") on September 25, 2006.

(b) This Amended and Restated Certification of Incorporation, which amends and restates the original Certificate of Incorporation in its entirety, was duly adopted in accordance with Sections 242 and 245 of the DGCL.

(c) The Amended and Restated Certificate of Incorporation of the Corporation shall read in its entirety:

ARTICLE I

Section 1.1. Name. The name of the Corporation is CVR Energy, Inc.

ARTICLE II

Section 2.1 Registered Office and Registered Agent. The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

Section 3.1 Purpose. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

Section 4.1 Capitalization. The total number of shares of all classes of stock that the Corporation is authorized to issue is 400,000,000 shares, consisting of (i) 350,000,000 shares of common stock, par value $0.01 per share (the "Common Stock") and (ii) 50,000,000 shares of preferred stock, par value $0.01 per share (the "Preferred Stock"). The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor.

Section 4.2 Preferred Stock. The Board of Directors is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

The powers, preferences and rights of any series of Preferred Stock may include, without limitation, (i) the distinctive serial designation of such series which shall distinguish it from other series, (ii) the number of shares included in such series, (iii) whether dividends will be payable to the holders of the shares of such series and, if so, the basis on which such holders shall be entitled to receive dividends, the form of such dividend, any conditions on which such dividends shall be payable and the date or dates, if any, on which such dividends shall be payable, (iv) whether dividends on the shares of such series shall be cumulative and, if so, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative, (v) the amount or amounts, if any, which shall be payable out of the assets of the Corporation to the holders of the shares of such series upon the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, and the relative rights of priority, if any, of payment of the shares of such series; (vi) the price or prices (in cash, securities or other property or a combination thereof) at which, the period or periods within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events, (vii) the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise, (viii) whether or not the shares of such series shall be convertible or exchangeable, at any time or times at the option of the holder or holders thereof or at the option of the Corporation or upon the happening of a specified event of events, into shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation or any other series or property of the Corporation or any other entity, and the price or prices (in cash, securities or other property or a combination thereof) or rate or rates of conversion or exchange and any adjustments applicable thereto, (ix) whether or not the holders of the shares of such series shall have voting rights, in addition to the voting rights provided by law, and if so the terms of such voting rights, and (x) any other relative rights, powers, preferences and limitations of this series. For all purposes, this Certificate of Incorporation shall include each certificate of designations (if any) setting forth the terms of a series of Preferred Stock.

Section 4.3 Common Stock. (a) Dividends. Subject to the preferential rights, if any, of the holders of Preferred Stock, the holders of Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property or in shares of capital stock.

(b) Voting Rights. At every annual or special meeting of stockholders of the Corporation, every share of Common Stock shall entitle the holder thereof to one vote, in person or by proxy, for each share of Common Stock held of record on the books of the Corporation.

(c) Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation (a "Liquidation"), after payment or provision for payment of the debts and other liabilities of the Corporation and of the preferential amounts, if any, to which the holders of Preferred Stock shall be entitled, the holders of all outstanding shares of Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to holders of Common Stock ratably in proportion to the number of shares held by each such stockholder.

ARTICLE V

Section 5.1 Board of Directors. (a) Composition. The stockholders shall elect a board of directors (the "Board of Directors") to oversee the Corporation's business. The number of directors shall be fixed only by resolution adopted from time to time by the affirmative vote of a majority of the entire Board of Directors then in office.

(b) Powers. In addition to the powers and authority expressly conferred upon them by statute or by this Certificate of Incorporation or the by-laws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject to the provisions of the statutes of the State of Delaware, this Certificate of Incorporation and the by-laws of the Corporation.

(c) Removal. Any director or the entire Board of Directors may be removed with or without cause by the affirmative vote of the majority of all shares then entitled to vote at an election of directors.

(d) Vacancies. Any newly created directorship on the Board of Directors that results from an increase in the authorized number of directors and any vacancy resulting from the death, disability, resignation, disqualification, or removal of any director or from any other cause shall be filled only by the affirmative vote of a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the authorized number of directors shall have the same remaining term as that of his or her predecessor.

(e) Voting Rights of Preferred Stock. Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal, filling of vacancies and other features of such directorships shall be governed by the terms of this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) applicable thereto.

ARTICLE VI

Section 6.1 Indemnification of Directors, Officers, Employees or Agents. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative in nature, including any appeal, by reason of the fact that such person (or a person of whom such person is the legal representative) is or was a director, officer, employee or agent of the Corporation or, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, trustee, partner, member, employee, other fiduciary or agent of another corporation or of a partnership, joint venture, limited liability company, trust or other enterprise, including service with respect to employee benefit plans or public service or charitable organizations, whether the basis of such claim or proceeding is alleged actions or omissions in any such capacity or in any other capacity while serving as a director, officer, trustee, partner, member, employee, other fiduciary or agent thereof, may be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL, against all expense and liability (including without limitation, attorneys' fees and disbursements, court costs, damages, fines, amounts paid or to be paid in settlement, and excise taxes or penalties) reasonably incurred or suffered by such person in connection therewith and such indemnification may continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and may inure to the benefit of such person's heirs, executors and administrators. The Corporation, by provisions in its By-Laws or by agreement, may accord to any current or former director, officer, employee or agent of the Corporation the right to, or regulate the manner of providing to any current or former director, officer, employee or agent of the Corporation, indemnification to the fullest extent permitted by the DGCL.

Section 6.2 Advance of Expenses. The Corporation to the fullest extent permitted by the DGCL may advance to any person who is or was a director, officer, employee or agent of the Corporation (or to the legal representative thereof) any and all expenses (including, without limitation, attorneys fees and disbursements and court costs) reasonably incurred by such person in respect of any proceeding to which such person (or a person of whom such person is a legal representative) is made a party or threatened to be made a party by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, trustee, partner, member, employee, other fiduciary or agent of another corporation or a partnership, joint venture, limited liability company, trust or other enterprise, including service with respect to employee benefits plans or public service or charitable organizations; provided, however, that, to the extent the DGCL requires, the payment of such expenses in advance of the final disposition of the proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified against such expense under this Article VI or otherwise. The Corporation by provisions in its By-Laws or by agreement may accord any such person the right to, or regulate the manner of providing to any such person, such advancement of expenses to the fullest extent permitted by the DGCL.

Section 6.3 Non-Exclusivity of Rights. Any right to indemnification and advancement of expenses conferred as permitted by this Article VI shall not be deemed exclusive of any other right which any person may have or hereafter acquire under any statute (including the DGCL), any other provision of this Amended and Restated Certificate of Incorporation or the By-Laws of the Corporation, any agreement, any vote of stockholders or the Board of Directors or otherwise.

ARTICLE VII

Section 7.1. Insurance. The Corporation may purchase and maintain insurance to protect itself and any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of, or to represent the interests of, the Corporation or another corporation or a partnership, joint venture, limited liability company or trust or other enterprise, against any liability asserted against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

ARTICLE VIII

Section 8.1 Limited Liability of Directors. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director’s duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit.

If the DGCL is amended to authorize corporation action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Any repeal or modification of this Article VIII by the stockholders of the Corporation or otherwise shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE IX

Section 9.1 Action by Written Consent. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be effected only upon the vote of the stockholders at an annual or special meeting duly called and may not be effected by written consent of the stockholders, provided that such actions may be effected by written consent of the stockholders if Goldman, Sachs & Co., Kelso & Company and their respective affiliates (collectively, the “Sponsors”) collectively beneficially own more than 35.0% of the outstanding shares of Common Stock.

ARTICLE X

Section 10.1 Business Opportunities. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to any of the Sponsors or any of their respective officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries (other than the Corporation and its subsidiaries), even if the opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so and such person shall have no duty to communicate or offer such corporate opportunity to the Corporation and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such person pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or its subsidiaries unless, in the case of any such person who is a director or officer of the Corporation, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as a director or officer of the Corporation. Any person purchasing or otherwise acquiring any interest in any shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article X. Neither the alteration, amendment or repeal of this Article X nor the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article X shall eliminate or reduce the effect of this Article X in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article X, would accrue or arise, prior to such alteration, amendment, repeal or adoption.

ARTICLE XI

Section 11.1 Section 203 of the DGCL. Section 203 of the DGCL shall not apply to the Corporation.

ARTICLE XII

Section 12.1 By-Laws. The Board of Directors is expressly authorized to adopt, amend, or repeal the By-Laws of the Corporation without the assent or vote of the stockholders, in any manner not inconsistent with the laws of the State of Delaware or this Amended and Restated Certificate of Incorporation of the Corporation.

ARTICLE XIII

Section 13.1 Reservation of Right to Amend Certificate of Incorporation. The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XIV

Section 14.1 Severability. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law).

* * *

IN WITNESS WHEREOF, I have hereunto set my hand this ___day of June, 2007, and I affirm that the foregoing certificate is my act and deed and that the facts stated therein are true.

CVR Energy, Inc.

By: ______________________________

Name: Edmund S. Gross
Title: Vice President, General Counsel
and Secretary

Exhibit 3.2

AMENDED AND RESTATED

BY-LAWS

OF

CVR ENERGY, INC.

ARTICLE I

Offices

SECTION 1. Registered Office. The registered office of the Corporation within the State of Delaware shall be in the City of Wilmington, County of New Castle.

SECTION 2. Other Offices. The Corporation may also have an office or offices other than said registered office at such place or places, either within or without the State of Delaware, as the Board of Directors shall from time to time determine or the business of the Corporation may require.

SECTION 3. Books. The books of the Corporation may be kept within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

SECTION 1. Place of Meetings. All meetings of the stockholders for the election of directors or for any other purpose shall be held at any such place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of meeting or in a duly executed waiver thereof.

SECTION 2. Annual Meeting. The annual meeting of stockholders shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of meeting. At each annual meeting, the stockholders entitled to vote shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. Special Meetings. Special meetings of stockholders may be called at any time only by the Board of Directors pursuant to a resolution adopted by the affirmative vote of a majority of the Board of Directors then in office or by the Chairman of the Board of Directors; provided, that, if Goldman, Sachs & Co., Kelso & Company and their respective affiliates (collectively, the “Sponsors”) collectively beneficially own 50.0% or more of the outstanding shares of the Corporation’s common stock, directly or indirectly, then special meetings of the stockholders also may be called by holders of not less than 25.0% of the outstanding shares of the Corporation's common stock.

SECTION 4. Notice of Meetings. Written notice of each annual and special meeting of stockholders stating the date, place and time of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote at the meeting at such address as appears on the records of the Corporation not less than ten nor more than sixty days before the date of the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. Notice of any meeting shall not be required to be given to (i) any person who attends such meeting, except when such person attends the meeting in person or by proxy for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called or convened or (ii) any person who, either before or after the meeting, shall submit a signed written waiver of notice, in person or by proxy. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of stockholders need be specified in any written waiver of notice.

SECTION 5. List of Stockholders. A complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order (for each class of stock), showing the address of and the number of shares registered in the name of each stockholder shall be open to the examination of any such stockholder for a period of at least ten days prior to the meeting in the manner provided by law. The stockholder list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

SECTION 6. Quorum, Adjournments. Stockholders holding a majority of the shares of the Corporation entitled to vote, present in person or by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders, except as otherwise provided by statute or by the Amended and Restated Certificate of Incorporation or by these By-Laws. If, however, such quorum shall not be present at any meeting of stockholders, a majority in interest of stockholders entitled to vote thereat, present in person or by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. At such later or rescheduled meeting at which the requisite amount of shares entitled to vote shall be represented, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7. Organization. At each meeting of stockholders, the Chairman of the Board of Directors, or such person as the Chairman of the Board of Directors may have designated, or, in his or her absence, the Chief Executive Officer or, in his or her absence, such person as the Board of Directors may have designated shall act as chairman of the meeting. The Secretary or, in his absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting shall act as secretary of the meeting and keep the minutes thereof.

SECTION 8. Conduct of Business. The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seems to him or her in order.

SECTION 9. Voting. Except as otherwise provided by statute or the Amended and Restated Certificate of Incorporation, at all meetings of the stockholders, each stockholder entitled to vote under the Amended and Restated Certificate of Incorporation and these By-Laws shall be entitled to one vote, in person or by proxy, for each share of voting stock owned by such stockholder of record on the record date for the meeting. Each stockholder entitled to vote at any meeting of stockholders may authorize another person or persons to act for him by a proxy signed by such stockholder or his attorney-in-fact, but no proxy shall be voted after three years from its date, unless the proxy provides for a longer period. When a quorum is present or represented at any meeting, the vote of the holders of a plurality of the stock having voting power present in person or represented by proxy shall decide any election for directors, and the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any other question brought before such meeting, unless the question is one upon which, by express provision of law, of the Corporation’s Amended and Restated Certificate of Incorporation (as the same may be amended), or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

SECTION 10. Notice of Stockholder Business and Nominations. To be properly brought before an annual meeting or special meeting, nominations of persons for election to the Board of Directors or other business must be (A) specified in the notice of meeting given by or at the direction of the Board of Directors; (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors; or (C) otherwise properly brought before the meeting by a stockholder.

(a) (i) Annual Meetings of Stockholders. For nominations or other business to be properly brought before an annual meeting by a stockholder (A) the stockholder must have given timely notice thereof in writing to the Secretary; (B) the subject matter thereof must be a matter which is a proper subject matter for stockholder action at such meeting; and (C) the stockholder must be a stockholder of record of the Corporation at the time the notice required by this Section is delivered to the Corporation and must be entitled to vote at the meeting.

(ii) Except as otherwise provided in the Amended and Restated Certificate of Incorporation, to be considered timely notice, a stockholder’s notice must be received by the Secretary at the principal executive offices of the Corporation not less than 120 calendar days before the date of the Corporation’s proxy statement released to stockholders in connection with the previous year’s annual meeting of stockholders. If no annual meeting was held in the previous year, or if the date of the applicable annual meeting has been changed by more than 30 days from the date of the previous year’s annual meeting, then a stockholder’s notice, in order to be considered timely, must be received by the Secretary not later than the later of the close of business on the 90th day prior to such annual meeting or the tenth day following the day on which notice of the date of the annual meeting was mailed or public disclosure of such date was made.

Such stockholder's notice shall set forth: (A) as to each person whom the stockholder proposes to nominate for election as a director, (1) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case in accordance with Regulation 14A under the Securities Exchange Act of 1934 (the "Exchange Act") and such other information as may be required by the Corporation pursuant to any policy of the Corporation governing the selection of directors; and (2) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any business the stockholder proposes to bring before the meeting, (1) a brief description of such business; (2) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment); (3) the reasons for conducting such business at the meeting; and (4) any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal or nomination is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal or nomination is made, (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner; (2) the class and number of shares of the Corporation that are owned beneficially and held of record by such stockholder and such beneficial owner; (3) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination; and (4) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding shares of capital stock required to approve or adopt the proposal or elect the nominee; and/or (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination.

The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his or her intention to present a proposal or nomination at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal or nomination has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation. In addition, a stockholder seeking to bring an item of business before the annual meeting shall promptly provide any other information reasonably requested by the Corporation.

(iii) Notwithstanding anything in paragraph (a)(ii) to the contrary, in the event that the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors; or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section is delivered to the Secretary, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 10.

(c) (i) General. Notwithstanding the foregoing provisions of this Section 10, a stockholder who seeks to have any proposal included in the Corporation's proxy materials must provide notice as required by and otherwise comply with the applicable requirements of the rules and regulations under the Exchange Act. Nothing in this Section 10 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals or nominations in the Corporation's proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act; or (b) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

(ii) The chairman of an annual meeting shall determine all matters relating to the conduct of the meeting, including, but not limited to, determining whether any nomination or item of business has been properly brought before the meeting in accordance with these Bylaws (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(ii)(C)(4) of this Section), and if the chairman should so determine and declare that any nomination or item of business has not been properly brought before an annual or special meeting, then such business shall not be transacted at such meeting and such nomination shall be disregarded.

(iii) Notwithstanding the foregoing provisions of this Section 10, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or item of business, such proposed business shall not be transacted and such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

SECTION 11. Action by Consent. As long as the Sponsors collectively beneficially own more than 35.0% of the outstanding shares of Common Stock, then any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. If the Sponsors collectively beneficially own 35.0% or less of the outstanding shares of Common Stock, then any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken only upon the vote of the stockholders at an annual or special meeting duly called and may not be taken by written consent of the stockholders.

SECTION 12. Inspectors. The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If any of the inspectors so appointed shall fail to appear or act, the chairman of the meeting may, or if inspectors shall not have been appointed, the chairman of the meeting may, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares of capital stock of the Corporation outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be stockholders.

ARTICLE III

Board of Directors

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

SECTION 2. Number. The Board of Directors shall initially consist of eight (8) directors, and thereafter shall be not less than three (3) nor more than fifteen (15) directors, the exact number of which shall be fixed, from time to time, by resolution adopted by the affirmative vote of a majority of the entire Board of Directors then in office. Directors need not be stockholders.

SECTION 3. Election and Term. Except as otherwise provided by statute, the Amendend and Retstated Certificate of Incorporation, or these By-Laws, the directors (other than members of the initial Board of Directors) shall be elected at the annual meeting of stockholders. Each director shall hold office for a term of one year or until his successor shall have been elected and qualified, subject to such director’s earlier death, resignation or removal, as hereinafter provided in these By-Laws or the Amended and Restated Certificate of Incorporation.

SECTION 4. Resignations. Any director of the Corporation may resign at any time by giving written notice of his or her resignation to the Corporation. Any such resignation shall be made in writing and shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. Removal of Directors. Any director may be removed in the manner provided in and to the extent permitted under the Amended and Restated Certificate of Incorporation.

SECTION 6. Vacancies. Any vacancy in the Board of Directors, however resulting, may be filled in the manner provided in and to the extent permitted under the Amended and Restated Certificate of Incorporation.

SECTION 7. Place of Meetings. Meetings of the Board of Directors shall be held at such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine or as shall be specified in the notice of any such meeting.

SECTION 8. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may fix or as may be specified in a notice of meeting. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by statute or these By-Laws.

SECTION 9. Special Meetings. Special meetings of the Board of Directors may be held at any time upon the call by the Chairman of the Board of Directors, the Chief Executive Officer, two or more directors of the Corporation, or by one director in the event that there is only a single director in office.

SECTION 10. Notice of Meetings. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by statute or these By-Laws. Notice of each special meeting of the Board of Directors (and of each regular meeting for which notice shall be required) shall be given at least one business day before each special meeting, in writing or orally (either in person or by telephone), including the time, date and place of the meeting; provided that notice of any meeting need not be given to any Director who shall be present at such meeting (in person or by telephone) or who shall waive notice thereof in writing either before or after such meeting. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

SECTION 11. Quorum and Manner of Acting. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn such meeting until such quorum is present, and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned. All matters shall be determined by the vote of a majority of the total number of directors present at such meeting at which there is a quorum, except as otherwise provided in the Amended and Restated Certificate of Incorporation or these Bylaws or as required by law.

SECTION 12. Organization. At each meeting of the Board of Directors, the Chairman of the Board, if one has been elected, or, in the absence of the Chairman of the Board or if one shall not have been elected, the Chief Executive Officer (or, in his absence, another director chosen by a majority of the directors present) shall act as chairman of the meeting and preside thereat. The Secretary or, in his absence, any person appointed by the chairman, shall act as secretary of the meeting and keep the minutes thereof.

SECTION 13. Compensation. The Board of Directors shall have authority to fix or establish policies for the compensation, including fees and reimbursement of expenses, for services provided by directors to the Corporation.

SECTION 14. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, including an executive committee, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except to the extent restricted by statute or the Certificate of Incorporation, each such committee, to the extent provided in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors; but no such committee shall have the power or authority to (i) approve, adopt or recommend to the stockholders any action or matter expressly required by Delaware law to be submitted to the stockholders for approval or (ii) adopt, amend or repeal any By-Law of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors.

SECTION 15. Action by Consent. Unless restricted by the Amended and Restated Certificate of Incorporation or these By-Laws, any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors or such committee, as the case may be.

SECTION 16. Telephonic Meeting. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference call or using any communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

ARTICLE IV

Officers

SECTION 1. Number and Qualifications. The officers of the Corporation shall be elected by the Board of Directors and shall include a Chief Executive Officer, a President, one or more Vice Presidents, and a Secretary. The Board of Directors may also select other officers as it may deem to be necessary or appropriate, including a Chairman, a Chief Operating Officer, a Chief Financial Officer, a Chief Accounting Officer, a General Counsel, a Treasurer, one or more Assistant Secretaries and one or more Assistant Treasurers. Any two or more offices may be held by the same person, and no officer except the Chairman of the Board need be a director. Each officer shall hold office until his successor shall have been duly elected, or until his death, or until he shall have resigned or have been removed, as hereinafter provided in these By-Laws.

SECTION 2. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Corporation. Any such resignation shall be made in writing and shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon receipt. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

SECTION 3. Removal. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors at any time.

SECTION 4. Chairman of the Board. The Chairman of the Board, if one is elected, shall preside at meetings of the Board of Directors or the stockholders. The Chairman shall have the powers and duties customarily and usually associated with the office of the Chairman of the Board of Directors and shall perform such other duties as from time to time may be assigned to him or her by the Board of Directors. The same individual may serve as both Chairman of the Board and Chief Executive Officer.

SECTION 5. Chief Executive Officer. The Chief Executive Officer shall, in the absence of the Chairman of the Board, if available and present, preside at each meeting of the Board of Directors or the stockholders. The Chief Executive Officer shall have the powers and duties customarily and usually associated with the position of Chief Executive Officer and such other powers and duties as may from time to time be assigned to him by the Board of Directors.

SECTION 6. President. The President shall have the powers and duties customarily and usually associated with the office of the President and such other powers and duties as may from time to time be assigned to him by the Board of Directors. The Chairman of the Board, Chief Executive Officer and the President may be the same person.

SECTION 7. Vice-President. Each Vice-President shall have such powers and perform such duties as may from time to time be assigned to him or her by the Board of Directors. The Board of Directors may name Executive Vice Presidents or Senior Vice Presidents or otherwise establish different categories of vice presidents.

SECTION 8. Secretary. The Secretary shall have the powers and duties as are customarily and usually associated with the position of Secretary or as may from time to time be assigned to him by the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer.

SECTION 9. General Counsel. The General Counsel shall have the powers and duties customarily and usually associated with the office of the General Counsel and such other powers and duties as may from time to time be assigned to him by the Board of Directors.

SECTION 10. Other Officers. The Chief Operating Officer, Chief Financial Officer, Chief Accounting Officer, Treasurer, Assistant Secretaries and Assistant Treasurers, if any, any other officers shall perform such duties as from time to time may be assigned by the Board of Directors.

ARTICLE V

Capital Stock

SECTION 1. Issuance of Stock. Unless otherwise voted by stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any unissued balance of the authorized capital stock of the Corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

SECTION 2. Stock Certificates. The stock of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman of the Board, or the President or Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation.

SECTION 3. Facsimile Signatures. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

SECTION 4. Lost Certificates. No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, stolen or destroyed, except upon production of such evidence of such loss, theft or destruction and upon delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors in its discretion may require.

SECTION 5. Transfers of Stock. Transfers of stock shall be made on the books of the Corporation by the holder of the shares in person or by such holder's attorney upon surrender and cancellation of certificates for a like number of shares, or as otherwise provided by law with respect to uncertificated shares.

SECTION 6. Fixing the Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting (to the extent permitted by the Certificate of Incorporation and By-Laws), or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may establish, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 7. Registered Stockholders. The names and addresses of the holders of record of the shares of stock of the Corporation's capital, together with the number of shares of each class and series held by each record holder and the date of issue of such shares, shall be entered on the books of the Corporation. The Corporation shall be entitled to recognize the exclusive right of a person registered on its records as the owner of shares of stock as the person entitled to exercise the rights of a stockholder, including to receive dividends and to vote as such owner. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

SECTION 8. Dividends. Subject to applicable law and the Certificate of Incorporation, the Board of Directors may, out of funds legally available therefor at any regular or special meeting, declare dividends upon the capital stock of the Corporation as and when it deems expedient. Dividends may be paid in cash, in property or in shares of stock of the Corporation, unless otherwise provided by statute or the Certificate of Incorporation. Before declaring any dividend there may be set apart out of any funds of the Corporation available for dividends, such sum or sums as the directors from time to time in their discretion deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the directors shall deem conducive to the interests of the Corporation.

SECTION 9. Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

SECTION 10. Regulations. The Board of Directors may make such additional rules and regulations, not inconsistent with these By-Laws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock or with respect to uncertificated shares of stock of the Corporation.

ARTICLE VI

Indemnification

SECTION 1. Indemnification Respecting Third Party Claims.

(a) Indemnification of Directors and Officers. To the fullest extent permitted and in the manner required by the laws of the State of Delaware as in effect from time to time, the Corporation shall indemnify in accordance with the following provisions of this Article VI any person who was or is made a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including any appeal thereof), whether civil, criminal, administrative, regulatory or investigative in nature (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or, if at a time when he or she was a director or officer of the Corporation, is or was serving at the request of, or to represent the interests of, the Corporation as a director, officer, partner, member, trustee, fiduciary, employee or agent (a “Subsidiary Officer”) of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise including any charitable or not-for-profit public service organization or trade association (an “Affiliated Entity”), against expenses (including attorneys’ fees and disbursements), costs, judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful; provided, however, that (i) the Corporation shall not be obligated to indemnify a director or officer of the Corporation or a Subsidiary Officer of any Affiliated Entity against expenses incurred in connection with an action, suit, proceeding or investigation to which such person is threatened to be made a party but does not become a party unless such expenses were incurred with the approval of the Board of Directors, a committee thereof or the Chairman or the Chief Executive Officer of the Corporation and (ii) the Corporation shall not be obligated to indemnify against any amount paid in settlement unless the Corporation has consented to such settlement. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that his or her conduct was unlawful. Notwithstanding anything to the contrary in the foregoing provisions of this paragraph, a person shall not be entitled, as a matter of right, to indemnification pursuant to this paragraph against costs or expenses incurred in connection with any action, suit or proceeding commenced by such person against the Corporation or any Affiliated Entity or any person who is or was a director, officer, partner, member, fiduciary, employee or agent of the Corporation or a Subsidiary Officer of any Affiliated Entity in their capacity as such, but such indemnification may be provided by the Corporation in a specific case as permitted by Section 6 of this Article.

(b) Indemnification of Employees and Agents. The Corporation may indemnify any employee or agent of the Corporation in the manner and to the same or a lesser extent that it shall indemnify any director or officer under paragraph (a) above in this Section 1.

SECTION 2. Indemnification Respecting Derivative Claims.

(a) Indemnification of Directors and Officers. To the fullest extent permitted and in the manner required by the laws of the State of Delaware as in effect from time to time, the Corporation shall indemnify, in accordance with the following provisions of this Article, any person who was or is made a party to or is threatened to be made a party to any threatened, pending or completed action or suit (including any appeal thereof) brought by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or, if at a time when he or she was a director or officer to the Corporation, is or was serving at the request of, or to represent the interests of, the Corporation as a Subsidiary Officer of an Affiliated Entity against expenses (including attorneys' fees and disbursements) and costs actually and reasonably incurred by such person in connection with such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless, and only to the extent that, the Court of Chancery of the State of Delaware or the court in which such judgment was rendered shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses and costs as the Court of Chancery of the State of Delaware or such other court shall deem proper; provided, however, that the Corporation shall not be obligated to indemnify a director or officer of the Corporation or a Subsidiary Officer of any Affiliated Entity against expenses incurred in connection with an action or suit to which such person is threatened to be made a party but does not become a party unless such expenses were incurred with the approval of the Board of Directors, a committee thereof, or the Chairman or the Chief Executive Officer of the Corporation. Notwithstanding anything to the contrary in the foregoing provisions of this paragraph, a person shall not be entitled, as a matter of right, to indemnification pursuant to this paragraph against costs and expenses incurred in connection with any action or suit in the right of the Corporation commenced by such Person, but such indemnification may be provided by the Corporation in any specific case as permitted by Section 6 of this Article VI.

(b) Indemnification of Employees and Agents. The Corporation may indemnify any employee or agent of the Corporation in the manner and to the same or a lesser extent that it shall indemnify any director or officer under paragraph (a) above in this Section 2.

SECTION 3. Indemnification in Certain Cases.

(a) Indemnification Upon Successful Defense. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in any of paragraphs (a) or (b) in Sections 1 and 2 of this Article VI, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by him in connection therewith.

(b) Indemnification for Service As a Witness. To the extent any person who is or was a director or officer of the Corporation has served or prepared to serve as a witness in any action, suit or proceeding (whether civil, criminal, administrative, regulatory or investigative in nature), including any investigation by any legislative body or any regulatory or self-regulatory body by which the Corporation's business is regulated, by reason of his or her services as a director or officer of the Corporation or his or her service as a Subsidiary Officer of an Affiliated Entity at a time when he or she was a director or officer of the Corporation (assuming such person is or was serving at the request of, or to represent the interests of, the Corporation as a Subsidiary Officer of such Affiliated Entity) but excluding service as a witness in an action or suit commenced by such person, the Corporation shall indemnify such person against out-of-pocket costs and expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection therewith and shall use its best efforts to provide such indemnity within 45 days after receipt by the Corporation from such person of a statement requesting such indemnification, averring such service and reasonably evidencing such expenses and costs; it being understood, however, that the Corporation shall have no obligation under this Article VI to compensate such person for such person's time or efforts so expended. The Corporation may indemnify any employee or agent of the Corporation to the same or a lesser extent as it may indemnify any director or officer of the Corporation pursuant to the foregoing sentence of this paragraph.

SECTION 4. Procedure. Any indemnification under Sections 1 and 2 of this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because such person has met the applicable standard of conduct set forth in such Sections 1 and 2. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding in respect of which indemnification is sought or by majority vote of the members of a committee of the Board of Directors composed of at least three members each of whom is not a party to such action, suit or proceeding, or (b) if such a quorum is not obtainable and/or such a committee is not established or obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the stockholders entitled to vote thereon. In the event a request for indemnification is made by any person referred to in paragraph (a) of Section 1 or 2 of this Article VI, the Corporation shall use its best efforts to cause such determination to be made not later than 90 days after such request is made.

SECTION 5. Advances for Expenses.

(a) Advances to Directors and Officers. Expenses and costs, incurred by any person referred to in paragraph (a) of Section 1 or 2 of this Article VI in defending a civil, criminal, administrative, regulatory or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking in writing by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified in respect of such costs and expenses by the Corporation as authorized by this Article.

(b) Advances to Employees and Agents. Expenses and costs incurred by any person referred to in paragraph (b) of Section 1 or 2 of this Article VI in defending a civil, criminal, administrative, regulatory or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors, a committee thereof or an officer of the Corporation authorized to so act by the Board of Directors upon receipt of an undertaking in writing by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation in respect of such costs and expenses as authorized by this Article VI.

SECTION 6. Rights Not Exclusive. The provision of indemnification to or the advancement of expenses and costs to any person under this Article, or the entitlement of any person to indemnification or advancement of expenses and costs under this Article, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such person in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any person seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

SECTION 7. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of, or to represent the interests of, the Corporation as a Subsidiary Officer of any Affiliated Entity, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI or applicable law.

SECTION 8. Definitions of Certain Terms. For purposes of this Article VI, (i) references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed into the Corporation in a consolidation or merger if such corporation would have been permitted (if its corporate existence had continued) under applicable law to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request, or to represent the interests of, such constituent corporation as a director, officer, employee or agent of any Affiliated Entity shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued; (ii) references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; (iii) references to "serving at the request of the Corporation" shall include any service as a director, officer, partner, member, trustee, fiduciary, employee or agent of the Corporation or any Affiliated Entity which service imposes duties on, or involves services by, such director, officer, partner, member, trustee, fiduciary, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries and (iv) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the Corporation" as referred to in this Article VI.

SECTION 9. Accrual of Claims; Survival of Rights. The indemnification provided or permitted under the foregoing provisions of this Article VI shall or may, as the case may be, apply in respect of any expense, cost, judgment, fine, penalty or amount paid in settlement, whether or not the claim or cause of action in respect thereof accrued or arose before or after the effective date of such provisions of this Article VI. The indemnification and advancement of expenses provided by, or granted pursuant to this Article VI shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 10. Corporate Obligations; Reliance. The provisions of this Article VI shall be deemed to create a binding obligation on the part of the Corporation to the persons who from time to time are elected officers or directors of the Corporation, and such persons in acting in their capacities as officers or directors of the Corporation or Subsidiary Officers of any Affiliated Entity shall be entitled to rely on such provisions of this Article, without giving notice thereof to the Corporation.

ARTICLE VII

General Provisions

SECTION 1. Seal. The seal of the Corporation shall be in such form as shall be approved by the Board of Directors.

SECTION 2. Fiscal Year. The fiscal year of the Corporation shall be fixed, and once fixed, may thereafter be changed, by resolution of the Board of Directors.

SECTION 3. Checks, Notes, Drafts, Etc. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

SECTION 4. Execution of Contracts. The Board of Directors may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

SECTION 5. Certificate of Incorporation. All references in these By-Laws to the Certificate of Incorporation or the Amended and Restated Certificate of Incorporation shall be deemed to refer to the Amended and Restated Certificate of Incorporation of the Corporation, as amended or restated and in effect from time to time.

SECTION 6. Evidence of Authority. A certificate by the Secretary or any Assistant Secretary as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall, as to all persons who rely on the certificate in good faith, be conclusive evidence of such action.

SECTION 7. Severability and Inconsistency. Any determination that any provision of these By-Laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-Laws. In the event that any provision of these By-Laws is or becomes inconsistent with any provision of the Amended and Restated Certificate of Incorporation, the General Corporation Laws of the State of Delaware or any other applicable law, the provision of these By-Laws shall not be given any effect to the extent of such inconsistency, but shall otherwise be given full force and effect.

SECTION 8. Notice and Waiver of Notice. Whenever any notice is required by these By-Laws to be given to the stockholders, personal notice is not meant unless expressly so stated, and any notice so required shall be deemed to be sufficient if made in the manner prescribed by these By-Laws or if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his or her address as it appears on the records of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Stockholders not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise required by law.

Whenever any notice whatever is required to be given under the provisions of any law, or under the provisions of the Amended and Restated Certificate of Incorporation of the Corporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 9. Voting of Stock in Other Corporations. Unless otherwise provided by resolution of the Board of Directors, the Chairman of the Board, the Chief Executive Officer, the Chief Operating Officer or the Chief Financial Officer, from time to time, may (or may appoint one or more attorneys or agents to) cast the votes which the Corporation may be entitled to cast as a shareholder or otherwise in any other corporation, any of whose shares or securities may be held by the Corporation, at meetings of the holders of the shares or other securities of such other corporation.

ARTICLE VIII

Amendments

These By-Laws may be amended or repealed or new by-laws adopted (a) if the Amended and Restated Certificate of Incorporation so provides, by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present, or (b) by the affirmative vote of the holders of a majority of the stock issued and outstanding and entitled to vote at any annual or special meeting of stockholders.

Approved and adopted as of June ___, 2007

Exhibit 4.1

(SPECIMEN COMMON STOCK CERTIFICATE — FRONT SIDE)

A Delaware Corporation

NUMBER **SHARES**

CVR ENERGY, INC.
Common Stock, Par Value $0.01 Per Share

This Certifies that ____________________ is the owner of ____________________ fully paid and non-assessable Shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation.

Dated __________, __

By: ______________________________	(SEAL)	By: ______________________________	
Name:		Name:	
Title:		Title:	

(SPECIMEN COMMON STOCK CERTIFICATE — BACK SIDE)

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY REGULATORY AUTHORITY IN ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, EXCHANGED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations. Additional abbreviations may also be used though not in the list.

TEN COM	— as tenants in common	UNIF GIFT MIN ACT — ___Custodian __________(Minor)
TEN ENT	— as tenants by the entireties	under Uniform Gifts to Minors Act ____________(State)
JT TEN	— as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT — ___Custodian __________(Minor) under __________(State) Uniform Transfer to Minors Act

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, the undersigned hereby sells, assigns and transfers unto

____

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

____

____ *Shares*

represented by the within Certificate, and hereby irrevocably constitutes and appoints ______________________________

____ *Attorney to transfer the said*

shares on the books of the within-named Corporation with full power of substitution in the premises.

Dated, ______________________________

In presence of *X* ______________________________

X ______________________________

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

Exhibit 5.1

[FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP LETTERHEAD]

June 4, 2007

CVR Energy, Inc.
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479

RE: Registration Statement on Form S-1, File No. 333-137588 (the "Registration Statement")

Ladies and Gentlemen:

We have acted as counsel for CVR Energy, Inc., a Delaware corporation (the "Company"), in connection with the underwritten initial public offering (the "Offering") by the Company and certain selling stockholders (the "Selling Stockholders") to be named in the Underwriting Agreement (as defined below) of shares (the "Shares") of common stock, par value $0.01 per share, of the Company, including Shares which may be offered and sold upon the exercise of the over-allotment option granted to the underwriters by the Selling Stockholders. The Shares are to be offered to the public pursuant to an underwriting agreement to be entered into among the Company, the Selling Stockholders and Goldman, Sachs & Co. and Deutsche Bank Securities Inc., as representatives of the underwriters (the "Underwriting Agreement"). With your permission, all assumptions and statements of reliance herein have been made without any independent investigation or verification on our part except to the extent otherwise expressly stated, and we express no opinion with respect to the subject matter or accuracy of such assumptions or items relied upon.

In connection with this opinion, we have (i) investigated such questions of law, (ii) examined the originals or certified, conformed or reproduction copies, of such agreements, instruments, documents and records of the Company, such certificates of public officials and such other documents and (iii) received such information from officers and representatives of the Company and others as we have deemed necessary or appropriate for the purposes of this opinion.

In all such examinations, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of original and certified documents and the conformity to original or certified documents of all copies submitted to us as conformed or reproduction copies. As to various questions of fact relevant to the opinion expressed herein, we have relied upon, and assume the accuracy of, representations and warranties contained in the Underwriting Agreement (other than representations and warranties made by the Company) and certificates and oral or written statements and other information of or from public officials and assume compliance on the part of all parties to the Underwriting Agreement (other than the Company) with the covenants and agreements contained therein.

Based upon the foregoing and subject to the limitations, qualifications and assumptions set forth herein, we are of the opinion that the Shares registered pursuant to the Registration

Statement to be sold by the Company and the Selling Stockholders (when issued, delivered and paid for in accordance with the terms of the Underwriting Agreement) will be duly authorized, validly issued, fully paid and non-assessable.

The opinion expressed herein is limited to the laws of the State of New York and, to the extent relevant, the General Corporation Law of the State of Delaware, each as currently in effect, together with applicable provisions of the Constitution of Delaware and relevant decisional law, and no opinion is expressed with respect to any other laws or any effect that such other laws may have on the opinion expressed herein. The opinion expressed herein is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein. The opinion expressed herein is given as of the date of effectiveness of the Registration Statement, and we undertake no obligation to supplement this letter if any applicable laws change after that date or if we become aware of any facts that might change the opinion expressed herein or for any other reason.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus that is included in the Registration Statement. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP

COFFEYVILLE RESOURCES, LLC
PHANTOM UNIT APPRECIATION PLAN (PLAN I)

1. Purpose; Operation. The purpose of the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I) (the "Plan") is to provide an incentive to employees of the Company and its Affiliates who contribute to the Company's success to increase their efforts on behalf of the Company and to promote the success of the Company's business. Participants in the Plan have the opportunity to receive cash payments in respect of Phantom Points they hold in the event of certain distributions pursuant to the Parent LLC Agreement to "Members" (as defined in the Parent LLC Agreement) in Coffeyville Acquisition LLC, an indirect equity owner of the Company. Whether payments will be made will depend on the amount of net proceeds realized in connection with the event that gives rise to such distributions. Defined terms are defined in Exhibit A hereto.

2. Administration. The Plan shall be administered by the Committee. The Committee shall have the authority in its discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation:

   - the authority to grant Phantom Points;
   - to determine the persons to whom and the time or times at which Phantom Points shall be granted;
   - to determine the number and type of Phantom Points to be granted and the terms, conditions and restrictions relating thereto;
   - to determine whether, to what extent, and under what circumstances Phantom Points may be settled, cancelled, forfeited, exchanged, or surrendered;
   - to make adjustments in the terms and conditions applicable to Phantom Points;
   - to construe and interpret the Plan and Award Agreements;
   - to prescribe, amend and rescind rules and regulations relating to the Plan;
   - to determine the terms and provisions of the Award Agreements;
   - to determine the Baseline Primary Phantom Percentage, the Total Phantom Percentages and the Final Phantom Percentages;
   - to determine the amounts allocable for payment pursuant to this Plan;
   - to assign Phantom Benchmark Amounts; and

- to make all other determinations deemed necessary or advisable for the administration of the Plan.

All determinations made by the Committee in respect of the Plan shall be final and binding on all Participants and their beneficiaries. No manager or member of the Company or member of the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Phantom Points granted hereunder. The Committee, with the consent of Parent LLC, shall make determinations with respect to percentages (including the Total Phantom Percentages and the Final Phantom Percentages) and cash amounts allocated, if any, to the Plan with reference to the applicable definitions set forth in Exhibit A; provided that any and all determinations with respect to applicable percentages and cash amounts allocated to the Plan shall be made in the Committee's discretion and may vary from such definitions. The Committee may make adjustments in the operation of provisions of the Plan if the Committee determines in its sole discretion that such adjustments will further the intent of such provisions.

3. Eligibility. Phantom Points may be granted at any time to directors, employees (including officers) and service providers of an Employer, in the discretion of the Committee.

4. Phantom Service Points; Payment.

(a) Phantom Service Point Pool. A pool of points shall exist consisting of "Phantom Service Points". Phantom Service Points shall represent the right to receive a cash payment from the Employer within thirty (30) days following the date on which a distribution is made pursuant to the Parent LLC Agreement. The pool of Phantom Service Points shall initially be 10,000,000 but may be increased in the discretion of the Committee at any time. The total number of Phantom Service Points outstanding (after taking into account any adjustments made pursuant to Section 7) shall be referred to as the "Total Phantom Service Point Pool".

(b) Phantom Service Percentage. The "Phantom Plan Service Percentage" for each Participant shall be the Final Phantom Service Percentage multiplied by the quotient obtained by dividing (x) the number of Phantom Service Points allocated to such Participant by (y) 10,000,000, or, if the Total Phantom Service Point Pool is greater than 10,000,000, the Total Phantom Service Point Pool.

(c) Phantom Service Point Payments. The cash amount payable to a Participant in respect of his or her Phantom Service Points at any time that a distribution is made pursuant to the Parent LLC Agreement in respect of Operating Units shall be determined by multiplying (x) such Participant's Phantom Plan Service Percentage and (y) the amount of Exit Proceeds. For the avoidance of doubt, the foregoing is simply a calculation of amount of the cash payment payable to a Participant holding Phantom Service Points, and in no event shall such

Participant, in its capacity as such, have any rights to receive a payment or distribution from Parent LLC.[1]

5. Phantom Performance Points; Payment.

(a) Phantom Performance Point Pool. A pool of points shall exist consisting of "Phantom Performance Points". Phantom Performance Points shall represent the right to receive a cash payment within thirty (30) days following the date on which a distribution is made pursuant to the Parent LLC Agreement in respect of Value Units. The pool of Phantom Performance Points shall initially be 10,000,000, but may be increased in the discretion of the Committee at any time. The total number of Phantom Performance Points outstanding (after taking into account any adjustment made pursuant to Section 7) shall be referred to as the "Total Phantom Performance Point Pool".

(b) Phantom Performance Percentage. The "Phantom Plan Performance Percentage" for each Participant shall initially be the Final Phantom Performance Percentage multiplied by the quotient obtained by dividing (x) the number of Phantom Performance Points allocated to such Participant by (y) 10,000,000, or, if the Total Phantom Performance Point Pool is greater than 10,000,000, the Total Phantom Performance Point Pool, and shall be further subject to reduction pursuant to Section 5(c) below.

(c) Performance Factor; Investment Multiple. As provided in the definition of Final Phantom Performance Percentage, each Participant's Phantom Plan Performance Percentage reflects the Performance Factor, which operates to adjust Participants' performance percentages based on the performance of the investment in the Parent LLC by the Investor Members. For purposes of this Plan:

(1) The "Performance Factor" equals a number (between zero and one) equal to the quotient obtained by dividing (i) the excess, if positive, of the Final Investment Multiple (as defined below) over the Minimum Investment Multiple by (ii) two (2); provided that if such quotient is greater than one, the Performance Factor will equal one.

(2) The Final Investment Multiple is computed, after giving effect to any payments to be made pursuant to this Plan, by dividing (x) the total fair market value of all net distributions received, or to be received upon the applicable distribution, by the Investor Members from the Company in respect of their aggregate investment in the Company divided by (y) the aggregate of such investment of the Investor Members in the Company (it being understood that all

1 Schedule A provides an illustration of how a calculation of a Phantom Service Point payment would be made under the Plan. It is not intended to be an indication of actual payments under the Plan.

such amounts are themselves simultaneously being calculated by reference to amounts that may be payable pursuant to the Plan).

(d) Phantom Performance Point Payments. The cash amount payable to a Participant in respect of his or her Phantom Performance Points at any time that a distribution is made pursuant to the Parent LLC Agreement in respect of Value Units shall be determined by adding (x) the product of (i) such Participant's Phantom Plan Performance Percentage and (ii) the amount of Exit Proceeds plus (y) an additional amount to provide a 'catch-up' similar to that provided in respect of Value Units pursuant to Section 9.1(d) of the Parent LLC Agreement. For the avoidance of doubt, the foregoing is simply a calculation of the amount of the cash payment payable to a Participant holding Phantom Performance Points, and in no event shall such Participant, in its capacity as such, have any rights to receive a payment or distribution from Parent LLC.[2]

6. Additional Awards; Adjustments.

(a) Additional Awards. An Employer may determine that a Participant's performance warrants an award of additional Phantom Points, in which case the Employer may recommend to the Committee that an additional award be made.

(b) Prior Appreciation Adjustments. Each Participant will be assigned a "Phantom Benchmark Amount", which shall be an amount determined by the Committee with respect to the Participant each time the Committee awards any Phantom Points to the Participant and relates to the valuation of Parent LLC at such time. Notwithstanding anything to the contrary set forth in the Plan, for purposes of the calculations under Section 4(c) and Section 5(d), the Committee shall make such adjustments to the amounts otherwise determined thereunder to account for the Phantom Benchmark Amount assigned in respect of a Participant's Phantom Points.

(c) In the event of any material acquisition, disposition, merger, recapitalization, capital contribution or other similar event, the Committee may make such adjustment(s) to the terms of the Plan or any awards granted under the Plan as the Committee shall determine appropriate in its sole discretion.

7. Termination of Employment. If a Participant ceases to be employed by an Employer (other than in connection with a transfer to another Employer) prior to an Exit Event, such Participant shall forfeit all Phantom Points granted to the Participant.

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2 Schedule A provides an illustration of how a calculation of a Phantom Performance Point payment would be made under the Plan. It is not intended to be an indication of actual payments under the Plan.

8. General Provisions.

(a) Nontransferability. Unless otherwise provided in an Award Agreement, Phantom Points shall not be transferable by a Participant under any circumstances, except by will or the laws of descent and distribution.

(b) No Right to Continued Employment, etc. Nothing in the Plan or in any Award Agreement entered into pursuant the Plan shall confer upon any Participant the right to continue in the employ of or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement, or to interfere with or limit in any way the right of an Employer to terminate such Participant's employment.

(c) Taxes. The Company or any Affiliate is authorized to withhold from any payment relating to Phantom Points under the Plan amounts of withholding and other taxes due to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations.

(d) Excise Tax. To the extent that, in the Committee's determination, payment to a Participant in respect of his or her Phantom Points would result in application of an excise tax to the Participant pursuant to Section 4999 of the Code, then the payment shall be reduced to such extent to avoid the application of such excise tax; provided that the Company shall use its reasonable best efforts to obtain shareholder approval of the payment in respect of Phantom Points in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Participant in respect of his or her Phantom Points without the application of the excise tax.

(e) Amendment and Termination. The Plan shall take effect on the date of its adoption by the Board of Directors of the Company (the "Board"). The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part, including but not limited to, amending the Plan and awards to alter the structure of the Plan if the Board determines that the Plan is not meeting its objectives.

(f) No Rights to Awards; No Stockholder or Member Rights. No Participant shall have any claim to be granted any Phantom Points under the Plan, and there is no obligation for uniformity of treatment of Participants. A Participant or a transferee of Phantom Points shall have no rights as a stockholder or member of the Company or any Affiliate.

(g) Unfunded Status of Awards. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Phantom Points shall give any such Participant any rights that are greater than those of a general creditor of the Company.

(h) Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

(i) Beneficiary. Upon the death of a Participant, all of his of her rights under the Plan shall inure to his or her designated beneficiary or, if no beneficiary has been designated, to his or her estate.

(j) No Guarantee or Assurances. There can be no guarantee that any distributions in respect of Operating Units or Value Units will occur under the Parent LLC Agreement or that any payment to any Participant will result under the Plan.

(k) Expiration of Plan. Unless otherwise determined by the Board, the Plan shall expire on July 25, 2015 and all outstanding Phantom Points shall then expire and be forfeited with no consideration paid in respect of such forfeiture.

EXHIBIT A

Plan Definitions

For purposes of the Plan, the following terms shall be defined as set forth below.

"Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Securities Exchange Act of 1934.

"Award Agreement" means any written agreement, contract, or other instrument or document evidencing a grant of Phantom Points.

"Baseline Primary Phantom Percentage" means a notional profits interest percentage in Parent LLC, determined by the Committee with the consent of Parent LLC in its sole discretion, attributable to all Phantom Points available for award under the Plan; provided that in no event shall the Baseline Primary Phantom Percentage plus the percentage interest represented by all profits interests in the Parent LLC be greater than 15% of the combined notional and aggregate equity interests of the Parent LLC, assuming all profits interests are outstanding and entitled to share in distributions. Such deemed profits interest percentage, as adjusted pursuant to the terms of the Plan, is generally intended to provide, as a function of Exit Proceeds, the maximum attainable cash payment payable to holders of Phantom Points under the Plan. The Committee shall have the discretion (with the consent of Parent LLC) to change the Baseline Primary Phantom Percentage at any time and from time to time (including upon the occurrence of any distribution pursuant to the Parent LLC Agreement or an Exit Event). Schedule 1, as amended from time to time, shall set forth the Baseline Primary Phantom Percentage.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the Compensation Committee of Parent LLC, or if there is no such Compensation Committee of Parent LLC, Parent LLC.

"Company" means Coffeyville Resources, LLC, a Delaware limited liability company, or any successor corporation.

"Employer" means the Company or any Affiliate of the Company.

"Exit Event" has the meaning given in the Parent LLC Agreement.

"Exit Proceeds" means the net proceeds available for distribution to the Members of Parent LLC at any time that a distribution is made pursuant to the Parent LLC Agreement in respect of Operating Units or Value Units, as the case may be, following the return of all unreturned "Capital Contributions" (as defined in the Parent LLC Agreement).

"Final Phantom Percentages" means, collectively, the Final Phantom Performance Percentage, the Final Phantom Service Percentage and the Final Aggregate Phantom Percentage.

"Final Phantom Performance Percentage" means the product of (x) the Performance Factor and (y) the Total Performance Phantom Percentage.

"Final Phantom Service Percentage" means the Total Phantom Service Percentage.

"Investor Member" has the meaning given in the Parent LLC Agreement.

"Maximum Investment Multiple" means four (4).

"Minimum Investment Multiple" means two (2).

"Operating Unit" has the meaning given in the Parent LLC Agreement.

"Parent LLC" means Coffeyville Acquisition LLC.

"Parent LLC Agreement" means the Second Amended and Restated Limited Liability Company Agreement of Parent LLC, dated as of July 25, 2005, as such may be amended.

"Participant" means an individual who has been granted Phantom Performance Points and/or Phantom Service Points pursuant to the Plan and who continues to hold Phantom Points.

"Performance Factor" shall have the meaning set forth in Section 5(c)(1).

"Phantom Performance Points" shall have the meaning set forth in Section 5.

"Phantom Points" means, collectively, or individually as the context requires, Phantom Performance Points and Phantom Service Points.

"Phantom Service Points" shall have the meaning set forth in Section 4.

"Plan" means this Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan I), as amended from time to time.

"Total Performance Phantom Percentage" means the product of (x) .667 and (y) the Baseline Primary Phantom Percentage.

"Total Phantom Percentages" means, collectively, the Total Performance Phantom Percentage and the Total Service Phantom Percentage.

"Total Phantom Service Percentage" means the product of (x) .333 and (y) the Baseline Primary Phantom Percentage.

"Value Unit" has the meaning given in the Parent LLC Agreement.

Exhibit 10.24

[Form of Agreement of Limited Partnership]

AGREEMENT OF LIMITED PARTNERSHIP

OF

CVR PARTNERS, LP

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AGREEMENT OF LIMITED
PARTNERSHIP OF CVR PARTNERS, LP

THIS AGREEMENT OF LIMITED PARTNERSHIP OF CVR PARTNERS, LP dated as of 2007, is entered into by and among CVR GP, LLC, a Delaware limited liability company, as the Managing General Partner, CVR Special GP, LLC, a Delaware limited liability company, as the Special General Partner and CVR LP, LLC, a Delaware limited liability company, as the Organizational Limited Partner, together with any other Persons who become Partners in the Partnership or parties hereto as provided herein. In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 *Definitions*. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"*Acquisition*" means any transaction in which any Group Member acquires (through an asset acquisition, merger, stock acquisition or other form of investment) control over all or a portion of the assets, properties or business of another Person for the purpose of increasing the operating capacity (or productivity) or capital base of the Partnership Group from the operating capacity or revenues of the Partnership Group existing immediately prior to such transaction.

"*Additional Book Basis*" means the portion of any remaining Carrying Value of an Adjusted Property that is attributable to positive adjustments made to such Carrying Value as a result of Book-Up Events. For purposes of determining the extent that Carrying Value constitutes Additional Book Basis:

(i) any negative adjustment made to the Carrying Value of an Adjusted Property as a result of either a Book-Down Event or a Book-Up Event shall first be deemed to offset or decrease that portion of the Carrying Value of such Adjusted Property that is attributable to any prior positive adjustments made thereto pursuant to a Book-Up Event or Book-Down Event; and

(ii) if Carrying Value that constitutes Additional Book Basis is reduced as a result of a Book-Down Event and the Carrying Value of other property is increased as a result of such Book-Down Event, an allocable portion of any such increase in Carrying Value shall be treated as Additional Book Basis; provided, that the amount treated as Additional Book Basis pursuant hereto as a result of such Book-Down Event shall not exceed the amount by which the Aggregate Remaining Net Positive Adjustments after such Book-Down Event exceeds the remaining Additional Book Basis attributable to all of the Partnership's Adjusted Property after such Book-Down Event (determined without regard to the application of this clause (ii) to such Book-Down Event).

"*Additional Book Basis Derivative Items*" means any Book Basis Derivative Items that are computed with reference to Additional Book Basis. To the extent that the Additional Book Basis attributable to all of the Partnership's Adjusted Property as of the beginning of any taxable period exceeds the Aggregate Remaining Net Positive Adjustments as of the beginning of such period (the "Excess Additional Book Basis"), the Additional Book Basis Derivative Items for such period shall be reduced by the amount that bears the same ratio to the amount of Additional Book Basis Derivative Items determined without regard to this sentence as the Excess Additional Book Basis bears to the Additional Book Basis as of the beginning of such period.

"*Adjusted Capital Account*" means the Capital Account maintained for each Partner as of the end of each fiscal year of the Partnership, (a) increased by any amounts that such Partner is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5)) and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such fiscal year, are reasonably expected to be allocated to such Partner in subsequent years under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such fiscal year, are reasonably expected to be made to such Partner in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Partner's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 6.1(d)(i) or 6.1(c)(ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The "Adjusted Capital Account" of a Partner in respect of any Partnership Interest shall be the amount that such Adjusted Capital Account would be if such Partnership Interest were the only interest in the Partnership held by such Partner from and after the date on which such Partnership Interest was first issued.

"*Adjusted Operating Surplus*" means, with respect to any period, Operating Surplus generated with respect to such period (a) less (i) any net increase in Working Capital Borrowings (or the Partnership's proportionate share of any net increase in Working Capital Borrowings in the case of Subsidiaries that are not wholly owned) with respect to such period and (ii) any net decrease in cash reserves (or the Partnership's proportionate share of any net decrease in cash reserves in the case of Subsidiaries that are not wholly owned) for Operating Expenditures with respect to such period not relating to an Operating Expenditure made with respect to such period and (b) plus (i) any net decrease in Working Capital Borrowings (or the Partnership's proportionate share of any net decrease in Working Capital Borrowings in the case of Subsidiaries that are not wholly owned) with respect to such period, and (ii) any net increase in cash reserves (or the Partnership's proportionate share of any net increase in cash reserves in the case of Subsidiaries that are not wholly owned) for Operating Expenditures with respect to such period required by any debt instrument for the repayment of principal, interest or premium. Adjusted Operating Surplus does not include that portion of Operating Surplus included in clauses (a)(i) and (a)(ii) of the definition of Operating Surplus.

"*Adjusted Property*" means any property the Carrying Value of which has been adjusted pursuant to Section 5.3(d)(i) or Section 5.3(d)(ii).

"*Affiliate*" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"*Aggregate Remaining Net Positive Adjustments*" means, as of the end of any taxable period, the sum of the Remaining Net Positive Adjustments of all the Partners.

"*Agreed Allocation*" means any allocation, other than a Required Allocation, of an item of income, gain, loss or deduction pursuant to the provisions of Section 6.1, including a Curative Allocation (if appropriate to the context in which the term "Agreed Allocation" is used).

"*Agreed Value*" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution as determined by the Managing General Partner. In making the determination, the Managing General Partner shall use such method as it determines to be appropriate to allocate the aggregate Agreed Value of Contributed Properties contributed to the Partnership in a single or integrated transaction among each separate property on a basis proportional to the fair market value of each Contributed Property.

"*Agreement*" means this Agreement of Limited Partnership of CVR Partners, LP, as it may be amended, supplemented or restated from time to time.

"*Associate*" means, when used to indicate a relationship with any Person, (a) any corporation or organization of which such Person is a director, officer or general partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock or other voting interest; (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same principal residence as such Person.

"*Available Cash*" means, with respect to any Quarter ending prior to the Liquidation Date:

(a) the sum of (i) all cash and cash equivalents of the Partnership Group (or the Partnership's proportionate share of cash and cash equivalents in the case of Subsidiaries that are not wholly owned) on hand at the end of such Quarter, and (ii) all additional cash and cash equivalents of the Partnership Group (or the Partnership's proportionate share of cash and cash equivalents in the case of Subsidiaries that are not wholly owned) on hand on the date of determination of Available Cash with respect to such Quarter resulting from Working Capital Borrowings made subsequent to the end of such Quarter, less

(b) the amount of any cash reserves (or the Partnership's proportionate share of cash reserves in the case of Subsidiaries that are not wholly owned) established by the Managing General Partner to (i) provide for the proper conduct of the business of the Partnership Group (including reserves for the satisfaction of obligations in respect of pre-paid fertilizer contracts, future capital expenditures and for anticipated future credit needs of the Partnership Group) subsequent to such Quarter, (ii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any Group Member is a party or by which it is bound or its assets are subject or (iii) provide funds for distributions under Section 6.4 or Section 6.6 in respect of any one or more of the next eight Quarters; provided, however, that following the Initial Offering the Managing General Partner may not establish cash reserves pursuant to (iii) above if the effect of such reserves would be that the Partnership is unable to distribute the Minimum Quarterly Distribution on all Common Units, plus any Cumulative Common Unit Arrearage on all Common Units, with respect to such Quarter; and, provided further, that disbursements made by a Group Member or cash reserves established, increased or reduced after the end of such Quarter but on or before the date of determination of Available Cash with respect to such Quarter shall be deemed to have been made, established, increased or reduced, for purposes of determining Available Cash, within such Quarter if the Managing General Partner so determines. In establishing cash reserves, the Managing General Partner shall take into consideration the terms of, the obligations of the Partnership as a guarantor under, and the restrictions on the Partnership as a credit party under, the Coffeyville Credit Agreement.

Notwithstanding the foregoing, "Available Cash" with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

"*Board of Directors*" means, with respect to the Board of Directors of the Managing General Partner, its board of directors or managers, as applicable, if a corporation or limited liability company, or if a limited or general partnership, the board of directors or board of managers of its managing general partner.

"*Book Basis Derivative Items*" means any item of income, deduction, gain or loss included in the determination of Net Income or Net Loss that is computed with reference to the Carrying Value of an Adjusted Property (e.g., depreciation, depletion, or gain or loss with respect to an Adjusted Property).

"*Book-Down Event*" means an event that triggers a negative adjustment to the Capital Accounts of the Partners pursuant to Section 5.3(d).

"*Book-Tax Disparity*" means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Section 5.3 and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles.

"*Book-Up Event*" means an event that triggers a positive adjustment to the Capital Accounts of the Partners pursuant to Section 5.3(d).

"*Business Day*" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America, the State of Kansas or the State of Texas shall not be regarded as a Business Day.

"*Capital Account*" means the capital account maintained for a Partner pursuant to Section 5.3. The "Capital Account" of a Partner in respect of a Partnership Interest shall be the amount that such Capital Account would be if such Partnership Interest were the only interest in the Partnership held by such Partner from and after the date on which such Partnership Interest was first issued.

"*Capital Contribution*" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Partner contributes to the Partnership.

"*Capital Improvement*" means any (a) addition or improvement to the capital assets owned by any Group Member, (b) acquisition of existing, or the construction of new, capital assets (including assets for the production, transportation or distribution of fertilizer), or (c) capital contribution by a Group Member to a Person that is not a Subsidiary, in which a Group Member has an equity interest, to fund the Group Member's pro rata share of the cost of the acquisition of existing, or the construction of new, capital assets, in each case if such addition, improvement, acquisition or construction is made to increase the operating capacity (or productivity) or capital base of the Partnership Group from the operating capacity or asset base of the Partnership Group, in the case of clauses (a) and (b), or such Person, in the case of clause (c), from that existing immediately prior to such addition, improvement, acquisition or construction; provided however, that any such addition, improvement, acquisition or construction that is made solely for investment purposes shall not constitute a Capital Improvement under this Agreement.

"*Capital Surplus*" has the meaning assigned to such term in Section 6.3(a).

"*Carrying Value*" means (a) with respect to a Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Partners' Capital Accounts in respect of such Contributed Property, and (b) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Section 5.3(d)(i), Section 5.3(d)(ii) and Section 5.3(b)(v) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the Managing General Partner.

"*Cause*" means a court of competent jurisdiction has entered a final, non-appealable judgment finding that the Managing General Partner, as an entity, has materially breached a material provision of this Agreement or is liable for actual fraud or willful misconduct in its capacity as a general partner of the Partnership.

"*Certificate*" means a certificate in such form as may be adopted by the Managing General Partner, issued by the Partnership evidencing ownership of one or more Partnership Securities.

"*Certificate of Limited Partnership*" means the Certificate of Limited Partnership of the Partnership filed with the Secretary of State of the State of Delaware as referenced in Section 7.2, as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

"*claim*" (as used in Section 7.12(c)) has the meaning assigned to such term in Section 7.12(c).

"*Closing Date*" means the date of this Agreement.

"*Closing Price*" means, in respect of any class of Limited Partner Interests, as of the date of determination, the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal National Securities Exchange on which the respective Limited Partner Interests are listed or admitted to trading or, if such Limited Partner Interests are not listed or admitted to trading on any National Securities Exchange, the last quoted price on such day or, if not so quoted, the average of the high bid and low asked prices on such day in the over-the-counter market, as reported by the primary reporting system then in use in relation to such Limited Partner Interest of such class, or, if on any such day such Limited Partner Interests of such class are not quoted by any such organization, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in such Limited Partner Interests of such class selected by the Managing General Partner, or if on any such day no market maker is making a market in such Limited Partner Interests of such class, the fair value of such Limited Partner Interests on such day as determined by the Managing General Partner. Notwithstanding the foregoing, the Closing Price for a Common GP Unit and a Subordinated GP Unit shall be equal to the Closing Price for a Common LP Unit or Subordinated LP Unit, respectively.

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

"*Coffeyville Credit Agreement*" means the Second Amended and Restated Credit and Guaranty Agreement, dated as of December 28, 2006, between Coffeyville Resources, LLC, as the borrower, and Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Pipeline, Inc., Coffeyville Terminal, Inc., CL JV Holdings, LLC, and certain of their subsidiaries, as guarantors, and Goldman Sachs Credit Partners L.P. and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers and Joint Bookrunners, Credit Suisse, as Administrative Agent, Collateral Agent, Funded LC Issuing Bank and Revolving Issuing Bank, Deutsche Bank Trust Company Americas, as Syndication Agent, and ABN Amro Bank N.V., as Documentation Agent, as such may be amended, supplemented or restated from time to time and any successor agreement.

"*Combined Interest*" has the meaning assigned to such term in Section 11.3(a).

"*Commences Commercial Service*," "*Commenced Commercial Service*" and "*Commencement of Commercial Service*" shall mean the date a Capital Improvement is first put into service by a Group Member following, if applicable, completion of construction and testing.

"*Commission*" means the United States Securities and Exchange Commission.

"*Common LP Unit*" means a Unit representing, when outstanding, a fractional part of the Partnership Interests of all Limited Partners, and having the rights and obligations specified with respect to Common LP Units in this Agreement. The term "Common LP Unit" does not refer to, or include, any Subordinated LP Unit prior to its conversion into a Common LP Unit pursuant to the terms hereof.

"*Common GP Unit*" means a Unit representing, when outstanding, a fractional part of the Special General Partner Interest, and having the rights and obligations specified with respect to Common GP Units in this Agreement. The term "Common GP Unit" does not refer to, or include, any Subordinated GP Unit prior to its conversion into a Common GP Unit pursuant to the terms hereof.

"*Common Unit*" means a Common LP Unit or a Common GP Unit.

"*Common Unit Arrearage*" means, with respect to any Common Unit, whenever issued, as to any Quarter within the Subordination Period, the excess, if any, of (a) the Minimum Quarterly Distribution with respect to a Common Unit in respect of such Quarter over (b) the sum of all Available Cash distributed with respect to a Common Unit in respect of such Quarter pursuant to Section 6.4(b)(i).

"*Conflicts Committee*" means a committee of the Board of Directors of the Managing General Partner composed entirely of one or more directors who are not (a) security holders, officers or employees of the Managing General Partner, (b) officers, directors or employees of any Affiliate of the Managing General Partner or (c) holders of any ownership interest in the Partnership Group other than Common Units and who also meet the independence standards required of directors who serve on an audit committee of a board of directors established by the Securities Exchange Act and the rules and regulations of the Commission thereunder and by (i) the National Securities Exchange on which any class of Partnership Interests are listed or admitted to trading or (ii) if no class of Partnership Interests is so listed or traded, by the New York Stock Exchange, Inc.

"*Contributed Property*" means each property or other asset, in such form as may be permitted by the Delaware Act, but excluding cash, contributed to the Partnership. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 5.3(d), such property shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

"*Contribution Agreement*" means that certain Contribution, Conveyance and Assumption Agreement, dated as of the date hereof, among the Managing General Partner, the Special General Partner, the Organizational Limited Partner, the Partnership, and Coffeyville Resources, LLC, together with the additional conveyance documents and instruments contemplated or referenced thereunder, as such may be amended, supplemented or restated from time to time.

"*Cumulative Common Unit Arrearage*" means, with respect to any Common Unit, whenever issued, and as of the end of any Quarter, the excess, if any, of (a) the sum resulting from adding together the Common Unit Arrearage as to an Initial Common Unit for each of the Quarters within the Subordination Period ending on or before the last day of such Quarter over (b) the sum of any distributions theretofore made pursuant to Section 6.4(b)(ii) with respect to an Initial Common Unit (including any distributions to be made in respect of the last of such Quarters).

"*Curative Allocation*" means any allocation of an item of income, gain, deduction, loss or credit pursuant to the provisions of Section 6.1(d)(xi).

"*Current Market Price*" means, in respect of any class of Partnership Interests, as of the date of determination, the average of the daily Closing Prices per Partnership Interest of such class for the 20 consecutive Trading Days immediately prior to such date.

"*Delaware Act*" means the Delaware Revised Uniform Limited Partnership Act, 6 Del C. Section 17-101, *et seq*., as amended, supplemented or restated from time to time, and any successor to such statute.

"*Departing General Partner*" means a former Managing General Partner from and after the effective date of any withdrawal or removal of such former Managing General Partner pursuant to Section 11.1 or 11.2.

"*Depositary*" means, with respect to any Units issued in global form, The Depository Trust Company and its successors and permitted assigns.

"*Economic Risk of Loss*" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"*Eligible Holder*" means a Person that satisfies the eligibility requirements established by the Managing General Partner for Partners pursuant to Section 4.9.

"*Eligibility Certification*" means a properly completed certificate in such form as may be specified by the General Partner by which a Partner certifies that he (and if he is a nominee holding for the account of another Person, that to the best of his knowledge such other Person) is an Eligible Holder.

"*Event of Withdrawal*" has the meaning assigned to such term in Section 11.1(a).

"*Expansion Capital Expenditures*" means cash expenditures for Acquisitions or Capital Improvements. Expansion Capital Expenditures shall include interest (and related fees) on debt incurred and distributions on equity issued, in each case, to finance the construction of a Capital Improvement and paid during the period beginning on the date that the Partnership enters into a binding obligation to commence construction of a Capital Improvement and ending on the earlier to occur of the date that such Capital Improvement Commences Commercial Service or the date that such Capital Improvement is abandoned or disposed of. Debt incurred or equity issued to fund such construction period interest payments, or such construction period distributions on equity paid during such period shall also be deemed to be debt or equity, as the case may be, incurred to finance the construction of a Capital Improvement.

"*Fertilizer Restricted Businesses*" has the meaning assigned to such term in the Omnibus Agreement.

"*Final Subordinated Units*" has the meaning assigned to such term in Section 6.1(d)(x).

"*First Liquidation Target Amount*" has the meaning assigned to such term in Section 6.1(c)(i)(D).

"*First Target Distribution*" means $0.4313 per Unit per Quarter (or, with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period, and of which the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Sections 6.7 and 6.9.

"*Fully Diluted Basis*" means, when calculating the number of Outstanding Units for any period, a basis that includes, in addition to the Outstanding Units, all Partnership Securities and options, rights, warrants and appreciation rights relating to an equity interest in the Partnership (a) that are convertible into or exercisable or exchangeable for Units that are senior to or pari passu with the Subordinated Units, (b) whose conversion, exercise or exchange price is less than the Current Market Price on the date of such calculation, (c) that may be converted into or exercised or exchanged for such Units prior to or during the Quarter immediately following the end of the period for which the calculation is being made without the satisfaction of any contingency beyond the control of the holder other than the payment of consideration and the compliance with administrative mechanics applicable to such conversion, exercise or exchange and (d) that were not converted into or exercised or exchanged for such Units during the period for which the calculation is being made; provided, however, that for purposes of determining the number of Outstanding Units on a Fully Diluted Basis when calculating whether the Subordination Period has ended or Subordinated Units are entitled to convert into Common Units pursuant to Section 5.6, such Partnership Securities, options, rights, warrants and appreciation rights shall be deemed to have been Outstanding Units only for the four Quarters that comprise the last four Quarters of the measurement period; provided, further, that if consideration will be paid to any Group Member in connection with such conversion, exercise or exchange, the number of Units to be included in such calculation shall be that number equal to the difference between (i) the number of Units issuable upon such conversion, exercise or exchange and (ii) the number of Units that such consideration would purchase at the Current Market Price.

"*General Partner*" means each of the Managing General Partner and the Special General Partner.

"*Group*" means a Person that with or through any of its Affiliates or Associates has any contract, arrangement, understanding or relationship for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent given to such Person in response to a proxy or consent solicitation made to 10 or more Persons), exercising investment power or disposing of any Partnership Interests with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, Partnership Interests.

"*Group Member*" means a member of the Partnership Group.

"*Group Member Agreement*" means the partnership agreement of any Group Member, other than the Partnership, that is a limited or general partnership, the limited liability company agreement of any Group Member that is a limited liability company, the certificate of incorporation and bylaws or similar organizational documents of any Group Member that is a corporation, the joint venture agreement or similar governing document of any Group Member that is a joint venture and the governing or organizational or similar documents of any other

Group Member that is a Person other than a limited or general partnership, limited liability company, corporation or joint venture, as such may be amended, supplemented or restated from time to time.

"*Holder*" as used in Section 7.12, has the meaning assigned to such term in Section 7.12(a).

"*Incentive Distribution Right*" means the distribution rights associated with the Managing General Partner Interest, which will confer upon the holder thereof only the rights and obligations specifically provided in this Agreement with respect to Incentive Distribution Rights (and no other rights otherwise available to or other obligations of a holder of a Partnership Interest).

"*Incentive Distributions*" means any amount of cash distributed to the Managing General Partner in respect of the Incentive Distribution Rights pursuant to Section 6.4.

"*Indemnified Persons*" has the meaning assigned to such term in Section 7.12(c).

"*Indemnitee*" means (a) any General Partner, (b) any Departing General Partner, (c) any Person who is or was a director, officer, fiduciary or trustee of any Group Member, a General Partner or any Departing General Partner, (d) any Person who is or was serving at the request of a General Partner or any Departing General Partner as a director, officer, fiduciary or trustee of another Person owing a fiduciary duty to any Group Member; provided that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, (e) any Person who controls a general partner and (f) any Person the Managing General Partner designates as an "Indemnitee" for purposes of this Agreement.

"*Ineligible Holder*" means a Person whom the Managing General Partner has determined is not an Eligible Holder.

"*Initial Common Units*" means the Common Units sold in the Initial Offering.

"*Initial Offering*" means the first to occur of the Initial Private Offering and the Initial Public Offering.

"*Initial Private Offering*" means the initial offering and sale of Common Units by the Partnership pursuant to Rule 144A under the Securities Act where aggregate net proceeds to the Partnership from the sale of such Common Units is at least $50,000,000.

"*Initial Public Offering*" means the Partnership's first underwritten public offering of Common Units pursuant to a registration statement that is filed and declared effective under the Securities Act.

"*Initial Unit*" means (i) prior to the Initial Offering, the Special Units issued to the Special General Partner and Organizational Limited Partner pursuant to the Contribution Agreement and (ii) following the Initial Offering, the Initial Common Units

"*Initial Unit Price*" means with respect to any class or series of Units, the price per Unit at which such class or series of Units is initially sold by the Partnership, in each case adjusted as the Managing General Partner determines to be appropriate to give effect to any distribution, subdivision or combination of Units.

"*Interim Capital Transactions*" means the following transactions if they occur prior to the Liquidation Date: (a) borrowings, refinancings or refundings of indebtedness (other than Working Capital Borrowings and other than for items purchased on open account in the ordinary course of business) by any Group Member and sales of debt securities of any Group Member; (b) sales of equity interests and debt securities of any Group Member; and (c) sales or other voluntary or involuntary dispositions of any assets of any Group Member other than (i) sales or other dispositions of inventory, accounts receivable and other assets in the ordinary course of business, and (ii) sales or other dispositions of assets as part of normal retirements or replacements of assets.

"*Investment Capital Expenditures*" means capital expenditures expected by the Managing General Partner, at the time of incurring such expenditures, to be of such a short term duration as not to be appropriately categorized as Expansion Capital Expenditures or Maintenance Capital Expenditures.

"*IO Closing Date*" means the first date on which Common Units are sold by the Partnership pursuant to the Initial Offering.

"*Limited Partner*" means, unless the context otherwise requires, the Organizational Limited Partner, each additional Person that becomes a Limited Partner pursuant to the terms of this Agreement and any Departing General Partner or Special General Partner upon the change of its status from Managing General Partner or Special General Partner to Limited Partner pursuant to Section 11.3 or Section 5.5, in each case, in such Person's capacity as a limited partner of the Partnership.

"*Limited Partner Interest*" means the ownership interest of a Limited Partner in the Partnership, which may be evidenced by Special LP Units, Common LP Units, Subordinated LP Units or other Partnership Securities (other than Partnership Securities evidencing the Managing General Partner Interest or the Special General Partner Interest) or a combination thereof or interest therein, and includes any and all benefits to which such Limited Partner is entitled as provided in this Agreement, together with all obligations of such Limited Partner to comply with the terms and provisions of this Agreement.

"*Liquidation Date*" means (a) in the case of an event giving rise to the dissolution of the Partnership of the type described in clauses (a) and (b) of the first sentence of Section 12.2, the date on which the applicable time period during which the holders of Outstanding Units have the right to elect to continue the business of the Partnership has expired without such an election being made, and (b) in the case of any other event giving rise to the dissolution of the Partnership, the date on which such event occurs.

"*Liquidator*" means one or more Persons selected by the Managing General Partner to perform the functions described in Section 12.4 as liquidating trustee of the Partnership within the meaning of the Delaware Act.

"*Maintenance Capital Expenditures*" means cash expenditures (including expenditures for the addition or improvement to the capital assets owned by any Group Member or for the acquisition of existing, or the construction of new, capital assets) made to maintain the operating capacity (or productivity) or capital base of the Partnership Group. Maintenance Capital Expenditures shall include interest (and related fees) on debt incurred and distributions on equity issued, in each case, to finance the construction of a replacement asset and paid during the period beginning on the date that the Group Member enters into a binding obligation to commence constructing a replacement asset and ending on the earlier to occur of the date that such replacement asset Commences Commercial Service or the date that such replacement asset is abandoned or disposed of. Debt incurred to pay or equity issued to fund the construction period interest payments, or such construction period distributions on equity shall also be deemed to be debt or equity, as the case may be, incurred to finance the construction of a replacement asset.

"*Managing General Partner*" means CVR GP, LLC, a Delaware limited liability company, and its successors and permitted assigns that are admitted to the Partnership as managing general partner of the Partnership, in their capacity as managing general partner of the Partnership (except as the context otherwise requires).

"*Managing General Partner Interest*" means the management and ownership interest of the Managing General Partner in the Partnership (in its capacity as managing general partner without reference to any Limited Partner Interest or Special general Partner Interest held by it), which includes any and all benefits to which the Managing General Partner is entitled as provided in this Agreement (including the Incentive Distribution Rights), together with all obligations of the Managing General Partner to comply with the terms and provisions of this Agreement.

"*Merger Agreement*" has the meaning assigned to such term in Section 14.1.

"*Minimum Quarterly Distribution*" means $0.375 per Unit per Quarter (or, with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period, and of which the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Section 5.4, 6.7 and 6.9.

"*National Securities Exchange*" means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act and any other securities exchange (whether or not registered with the Commission under Section 6(a) of the Securities Exchange Act) that the Managing General Partner shall designate as a National Securities Exchange for purposes of this Agreement.

"*Net Agreed Value*" means, (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed and (b) in the case of any property distributed to a Partner by the Partnership, the Partnership's Carrying Value of such property (as adjusted pursuant to Section 5.3(d)(ii)) at the time such property is distributed, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution, in either case, as determined under Section 752 of the Code.

"*Net Income*" means, for any taxable year, the excess, if any, of the Partnership's items of income and gain (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year over the Partnership's items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year. The items included in the calculation of Net Income shall be determined in accordance with Section 5.3(b) and shall not include any items specially allocated under Section 6.1(d); provided, that the determination of the items that have been specially allocated under Section 6.1(d) shall be made as if Section 6.1(d)(xii) were not in this Agreement.

"*Net Loss*" means, for any taxable year, the excess, if any, of the Partnership's items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year over the Partnership's items of income and gain (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year. The items included in the calculation of Net Loss shall be determined in accordance with Section 5.3(b) and shall not include any items specially allocated under Section 6.1(d); provided, that the determination of the items that have been specially allocated under Section 6.1(d) shall be made as if Section 6.1(d)(xii) were not in this Agreement.

"*Net Positive Adjustments*" means, with respect to any Partner, the excess, if any, of the total positive adjustments over the total negative adjustments made to the Capital Account of such Partner pursuant to Book-Up Events and Book-Down Events.

"*Net Termination Gain*" means, for any taxable year, the sum, if positive, of all items of income, gain, loss or deduction recognized by the Partnership after the Liquidation Date. The items included in the determination of Net Termination Gain shall be determined in accordance with Section 5.3(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

"*Net Termination Loss*" means, for any taxable year, the sum, if negative, of all items of income, gain, loss or deduction recognized by the Partnership after the Liquidation Date. The items included in the determination of Net Termination Loss shall be determined in accordance with Section 5.3(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

"*Non-IDR Surplus Amount*" means the Adjusted Operating Surplus for the period from the Closing Date through June 30, 2009.

"*Nonrecourse Built-in Gain*" means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Partners pursuant to Sections 6.2(b)(i)(A), 6.2(b)(ii)(A) and 6.2(b)(iii) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"*Nonrecourse Deductions*" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b), are attributable to a Nonrecourse Liability.

"*Nonrecourse Liability*" has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

"*Notice of Election to Purchase*" has the meaning assigned to such term in Section 15.1(b).

"*Omnibus Agreement*" means that certain Omnibus Agreement, dated as of the Closing Date, among CVR Energy, Inc., the Managing General Partner, the Special General Partner and the Partnership, as such may be amended, supplemented or restated from time to time.

"*Operating Expenditures*" means all Partnership Group expenditures (or the Partnership's proportionate share of expenditures in the case of Subsidiaries that are not wholly owned), including taxes, reimbursements of expenses of the Managing General Partner, repayment of Working Capital Borrowings, debt service payments and capital expenditures, subject to the following:

(a) repayment of Working Capital Borrowings deducted from Operating Surplus pursuant to clause (b)(iii) of the definition of Operating Surplus shall not constitute Operating Expenditures when actually repaid;

(b) payments (including prepayments) of principal of and premium on indebtedness other than Working Capital Borrowings shall not constitute Operating Expenditures; and

(c) Operating Expenditures shall not include (i) Expansion Capital Expenditures or Investment Capital Expenditures, (ii) payment of transaction expenses relating to Interim Capital Transactions or (iii) distributions to Partners. Where capital expenditures are made in part for Acquisitions or for Capital Improvements and in part for other purposes, the Managing General Partner, with the concurrence of the Conflicts Committee, shall determine the allocation between the amounts paid for each.

"*Operating Surplus*" means, with respect to any period ending prior to the Liquidation Date, on a cumulative basis and without duplication,

(a) the sum of (i) $60 million, (ii) all cash receipts of the Partnership Group (or the Partnership's proportionate share of cash receipts in the case of Subsidiaries that are not wholly owned) for the period beginning on the Closing Date and ending on the last day of such period, but excluding cash receipts from Interim Capital Transactions (iii) all cash receipts of the Partnership Group (or the Partnership's proportionate share of cash receipts in the case of Subsidiaries that are not wholly owned) after the end of such period but on or before the date of determination of Operating Surplus with respect to such period resulting from Working Capital Borrowings and (iv) the amount of distributions paid on equity of the Partnership issued in connection with the construction of a Capital Improvement or replacement asset and paid during the period beginning on the date that the Partnership enters into a binding obligation to commence construction of such Capital Improvement or replacement asset and ending on the earlier to occur of the date that such Capital Improvement or replacement asset Commences Commercial Service or the date that it is abandoned or disposed of (equity issued to fund the construction period interest payments on debt incurred (including periodic net payments under related interest rate swap agreements), or construction period distributions on equity issued, to finance the construction of a Capital Improvement or replacement asset shall also be deemed to be equity issued to finance the construction of a Capital Improvement or replacement asset for purposes of this clause (iv)), less

(b) the sum of (i) Operating Expenditures for the period beginning on the Closing Date and ending on the last day of such period, (ii) the amount of cash reserves (or the Partnership's proportionate share of cash reserves in the case of Subsidiaries that are not wholly owned) established by the Managing General Partner to provide funds for future Operating Expenditures and (iii) all Working Capital Borrowings not repaid within twelve months after having been incurred; provided, however, that disbursements made (including contributions to a Group Member or disbursements on behalf of a Group Member) or cash reserves established, increased or reduced after the end of such period but on or before the date of determination of Available Cash with respect to such period shall be deemed to have been made, established, increased or reduced, for purposes of determining Operating Surplus, within such period if the Managing General Partner so determines.

Notwithstanding the foregoing, "Operating Surplus" with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

"*Opinion of Counsel*" means a written opinion of counsel (who may be regular counsel to the Partnership or the Managing General Partner or any of its Affiliates) acceptable to the Managing General Partner.

"*Organizational Limited Partner*" means CVR LP, LLC in its capacity as the organizational limited partner of the Partnership pursuant to this Agreement.

"*Outstanding*" means, with respect to Partnership Securities, all Partnership Securities that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination; provided, however, that if at any time following the Initial Offering any Person or Group (other than any General Partner or their respective Affiliates, including CVR Energy, Inc.) beneficially owns 20% or more of the Outstanding Partnership Securities of any class (treating Common LP Units and Common GP Units as the same class of Partnership Securities) then Outstanding, all Partnership Securities owned by such Person or Group shall not be entitled to be voted on any matter and shall not be considered to be Outstanding when sending notices of a meeting of Limited Partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Agreement, except that Partnership Securities so owned shall be considered to be Outstanding for purposes of Section 11.1(b)(iv) (such Partnership

Securities shall not, however, be treated as a separate class of Partnership Securities for purposes of this Agreement); provided, further, that the foregoing limitation shall not apply to (i) any Person or Group who acquired 20% or more of the Outstanding Partnership Securities of any class then Outstanding directly from the Managing General Partner or its Affiliates, (ii) any Person or Group who acquired 20% or more of the Outstanding Partnership Securities of any class then Outstanding directly or indirectly from a Person or Group described in clause (i) provided that the Managing General Partner shall have notified such Person or Group in writing that such limitation shall not apply, or (iii) any Person or Group who acquired 20% or more of any Partnership Securities issued by the Partnership with the prior approval of the Board of Directors.

"*Over-Allotment Option*" means an over-allotment option granted by the Partnership in connection with the Initial Public Offering.

"*Partner Nonrecourse Debt*" has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

"*Partner Nonrecourse Debt Minimum Gain*" has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

"*Partner Nonrecourse Deductions*" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i)(1), are attributable to a Partner Nonrecourse Debt.

"*Partners*" means the General Partners and the Limited Partners.

"*Partnership*" means CVR Partners, LP, a Delaware limited partnership.

"*Partnership Group*" means the Partnership and its Subsidiaries treated as a single entity.

"*Partnership Interest*" means an interest in the Partnership, which shall include any Managing General Partner Interest, Special General Partner Interest and Limited Partner Interests.

"*Partnership Minimum Gain*" means that amount determined in accordance with the principles of Treasury Regulation Section 1.704-2(d).

"*Partnership Security*" means any class or series of equity interest in the Partnership (but excluding any options, rights, warrants and appreciation rights relating to an equity interest in the Partnership), including Special Units, Common Units and Subordinated Units.

"*Per Unit Capital Amount*" means, as of any date of determination, the Capital Account, stated on a per Unit basis, underlying any Unit held by a Person other than the Managing General Partner or any Affiliate of the Managing General Partner who holds Units.

"*Percentage Interest*" means as of any date of determination (a) as to any Unitholder with respect to Units, the product obtained by multiplying (i) 100% less the percentage applicable to clause (b) below by (ii) the quotient obtained by dividing (A) the number of Units held by such Unitholder, by (B) the total number of all Outstanding Units, and (b) as to the holders of other Partnership Securities issued by the Partnership in accordance with Section 5.4, the percentage established as a part of such issuance. The Percentage Interest with respect to the Managing General Partner Interest shall at all times be zero.

"*Person*" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"*Pro Rata*" means (a) when modifying Units or any class thereof, apportioned equally among all designated Units in accordance with their relative Percentage Interests and (b) when modifying Partners or Record Holders, apportioned among all Partners and Record Holders in accordance with their relative Percentage Interests.

"*Purchase Date*" means the date determined by the Managing General Partner as the date for purchase of all Outstanding Limited Partner Interests of a certain class (other than Limited Partner Interests owned by the Managing General Partner and its Affiliates) pursuant to Article XV.

"*Quarter*" means, unless the context requires otherwise, a fiscal quarter of the Partnership, or, with respect to the fiscal quarter of the Partnership including the Closing Date, the portion of such fiscal quarter from and after the Closing Date.

"*Recapture Income*" means any gain recognized by the Partnership (computed without regard to any adjustment required by Section 734 or Section 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"*Record Date*" means the date established by the Managing General Partner or otherwise in accordance with this Agreement for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

"*Record Holder*" means (a) with respect to Partnership Securities of any class of Partnership Securities for which a Transfer Agent has been appointed, the Person in whose name a Partnership Security of such class is registered on the books of the Transfer Agent as of the opening of business on a particular Business Day, or (b) with respect to other classes of Partnership Interests, the Person in whose name any such other Partnership Interest is registered on the books that the Managing General Partner has caused to be kept as of the opening of business on such Business Day.

"*Redeemable Interests*" means any Partnership Interests for which a redemption notice has been given, and has not been withdrawn, pursuant to Section 4.10.

"*Registration Statement*" means the Registration Statement on Form S-1 (Registration No. 333-137588) as it has been or as it may be amended or supplemented from time to time, filed by CVR Energy, Inc. with the Commission under the Securities Act to register the offering and sale of Common Stock of CVR Energy, Inc.

"*Remaining Net Positive Adjustments*" means as of the end of any taxable period, (i) with respect to the Unitholders, the excess of (a) the Net Positive Adjustments of the Unitholders as of the end of such period over (b) the sum of those Partners' Share of Additional Book Basis Derivative Items for each prior taxable period, and (ii) with respect to the Managing General Partner, the excess of (a) the Net Positive Adjustments of the Managing General Partner (in respect of the Incentive Distribution Rights) as of the end of such period over (b) the sum of the Share of Additional Book Basis Derivative Items of the Managing General Partner for each prior taxable period.

"*Required Allocations*" means (a) any limitation imposed on any allocation of Net Losses or Net Termination Losses under Section 6.1(b) or 6.1(c)(ii) and (b) any allocation of an item of income, gain, loss or deduction pursuant to Section 6.1(d)(i), 6.1(d)(ii), 6.1(d)(iv), 6.1(d)(vii) or 6.1(d)(ix).

"*Residual Gain*" or "*Residual Loss*" means any item of gain or loss, as the case may be, of the Partnership recognized for federal income tax purposes resulting from a sale, exchange or other disposition of a Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 6.2(b)(i)(A) or 6.2(b)(ii)(A), respectively, to eliminate Book-Tax Disparities.

"*Retained Converted Subordinated Unit*" has the meaning assigned to such term in Section 5.3(d)(ii).

"*Second Liquidation Target Amount*" has the meaning assigned to such term in Section 6.1(c)(i)(E).

"*Second Target Distribution*" means $0.4688 per Unit per Quarter (or, with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period, and of which the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Sections 6.7 and 6.9.

"*Securities Act*" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

"*Securities Exchange Act*" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute.

"*Share of Additional Book Basis Derivative Items*" means in connection with any allocation of Additional Book Basis Derivative Items for any taxable period, (i) with respect to the Unitholders, the amount that bears the same ratio to such Additional Book Basis Derivative Items as the Unitholders' Remaining Net Positive Adjustments as of the end of such period bears to the Aggregate Remaining Net Positive Adjustments as of that time, (ii) with respect to the

Managing General Partner, the amount that bears the same ratio to such Additional Book Basis Derivative Items as the Remaining Net Positive Adjustments of the Managing General Partner as of the end of such period bears to the Aggregate Remaining Net Positive Adjustments as of that time.

"*Special Approval*" means approval by a majority of the members or the sole member, as applicable, of the Conflicts Committee.

"*Special General Partner*" means CVR Special GP, LLC, a Delaware limited liability company, and its successors and permitted assigns that are admitted to the Partnership as special general partner of the Partnership, in their capacity as special general partner of the Partnership (except as the context otherwise requires).

"*Special General Partner Interest*" means the management and ownership interest of the Special General Partner in the Partnership, which is represented by Special GP Units and, following the Initial Offering will be represented by Subordinated GP Units or Common GP Units or a combination thereof, and includes any and all benefits to which the Special General Partner is entitled as provided in this Agreement, together with all obligations of the Special General Partner to comply with the terms and provisions of this Agreement.

"*Special GP Unit*" means a Unit representing, when outstanding, a fractional part of the Special General Partner Interest, and having the rights and obligations specified with respect to Special GP Units in this Agreement.

"*Special LP Unit*" means a Unit representing, when outstanding, a fractional part of the Partnership Interests of all Limited Partners, and having the rights and obligations specified with respect to Special LP Units in this Agreement.

"*Special Unit*" means a Special LP Unit or a Special GP Unit.

"*Subordinated GP Unit*" means a Unit representing, when outstanding, a fractional part of the Special General Partner Interest, and having the rights and obligations specified with respect to Subordinated GP Units in this Agreement. The term "Subordinated GP Unit" does not refer to, or include, any Common GP Unit. A Subordinated GP Unit that is convertible into a Common GP Unit shall not constitute a Common GP Unit until such conversion occurs.

"*Subordinated LP Unit*" means a Unit representing a fractional part of the Partnership Interests of all Limited Partners and having the rights and obligations specified with respect to Subordinated Units in this Agreement. The term "Subordinated LP Unit" does not refer to, or include, any Common LP Unit. A Subordinated LP Unit that is convertible into a Common LP Unit shall not constitute a Common LP Unit until such conversion occurs.

"*Subordinated Unit*" means a Subordinated LP Unit or a Subordinated GP Unit.

"*Subordination Period*" means the period commencing on the IO Closing Date and ending on the first to occur of the following dates:

(a) the second Business Day following the distribution of Available Cash to Partners pursuant to Section 6.3(a) in respect of any Quarter, beginning with the Quarter in which the fifth anniversary of the IO Closing Date occurs, in respect of which (i) (A) distributions of Available Cash from Operating Surplus on each of the Outstanding Common Units and Subordinated Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units with respect to each of the three consecutive, non-overlapping four-Quarter periods immediately preceding such date equaled or exceeded the sum of the Minimum Quarterly Distribution on all Outstanding Common Units and Subordinated Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units during such periods and (B) the Adjusted Operating Surplus for each of the three consecutive, non-overlapping four-Quarter periods immediately preceding such date equaled or exceeded the sum of the Minimum Quarterly Distribution on all of the Common Units and Subordinated Units and any other Units that are senior or equal in right of distribution to the Subordinated Units that were Outstanding during such periods on a Fully Diluted Basis, with respect to such periods and (ii) there are no Cumulative Common Unit Arrearages; and

(b) the date all Subordinated Units convert to Common Units pursuant to Section 11.4.

"*Subsidiary*" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"*Surviving Business Entity*" has the meaning assigned to such term in Section 14.2(b).

"*Third Target Distribution*" means $0.5625 per Unit per Quarter (or, with respect to periods of less than a full fiscal quarter, it means the product of such amount multiplied by a fraction of which the numerator is the number of days in such period, and of which the denominator is the total number of days in such fiscal quarter), subject to adjustment in accordance with Sections 6.7 and 6.9.

"*Trading Day*" means, for the purpose of determining the Current Market Price of any class of Limited Partner Interests, a day on which the principal National Securities Exchange on which such class of Limited Partner Interests are listed or admitted to trading is open for the transaction of business or, if Limited Partner Interests of a class are not listed or admitted to trading on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

"*transfer*" has the meaning assigned to such term in Section 4.4(a).

"*Transfer Agent*" means such bank, trust company or other Person (including the Managing General Partner or one of its Affiliates) as may be appointed from time to time by the Partnership to act as registrar and transfer agent for any class of Partnership Securities; provided that if no Transfer Agent is specifically designated for any class of Partnership Securities, the Managing General Partner shall act in such capacity.

"*Unit*" means a Partnership Security that is designated as a "Unit" and shall include Special Units, Common Units and Subordinated Units but shall not include the Managing General Partner Interest or the associated Incentive Distribution Rights.

"*Unitholders*" means the holders of Units.

"*Unit Majority*" means, (a) prior to the Initial Offering, at least a majority of the Outstanding Units, voting as a single class, (b) during the Subordination Period, at least a majority of the Outstanding Common Units (excluding Common Units owned by the Managing General Partner and its Affiliates) voting as a class and at least a majority of the Outstanding Subordinated Units voting as a class, and (c) after the end of the Subordination Period, at least a majority of the Outstanding Common Units.

"*Unpaid MQD*" has the meaning assigned to such term in Section 6.1(c)(i)(B).

"*Unrealized Gain*" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date (as determined under Section 5.3(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.3(d) as of such date).

"*Unrealized Loss*" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.3(d) as of such date) over (b) the fair market value of such property as of such date (as determined under Section 5.3(d)).

"*Unrecovered Initial Unit Price*" means at any time, with respect to a Unit, the Initial Unit Price less the sum of all distributions constituting Capital Surplus theretofore made in respect of an Initial Unit and any distributions of cash (or the Net Agreed Value of any distributions in kind) in connection with the dissolution and liquidation of the Partnership theretofore made in respect of an Initial Unit, adjusted as the Managing General Partner determines to be appropriate to give effect to any distribution, subdivision or combination of such Units. The Unrecovered Initial Unit Price will be reset to the Initial Unit Price upon the closing of the Initial Offering.

"*Unrestricted Person*" means each Indemnitee, each Partner and each Person who is or was a member, partner, director, officer, employee or agent of any Group Member, a General

Partner or any Departing General Partner or any Affiliate of any Group Member, a General Partner or any Departing General Partner

"*U.S. GAAP*" means United States generally accepted accounting principles, as in effect from time to time, consistently applied.

"*Withdrawal Opinion of Counsel*" has the meaning assigned to such term in Section 11.1(b).

"*Working Capital Borrowings*" means borrowings used solely for working capital purposes or to pay distributions to Partners, made pursuant to a credit facility, commercial paper facility or similar financing arrangement; provided that when incurred it is the intent of the borrower to repay such borrowings within 12 months from other than additional Working Capital Borrowings.

Section 1.2 *Construction*. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the terms "include", "includes", "including" and words of like import shall be deemed to be followed by the words "without limitation"; and (d) the terms "hereof", "herein" and "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II
ORGANIZATION

Section 2.1 *Formation*. The Managing General Partner and the Organizational Limited Partner have formed the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. This Agreement shall become effective on the date of hereof. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Delaware Act.

Section 2.2 *Name*. The name of the Partnership shall be "CVR Partners, LP". The Partnership's business may be conducted under any other name or names as determined by the Managing General Partner, including the name of the Managing General Partner. The words "Limited Partnership," the letters "LP," or "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The Managing General Partner may change the name of the Partnership at any time and from time to time and shall notify the Partners of such change in the next regular communication to the Partners.

Section 2.3 *Registered Office; Registered Agent; Principal Office; Other Offices*. Unless and until changed by the Managing General Partner, the registered office of the Partnership in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process on the Partnership in the State of

Delaware at such registered office shall be The Corporation Trust Company. The principal office of the Partnership shall be located at 2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479 or such other place as the Managing General Partner may from time to time designate by notice to the Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the Managing General Partner shall determine necessary or appropriate. The address of the Managing General Partner shall be 2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479 or such other place as the Managing General Partner may from time to time designate by notice to the Partners.

Section 2.4 *Purpose and Business*. The purpose and nature of the business to be conducted by the Partnership shall be to engage directly in, or enter into or form, hold and dispose of any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by the Managing General Partner, in its sole discretion, and that lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity, and do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to a Group Member; provided, however, that the without the approval of Unitholders holding at least 90% of the Outstanding Units (including Units held by the Managing General Partner and its Affiliates) voting as a single class the Managing General Partner shall not cause the Partnership to take any action that the Managing General Partner determines would cause the Partnership to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes. To the fullest extent permitted by law, the Managing General Partner shall have no duty or obligation to propose or approve, and may, in its individual capacity, decline to propose or approve, the conduct by the Partnership of any business.

Section 2.5 *Powers*. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Partnership.

Section 2.6 *Power of Attorney*.

(a) Each Partner hereby constitutes and appoints the Managing General Partner and, if a Liquidator shall have been selected pursuant to Section 12.3, the Liquidator, severally (and any successor to the Liquidator by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, as the case may be, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements hereof or thereof) that the Managing General Partner or the Liquidator determines to be necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all certificates, documents and other instruments that the Managing General Partner or the Liquidator determines to be necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the Managing General Partner or the Liquidator determines to be necessary or appropriate to reflect the dissolution and termination of the Partnership pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article IV, X, XI or XII; (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Partnership Securities issued pursuant to Section 5.4; and (F) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger, consolidation or conversion of the Partnership pursuant to Article XIV; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments that the Managing General Partner or the Liquidator determines to be necessary or appropriate to (A) make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or (B) effectuate the terms or intent of this Agreement; provided, that when required by Section 13.3 or any other provision of this Agreement that establishes a percentage of the Partners or of the Partners of any class or series required to take any action, the Managing General Partner and the Liquidator may exercise the power of attorney made in this Section 2.6(a)(ii) only after the necessary vote, consent or approval of such percentage of the Partners or of the Partners of such class or series, as applicable.

Nothing contained in this Section 2.6(a) shall be construed as authorizing the Managing General Partner to amend this Agreement except in accordance with Article XIII or as may be otherwise expressly provided for in this Agreement.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and, to the maximum extent permitted by law, not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Partner and the transfer of all or any portion of such Partner’s Partnership Interest and shall extend to such Partner’s heirs, successors, assigns and personal representatives. Each Partner hereby agrees to be bound by any representation made by the Managing General Partner or the Liquidator acting in good faith pursuant to such power of attorney; and each Partner, to the maximum extent permitted by law, hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the Managing General Partner or the Liquidator taken in good faith under such power of attorney. Each Partner shall execute and deliver to the Managing General Partner or the Liquidator, within 15 days after receipt of the request therefor, such further designation, powers of attorney and other instruments as the Managing General Partner or the Liquidator may request in order to effectuate this Agreement and the purposes of the Partnership.

Section 2.7 *Term*. The term of the Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Delaware Act and shall continue until the dissolution of the Partnership in accordance with the provisions of Article XII. The existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate of Limited Partnership as provided in the Delaware Act.

Section 2.8 *Title to Partnership Assets*. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the Managing General Partner, one or more of its Affiliates or one or more nominees, as the Managing General Partner may determine. The Managing General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the Managing General Partner or one or more of its Affiliates or one or more nominees shall be held by the Managing General Partner or such Affiliate or nominee for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the Managing General Partner shall use reasonable efforts to cause record title to such assets (other than those assets in respect of which the Managing General Partner determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership as soon as reasonably practicable; provided, further, that, prior to the withdrawal or removal of the Managing General Partner or as soon thereafter as practicable, the Managing General Partner shall use reasonable efforts to effect the transfer of record title to the Partnership and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the Managing General Partner. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets is held.

ARTICLE III
RIGHTS OF LIMITED PARTNERS

Section 3.1 *Limitation of Liability*. The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

Section 3.2 *Management of Business*. No Limited Partner, in its capacity as such, shall participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership’s business, transact any business in the Partnership’s name or have the power to sign documents for or otherwise bind the Partnership. Any action taken by any Affiliate of the Managing General Partner or any officer, director, employee, manager, member, general partner, agent or trustee of the Managing General Partner or any of its Affiliates, or any officer, director, employee, manager, member, general partner, agent or trustee of a Group Member, in its capacity as such, shall not be deemed to be participation in the control of the business of the Partnership by a limited partner of the Partnership (within the meaning of Section 17-303(a) of the Delaware Act) and shall not affect, impair or eliminate the limitations on the liability of the Limited Partners under this Agreement.

Section 3.3 *Outside Activities of the Limited Partners*. Subject to the provisions of Section 7.5 and the Omnibus Agreement, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Persons shall also be Limited Partners, each Limited Partner shall be entitled to and may have any business interests and engage in any business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership Group. Neither the Partnership nor any of the other Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner.

Section 3.4 *Rights of Limited Partners*.

(a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 3.4(b), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, upon reasonable written demand stating the purpose of such demand and at such Limited Partner's own expense:

(i) to obtain true and full information regarding the status of the business and financial condition of the Partnership;

(ii) promptly after its becoming available, to obtain a copy of the Partnership's federal, state and local income tax returns for each year;

(iii) to obtain a current list of the name and last known business, residence or mailing address of each Partner;

(iv) to obtain a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with copies of the executed copies of all powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed;

(v) to obtain true and full information regarding the amount of cash and a description and statement of the Net Agreed Value of any other Capital Contribution by each Partner and that each Partner has agreed to contribute in the future, and the date on which each became a Partner; and

(vi) to obtain such other information regarding the affairs of the Partnership as is just and reasonable.

(b) The Managing General Partner may keep confidential from the Limited Partners, for such period of time as the Managing General Partner deems reasonable, (i) any information that the Managing General Partner reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the Managing General Partner believes (A) is not in the best interests of the Partnership Group, (B) could damage the Partnership Group or its business or (C) that any Group Member is required by law or by agreement with any third party to keep confidential (other than agreements with Affiliates of the Partnership the primary purpose of which is to circumvent the obligations set forth in this Section 3.4).

ARTICLE IV
CERTIFICATES; RECORD HOLDERS; TRANSFER OF PARTNERSHIP INTERESTS; REDEMPTION OF PARTNERSHIP INTERESTS

Section 4.1 *Certificates.* Notwithstanding anything otherwise to the contrary herein, unless the Managing General Partner shall determine otherwise in respect of some or all of any or all classes of Partnership Interests, Partnership Interests shall not be evidenced by certificates. Certificates that may be issued shall be executed on behalf of the Partnership by the Chairman of the Board, President or any Executive Vice President or Vice President and the Secretary or any Assistant Secretary of the Managing General Partner. If a Transfer Agent has been appointed for a class of Partnership Interests, no Certificate for such class of Partnership Interests shall be valid for any purpose until it has been countersigned by the Transfer Agent; provided, however, that if the Managing General Partner elects to cause the Partnership to issue Partnership Interests of such class in global form, the Certificate shall be valid upon receipt of a certificate from the Transfer Agent certifying that the Partnership Interests have been duly registered in accordance with the directions of the Partnership. Subject to the requirements of Section 6.8(b), if Common Units are evidenced by Certificates the Record Holders of Subordinated Units, (i) may, if the Subordinated Units are evidenced by Certificates, exchange such Certificates for Certificates evidencing Common Units or (ii) if the Subordinated Units are not evidenced by Certificates, shall be issued Certificates evidencing Common Units, in either case on or after the date on which such Subordinated Units are converted into Common Units pursuant to the terms of Section 5.6.

Section 4.2 *Mutilated, Destroyed, Lost or Stolen Certificates*.

(a) If any mutilated Certificate is surrendered to the Transfer Agent (or the Managing General Partner, if there is no Transfer Agent for the applicable class of Partnership Securities), the appropriate officers of the Managing General Partner on behalf of the Partnership shall execute, and, if applicable, the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and type of Partnership Securities as the Certificate so surrendered.

(b) The appropriate officers of the Managing General Partner on behalf of the Partnership shall execute and deliver, and, if applicable, the Transfer Agent shall countersign, a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the Managing General Partner, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the Managing General Partner has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the Managing General Partner, delivers to the Managing General Partner a bond, in form and substance satisfactory to the Managing General

Partner, with surety or sureties and with fixed or open penalty as the Managing General Partner may direct, to indemnify the Partnership, the Partners, the Managing General Partner and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the Managing General Partner.

If a Partner fails to notify the Managing General Partner within a reasonable period of time after such Partner has notice of the loss, destruction or theft of a Certificate, and a transfer of the Partner Interests represented by the Certificate is registered before the Partnership, the Managing General Partner or the Transfer Agent receives such notification, the Partner shall be precluded from making any claim against the Partnership, the Managing General Partner or the Transfer Agent for such transfer or for a new Certificate.

(c) As a condition to the issuance of any new Certificate under this Section 4.2, the Managing General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent, if applicable) reasonably connected therewith.

Section 4.3 *Record Holders*. The Partnership shall be entitled to recognize the Record Holder as the Partner with respect to any Partnership Interest and, accordingly, shall not be bound to recognize any equitable or other claim to, or interest in, such Partnership Interest on the part of any other Person, regardless of whether the Partnership shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any National Securities Exchange on which such Partnership Interests are listed or admitted to trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Partnership Interests, as between the Partnership on the one hand, and such other Persons on the other, such representative Person shall be (a) the Record Holder of such Partnership Interest and (b) shall be bound by this Agreement and shall have the rights and obligations of a Partner hereunder as, and to the extent, provided herein.

Section 4.4 *Transfer Generally*.

(a) The term “transfer,” when used in this Agreement with respect to a Partnership Interest, shall mean a transaction (i) by which the Managing General Partner assigns its Managing General Partner Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise, (ii) by which the Special General Partner assigns its Special General Partner Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise or (iii) by which the holder of a Limited Partner Interest assigns such Limited Partner Interest to another Person who is or becomes a Limited Partner, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage. The term “transfer” shall not mean a transfer of the

Managing General Partner, the Special General Partner or the holder of a Limited Partner Interest.

(b) No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article IV. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article IV shall be null and void.

(c) Nothing contained in this Agreement shall be construed to prevent a disposition by any stockholder, member, partner or other owner of the Managing General Partner of any or all of the shares of stock, membership interests, partnership interests or other ownership interests in the Managing General Partner.

Section 4.5 *Registration and Transfer of Limited Partner Interests*.

(a) The Managing General Partner shall keep or cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 4.5(b), the Partnership will provide for the registration and transfer of Limited Partner Interests.

(b) The Partnership shall not recognize any transfer of Limited Partner Interests evidenced by Certificates until the Certificates evidencing such Limited Partner Interests are surrendered for registration of transfer. No charge shall be imposed by the Managing General Partner for such transfer; provided, that as a condition to the issuance of any new Certificate under this Section 4.5, the Managing General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto. Upon surrender of a Certificate for registration of transfer of any Limited Partner Interests evidenced by a Certificate, and subject to the provisions hereof, the appropriate officers of the Managing General Partner on behalf of the Partnership shall execute and deliver, and in the case of Certificates evidencing Limited Partner Interests for which a Transfer Agent has been appointed, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number and type of Limited Partner Interests as was evidenced by the Certificate so surrendered.

(c) By acceptance of the transfer of any Limited Partner Interests in accordance with this Section 4.5 and except as provided in Section 4.9, each transferee of a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so transferred to such Person when any such transfer or admission is reflected in the books and records of the Partnership and such Limited Partner becomes the Record Holder of the Limited Partner Interests so transferred, with or without execution of this Agreement, (ii) shall become bound by the terms of this Agreement, (iii) represents that the transferee has the capacity, power and authority to enter into this Agreement, (iv) grants the powers of attorney set forth in this Agreement and (v) makes the consents and waivers contained in this Agreement. The transfer of any Limited Partner Interests and the admission of any new Limited Partner shall not constitute and amendment to this Agreement.

(d) Subject to (i) the foregoing provisions of this Section 4.5, (ii) Section 4.3, (iii) Section 4.8, (iv) with respect to any series of Limited Partner Interests, the provisions of any statement of designations establishing such series, (v) any contractual provisions binding on any Limited Partner and (vi) provisions of applicable law including the Securities Act, Limited Partner Interests shall be freely transferable.

Section 4.6 *Registration and Transfer of the Special General Partner Interest*.

(a) The Managing General Partner shall keep or cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 4.6(b), the Partnership will provide for the registration and transfer of Special General Partner Interests.

(b) The Partnership shall not recognize any transfer of Special General Partner Interests evidenced by Certificates until the Certificates evidencing such Special General Partner Interests are surrendered for registration of transfer. No charge shall be imposed by the Managing General Partner for such transfer; provided, that as a condition to the issuance of any new Certificate under this Section 4.6, the Managing General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto. Upon surrender of a Certificate for registration of transfer of any Special General Partner Interests evidenced by a Certificate, and subject to the provisions hereof, the appropriate officers of the Managing General Partner on behalf of the Partnership shall execute and deliver, and in the case of Certificates evidencing Special General Partner Interests for which a Transfer Agent has been appointed, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number and type of Special General Partner Interests as was evidenced by the Certificate so surrendered.

(c) The Special GP Units, Common GP Units and Subordinated GP Units are transferable as Special GP Units, Common GP Units and Subordinated GP Units only to Affiliates of the Special General Partner. If the Special General Partner desires to transfer Special GP Units, Common GP Units or Subordinated GP Units to Persons who are not Affiliates of the Special General Partner, the Special General Partner shall give notice to the Managing General Partner prior to effecting any such transfer. Each Special GP Unit, Common GP Unit and Subordinated GP Unit will automatically convert into a Special LP Unit, Common LP Unit or Subordinated LP Unit, respectively, on a one-for-one basis immediately prior to the transfer of such Unit to any Person who is not an Affiliate of the Special General Partner. The transfer of such converted Special GP Units, Common GP Units and Subordinated GP Units shall be governed by the provisions of this Agreement relating to transfer of Limited Partner Interests as if such Special GP Units, Common GP Units and Subordinated GP Units were Special LP Units, Common LP Units or Subordinated LP Units, respectively. By acceptance of the transfer of any Special General Partner Interests (whether it be represented by Special GP Units, Common GP Units or Subordinated GP Units) in accordance with this Section 4.6 and except as provided in Section 4.9, each transferee of a Special General Partner Interest (who, for clarification, must be an Affiliate of the Special General Partner) (i) shall be admitted to the Partnership as a Special General Partner with respect to the Special General Partner Interests so transferred to such Person when any such transfer or admission is reflected in the books and records of the Partnership and such Special General Partner becomes the Record Holder of the Special General Partner Interests so transferred, with or without execution of this Agreement, (ii) shall become bound by the terms of this Agreement, (iii) represents that the transferee has the capacity, power and authority to enter into this Agreement, (iv) grants the powers of attorney set forth in this Agreement and (v) makes the consents and waivers contained in this Agreement. The transfer of any Special General Partner Interests and the admission of any new Special General Partner shall not constitute and amendment to this Agreement. If the Special General Partner transfers some, but less than all, of its Special General Partner to an Affiliate who is admitted to the Partnership as a Special General Partner, such that there is more than one Special General Partner, the Managing General Partner shall, with the advice of the Special General Partners, amend this Agreement as the Managing General Partner determines necessary or appropriate to allocate the rights and obligations of the Special General Partner Interest among the Special General Partners, Pro Rata, and to provide for exercise of such rights by majority or individual vote.

(d) Subject to (i) the foregoing provisions of this Section 4.6, (ii) Section 4.3, (iii) Section 4.8, (iv) with respect to any series of Special General Partner Interests, the provisions of any statement of designations establishing such series, (v) any contractual provisions binding on any Special General Partner and (vi) provisions of applicable law including the Securities Act, Special General Partner Interests shall be freely transferable

Section 4.7 *Transfer of the Managing General Partner Interest*.

(a) Subject to Section 4.7(c) below, prior to the tenth anniversary of the Closing Date, the Managing General Partner shall not transfer all or any part of its Managing General Partner Interest to a Person unless such transfer (i) has been approved by (X) the prior written consent or vote of the holders of at least a majority of the Outstanding Units (excluding Units held by the Managing General Partner and its Affiliates) and (Y) the Special General Partner or (ii) is of all, but not less than all, of its Managing General Partner Interest to (A) an Affiliate of the Managing General Partner (other than an individual) or (B) another Person (other than an individual) in connection with the merger or consolidation of the Managing General Partner with or into such other Person or the transfer by the Managing General Partner of all or substantially all of its assets to such other Person.

(b) Subject to Section 4.7(c) below, on or after the tenth anniversary of the Closing Date, the Managing General Partner may transfer all or any part of its Managing General Partner Interest without Unitholder approval.

(c) Notwithstanding anything herein to the contrary, no transfer by the Managing General Partner of all or any part of its Managing General Partner Interest to another Person shall be permitted unless (i) the transferee agrees to assume the rights and duties of the Managing General Partner under this Agreement and to be bound by the provisions of this Agreement, (ii) the Partnership receives an Opinion of Counsel that such transfer would not result in the loss of limited liability under Delaware law of any Limited Partner or cause the Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed) and (iii) such transferee also agrees to purchase all (or the appropriate portion thereof, if applicable) of the partnership or membership interest of the Managing General Partner as the general partner or managing member, if any, of each other Group Member. In the case of a transfer pursuant to and in compliance with this Section 4.6, the transferee or successor (as the case may be) shall, subject to compliance with the terms of Section 10.2, be admitted to the Partnership as the Managing General Partner effective immediately prior to the transfer of the Managing General Partner Interest, and the business of the Partnership shall continue without dissolution.

(d) The Incentive Distribution Rights are an inseparable part of the Managing General Partner Interest and are not transferable apart from the Managing General Partner Interest.

Section 4.8 *Restrictions on Transfers*.

(a) Except as provided in Section 4.8(d) below, but notwithstanding the other provisions of this Article IV, no transfer of any Partnership Interests shall be made if such transfer would (i) violate the then applicable U.S. federal or state securities laws or rules and regulations of the Commission, any state securities commission or any other governmental authority with jurisdiction over such transfer, (ii) terminate the existence or qualification of the Partnership under the laws of the jurisdiction of its formation, or (iii) cause the Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for U.S. federal income tax purposes (to the extent not already so treated or taxed).

(b) The Managing General Partner may impose restrictions on the transfer of Partnership Interests if the Managing General Partner determines, with the advice of counsel, that such restrictions are necessary or advisable to avoid a significant risk of the Partnership becoming taxable as a corporation or otherwise becoming taxable as an entity for U.S. federal income tax purposes. The Managing General Partner may impose such restrictions by amending this Agreement; provided, however, that any amendment that would result in the delisting or suspension of trading of any class of Limited Partner Interests on the principal National Securities Exchange on which such class of Limited Partner Interests is then listed or admitted to trading must be approved, prior to such amendment being effected, by the holders of at least a majority of the Outstanding Limited Partner Interests of such class.

(c) The transfer of a Subordinated Unit that has converted into a Common Unit shall be subject to the restrictions imposed by Section 6.8(b).

(d) Nothing contained in this Article IV, or elsewhere in this Agreement, shall preclude the settlement of any transactions involving Partnership Interests entered into through the facilities of any National Securities Exchange on which such Partnership Interests are listed or admitted to trading.

Section 4.9 *Eligible Holders*.

(a) If any Group Member is or becomes subject to any law or regulation that the Managing General Partner determines would create a substantial risk of cancellation or forfeiture of any property in which the Group Member has an interest based on the nationality, citizenship or other related status of a Partner, the Managing General Partner may amend this Agreement to impose requirements for each Partner to be eligible to be a Partner in the Partnership. If the Managing General Partner establishes any such requirement, the Managing General Partner may request any Partner to furnish to the Managing General Partner, within 30 days after receipt of such request, an executed Eligibility Certification or such other information concerning his nationality, citizenship or other related status (or, if the Partner is a nominee holding for the account of another Person, the nationality, citizenship or other related status of such Person) as the Managing General Partner may request. If a Partner fails to furnish to the Managing General Partner within the aforementioned 30-day period such Eligibility Certification or other requested information or if upon receipt of such Eligibility Certification or other requested information the Managing General Partner determines that a Partner is not an Eligible Holder, the Partnership Interests owned by such Limited Partner shall be subject to redemption in accordance with the provisions of Section 4.10. In addition, the Managing General Partner may require that the status of any such Partner be changed to that of a Ineligible Holder and, thereupon, the Managing General Partner shall be substituted for such Ineligible Holder as the Partner in respect of the Ineligible Holder's Partnership Interests.

(b) The Managing General Partner shall, in exercising voting rights in respect of Partnership Interests held by it on behalf of Ineligible Holders, cast the votes in the same ratios as the votes of Partners (including the General Partners) in respect of Partnership Interests other than those of Ineligible Holders are cast, either for, against or abstaining as to the matter.

(c) Upon dissolution of the Partnership, a Ineligible Holder shall have no right to receive a distribution in kind pursuant to Section 12.4 but shall be entitled to the cash equivalent thereof, and the Partnership shall provide cash in exchange for an assignment of the Ineligible Holder's share of any distribution in kind. Such payment and assignment shall be treated for Partnership purposes as a purchase by the Partnership from the Ineligible Holder of his Partnership Interest (representing his right to receive his share of such distribution in kind).

(d) At any time after he can and does certify that he has become an Eligible Holder, a Ineligible Holder may, upon application to the Managing General Partner, request that with respect to any Partnership Interests of such Ineligible Holder not redeemed pursuant to Section 4.10, such Ineligible Holder be admitted as a Partner, and upon approval of the Managing General Partner, such Ineligible Holder shall be admitted as a Partner and shall no longer constitute an Ineligible Holder and the Managing General Partner shall cease to be deemed to be the Partner in respect of the Ineligible Holder's Partnership Interests.

Section 4.10 *Redemption of Partnership Interests of Ineligible Holders*.

(a) If at any time a Partner fails to furnish an Eligibility Certification or other information requested within the 30-day period specified in Section 4.9(a), or if upon receipt of such Eligibility Certification or other information the Managing General Partner determines, with the advice of counsel, that a Partner is not an Eligible Holder, the Partnership may, unless the Partner establishes to the satisfaction of the Managing General Partner that such Partner is an Eligible Holder or has transferred his Partnership Interests to a Person who is an Eligible Holder and who furnishes an Eligibility Certification to the Managing General Partner prior to the date fixed for redemption as provided below, redeem the Partnership Interest of such Partner as follows:

(i) The Managing General Partner shall, not later than the 30th day before the date fixed for redemption, give notice of redemption to the Partner, at his last address designated on the records of the Partnership or the Transfer Agent, as applicable, by registered or certified mail, postage prepaid. The notice shall be deemed to have been given when so mailed. The notice shall specify the Redeemable Interests, the date fixed for redemption, the place of payment, that payment of the redemption price will be made upon redemption of the Redeemable Interests (or, if later in the case of Redeemable Interests evidenced by Certificates, upon surrender of the Certificate evidencing the Redeemable Interests and that on and after the date fixed for redemption no further allocations or distributions to which the Partner would otherwise be entitled in respect of the Redeemable Interests will accrue or be made.

(ii) The aggregate redemption price for Redeemable Interests shall be an amount equal to the Current Market Price (the date of determination of which shall be the date fixed for redemption) of Partnership Interests of the class to be so redeemed multiplied by the number of Partnership Interests of each such class included among the Redeemable Interests. The redemption price shall be paid, as determined by the Managing General Partner, in cash or by delivery of a promissory note of the Partnership in the principal amount of the redemption price, bearing interest at the rate of 8% annually and payable in three equal annual installments of principal together with accrued interest, commencing one year after the redemption date.

(iii) The Partner or his duly authorized representative shall be entitled to receive the payment for the Redeemable Interests at the place of payment specified in the notice of redemption on the redemption date (or, if later in the case of Redeemable Interests evidenced by Certificates, upon surrender by or on behalf of the Partner at the place specified in the notice of redemption, of the Certificate evidencing the Redeemable Interests, duly endorsed in blank or accompanied by an assignment duly executed in blank).

(iv) After the redemption date, Redeemable Interests shall no longer constitute issued and Outstanding Partnership Interests.

(b) The provisions of this Section 4.10 shall also be applicable to Partnership Interests held by a Partner as nominee of a Person determined to be an Ineligible Holder.

(c) Nothing in this Section 4.10 shall prevent the recipient of a notice of redemption from transferring his Partnership Interest before the redemption date if such transfer is otherwise permitted under this Agreement. Upon receipt of notice of such a transfer, the Managing General Partner shall withdraw the notice of redemption, provided the transferee of such Partnership Interest certifies to the satisfaction of the Managing General Partner that he is an Eligible Holder. If the transferee fails to make such certification, such redemption shall be effected from the transferee on the original redemption date.

ARTICLE V
CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS

Section 5.1 *Contributions by the General Partners and their Affiliates*.

(a) In connection with the formation of the Partnership under the Delaware Act, the Managing General Partner made an initial Capital Contribution to the Partnership in the amount of $1,000, for the Managing General Partner Interest in the Partnership and has been admitted as the Managing General Partner of the Partnership, and the Special General Partner and Organizational Limited Partner each made an initial Capital Contribution to the Partnership in the amount of $1,000 and have been admitted as the Special General Partner and Organizational Limited Partner, respectively, of the Partnership. As of the Closing Date, the initial $1,000 contributed by each of the Special General Partner and the Organizational Limited Partner shall be refunded as provided in the Contribution Agreement.

(b) On the Closing Date and pursuant to the Contribution Agreement, Coffeyville Resources, LLC conveyed: (i) 99.9% of its interest in Coffeyville Resources Nitrogen Fertilizer, LLC to the Partnership on behalf of the Special General Partner, as a Capital Contribution in exchange for the issuance to the Special General Partner of the 30,303,000 Special GP Units, subject to all of the rights, privileges and duties of the Special General Partner under this Agreement; and (ii) 0.1% of its interest in Coffeyville Resources Nitrogen Fertilizer, LLC to the Partnership on behalf of the Organizational Limited Partner, as a Capital Contribution in exchange for the issuance to the Organizational Limited Partner of 30,333 Special LP Units.

Section 5.2 *Interest and Withdrawal*. No interest on Capital Contributions shall be paid by the Partnership. No Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon dissolution of the Partnership may be considered as the withdrawal or return of its Capital Contribution by law and then only to the extent provided for in this Agreement. Except to the extent expressly provided in this Agreement, no Partner shall have priority over any other Partner either as to the return of Capital Contributions or as to profits, losses or distributions. Any such return shall be a compromise to which all Partners agree within the meaning of Section 17-502(b) of the Delaware Act.

Section 5.3 *Capital Accounts*.

(a) The Partnership shall maintain for each Partner (or a beneficial owner of Partnership Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method acceptable to the Managing General Partner) owning a Partnership Interest a separate Capital Account with respect to such Partnership Interest in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made to the Partnership with respect to such Partnership Interest and (ii) all items of Partnership income and gain (including income and gain exempt from tax) computed in accordance with Section 5.3(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1, and decreased by (x) the amount of cash or Net Agreed Value of all actual and deemed distributions of cash or property made with respect to such Partnership Interest and (y) all items of Partnership deduction and loss computed in accordance with Section 5.3(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1.

(b) For purposes of computing the amount of any item of income, gain, loss or deduction which is to be allocated pursuant to Article VI and is to be reflected in the Partners' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for that purpose), provided, that:

(i) Solely for purposes of this Section 5.3, the Partnership shall be treated as owning directly its proportionate share (as determined by the Managing General Partner based upon the provisions of the applicable Group Member Agreement) of all property owned by any other Group Member that is classified as a partnership or a disregarded entity for federal income tax purposes.

(ii) All fees and other expenses incurred by the Partnership to promote the sale of (or to sell) a Partnership Interest that can neither be deducted nor amortized under Section 709 of the Code, if any, shall, for purposes of Capital Account maintenance, be treated as an item of deduction at the time such fees and other expenses are incurred and shall be allocated among the Partners pursuant to Section 6.1.

(iii) Except as otherwise provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction shall be made without regard to any election under Section 754 of the Code which may be made by the Partnership and, as to those items described in Section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for federal income tax purposes. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment in the Capital Accounts shall be treated as an item of gain or loss.

(iv) Any income, gain or loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Partnership's Carrying Value with respect to such property as of such date.

(v) In accordance with the requirements of Section 704(b) of the Code, any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property shall be determined as if the adjusted basis of such property on the date it was acquired by the Partnership were equal to the Agreed Value of such property. Upon an adjustment pursuant to Section 5.3(d) to the Carrying Value of any Partnership property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such property shall be determined (A) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment and (B) using a rate of depreciation, cost recovery or amortization derived from the same method and useful life (or, if applicable, the remaining useful life) as is applied for federal income tax purposes; provided, however, that, if the asset has a zero adjusted basis for federal income tax purposes, depreciation, cost recovery or amortization deductions shall be determined using any method that the Managing General Partner may adopt.

(vi) If the Partnership's adjusted basis in a depreciable or cost recovery property is reduced for federal income tax purposes pursuant to Section 50(c)(1) or 50(c)(3) of the Code, the amount of such reduction shall, solely for purposes hereof, be deemed to be an additional depreciation or cost recovery deduction in the year such property is placed in service and shall be allocated among the Partners pursuant to Section 6.1. Any restoration of such basis pursuant to Section 50(c)(2) of the Code shall, to the extent possible, be allocated in the same manner to the Partners to whom such deemed deduction was allocated.

(c) (i) A transferee of a Partnership Interest shall succeed to a pro rata portion of the Capital Account of the transferor relating to the Partnership Interest so transferred.

(ii) Subject to Section 6.8(c), immediately prior to the transfer of a Subordinated Unit or of a Subordinated Unit that has converted into a Common Unit pursuant to Section 5.6 by a holder thereof (other than a transfer to an Affiliate unless the Managing General Partner elects to have this subparagraph 5.3(d)(ii) apply), the Capital Account maintained for such Person with respect to its Subordinated Units or converted Subordinated Units will (A) first, be allocated to the Subordinated Units or converted Subordinated Units to be transferred in an amount equal to the product of (x) the number of such Subordinated Units or converted Subordinated Units to be transferred and (y) the Per Unit Capital Amount for a Common Unit, and (B) second, any remaining balance in such Capital Account will be retained by the transferor, regardless of whether it has retained any Subordinated Units or converted Subordinated Units ("Retained Converted Subordinated Units"). Following any such allocation, the transferor's Capital Account, if any, maintained with respect to the retained Subordinated Units or Retained Converted Subordinated Units, if any, will have a balance equal to the amount allocated under clause (B) hereinabove, and the transferee's Capital Account established with respect to the transferred Subordinated Units or Retained Converted Subordinated Units will have a balance equal to the amount allocated under clause (A) hereinabove.

(d) (i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), upon an issuance of additional Partnership Interests for cash or Contributed Property, the issuance of Partnership Interests as consideration for the provision of services or the conversion of the Managing General Partner's Combined Interest to Common Units pursuant to Section 11.3(b), the Capital Account of all Partners and the Carrying Value of each Partnership property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property immediately prior to such issuance and had been allocated to the Partners at such time pursuant to Section 6.1(c). In determining such Unrealized Gain or Unrealized Loss, the aggregate cash amount and fair market value of all Partnership assets (including cash or cash equivalents) immediately prior to the issuance of additional Partnership Interests shall be determined by the Managing General Partner using such method of valuation as it may adopt; provided, however, that the Managing General Partner, in arriving at such valuation, must take fully into account the fair market value of the Partnership Interests of all Partners at such time. The Managing General Partner shall allocate such aggregate value among the assets of the Partnership (in such manner as it determines) to arrive at a fair market value for individual properties.

(ii) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any actual or deemed distribution to a Partner of any Partnership property (other than a distribution of cash that is not in redemption or retirement of a Partnership Interest), the Capital Accounts of all Partners and the Carrying Value of all Partnership property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as if such Unrealized Gain or Unrealized Loss had been recognized in a sale of such property immediately prior to such distribution for an amount equal to its fair market value, and had been allocated to the Partners, at such time, pursuant to Section 6.1(c). In determining such Unrealized Gain or Unrealized Loss the aggregate cash amount and fair market value of all Partnership assets (including cash or cash equivalents) immediately prior to a distribution shall (A) in the case of an actual distribution that is not made pursuant to Section 12.4 or in the case of a deemed distribution, be determined and allocated in the same manner as that provided in Section 5.3(d)(i) or (B) in the case of a liquidating distribution pursuant to Section 12.4, be determined and allocated by the Liquidator using such method of valuation as it may adopt.

Section 5.4 *Issuances of Additional Partnership Securities*.

(a)

(i) Subject to the provisions of Section 7.3(b) and to any prior approval required by Section 7.3, the Partnership may issue additional Partnership Securities and options, rights, warrants and appreciation rights relating to the Partnership Securities for any Partnership purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as the Managing General Partner shall determine, all without the approval of any Partners.

(ii) The Managing General Partner may, in its sole discretion but subject to any prior approval required by Section 7.3, cause the Partnership to undertake the Initial Offering; *provided*, that the Managing General Partner shall not cause the Partnership to undertake or consummate the Initial Offering unless the Managing General Partner determines, after consultation with the Special General Partner, that the Partnership is likely to be able to: (A) make distributions under Section 6.4 in respect of all Common Units and Subordinated Units and any other Units that are senior or equal in right of distribution to the Subordinated Units that are expected to be Outstanding with respect to each of the two consecutive, non-overlapping four-Quarter periods immediately following the IO Closing Date in an amount equal to or greater than the sum of the Minimum Quarterly Distribution on all of the Outstanding Common Units and Subordinated Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units during such periods; and (B) generate Adjusted Operating Surplus for each of the two consecutive, non-overlapping four-Quarter periods immediately following the IO closing date in an amount equal to or greater than the sum of the Minimum Quarterly Distribution on all of the Common Units, Subordinated Units and any other Units that are senior or equal in right of distribution to the Subordinated Units that are expected to be Outstanding during such periods on a Fully Diluted Basis.

(iii) If the Managing General Partner determines that the Partnership is not likely to be able to satisfy the tests set forth in Section 5.4(a)(ii), the Managing General Partner may, in its sole discretion and effective upon closing of the Initial Offering, reduce the Minimum Quarterly Distribution to an amount the Managing General Partner determines to be an appropriate level such that the Partnership is likely to be able to satisfy the tests set forth in Section 5.4(a)(ii) with the reduced Minimum Quarter Distribution.

(b) Each additional Partnership Security authorized to be issued by the Partnership pursuant to Section 5.4(a) may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences, rights, powers and duties (which may be senior or junior to existing classes and series of Partnership Securities), as shall be fixed by the Managing General Partner, including (i) the right to share in Partnership profits and losses or items thereof; (ii) the right to share in Partnership distributions; (iii) the rights upon dissolution and liquidation of the Partnership; (iv) whether, and the terms and conditions upon which, the Partnership may, or shall be required to, redeem the Partnership Security (including sinking fund provisions); (v) whether such Partnership Security is issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange; (vi) the terms and conditions upon which each Partnership Security will be issued, evidenced by certificates and assigned or transferred; (vii) the method for determining the Percentage Interest as to such Partnership Security; and (viii) the right, if any, of each such Partnership Security to vote on Partnership matters, including matters relating to the relative rights, preferences and privileges of such Partnership Security.

(c) The Managing General Partner shall take all actions that it determines to be necessary or appropriate in connection with (i) each issuance of Partnership Securities and options, rights, warrants and appreciation rights relating to Partnership Securities pursuant to this Section 5.4, (ii) the conversion of the Managing General Partner Interest (including the associated Incentive Distribution Rights) into Units pursuant to the terms of this Agreement, (iii) reflecting the admission of such additional Partners in the books and records of the Partnership as the Record Holder of such Partnership Securities, and (iv) all additional issuances of Partnership Securities. The Managing General Partner shall determine the relative rights, powers and duties of the holders of the Units or other Partnership Securities being so issued. The Managing General Partner shall do all things necessary to comply with the Delaware Act and is authorized and directed to do all things that it determines to be necessary or appropriate in connection with any future issuance of Partnership Securities or in connection with the conversion of the Managing General Partner Interest into Units pursuant to the terms of this Agreement, including compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency or any National Securities Exchange on which the Units or other Partnership Securities are listed or admitted to trading.

(d) No fractional Units shall be issued by the Partnership.

Section 5.5 *Conversion of Special Units.*

(a) Effective immediately prior to the closing of the Initial Offering:

(i) the lesser of (i) all of the Special Units and (ii) that number of Special Units that will represent 40% of all Units immediately following the closing of the Initial Offering (without giving effect to any over-allotment option granted by the Partnership in connection with any Initial Public Offering) shall convert into Subordinated Units on a one-for-one basis; and

(ii) the balance of the Special Units, if any, shall convert into Common Units on a one-for-one basis.

(b) In the event that the Special Units convert into Subordinated Units or Common Units, or a combination thereof, pursuant to Section 5.5(a), at a time when there is more than one holder of Special Units, then, unless all of the holders of Special Units agree to a different allocation, the Special Units that are converted into Subordinated Units shall be allocated among the holders of Special Units pro rata based on the number of Special Units held by each.

(c) Special GP Units shall convert into Common GP Units or Subordinated GP Units, or a combination thereof, and Special LP Units shall convert into Common LP Units or Subordinated LP Units, or a combination thereof.

Section 5.6 *Conversion of Subordinated Units*.

(a) A total of 25% of the Subordinated Units will convert into Common Units on a one-for-one basis on the second Business Day following the distribution of Available Cash to Partners pursuant to Section 6.3(a) in respect of any Quarter, beginning with the Quarter in which the third anniversary of the IO Closing Date occurs, in respect of which:

(i) distributions under Section 6.4 in respect of all Outstanding Common Units and Subordinated Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units with respect to each of the three consecutive, non-overlapping four-Quarter periods immediately preceding such date equaled or exceeded the sum of the Minimum Quarterly Distribution on all of the Outstanding Common Units and Subordinated Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units during such periods;

(ii) the Adjusted Operating Surplus for each of the three consecutive, non-overlapping four-Quarter periods immediately preceding such date equaled or exceeded the sum of the Minimum Quarterly Distribution on all of the Common Units, Subordinated Units and any other Units that are senior or equal in right of distribution to the Subordinated Units that were Outstanding during such periods on a Fully Diluted Basis; and

(iii) there are no Cumulative Common Unit Arrearages.

(b) An additional 25% of the Subordinated Units (calculated without giving effect to any conversion pursuant to Section 5.7(a)) will convert into Common Units on a one-for-one basis on the second Business Day following the distribution of Available Cash to Partners pursuant to Section 6.3(a) in respect of any Quarter, beginning with the Quarter in which the fourth anniversary of the IO Closing Date occurs, in respect of which:

(i) distributions under Section 6.4 in respect of all Outstanding Common Units and Subordinated Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units with respect to each of the three consecutive, non-overlapping four-Quarter periods immediately preceding such date equaled or exceeded the sum of the Minimum Quarterly Distribution on all of the Outstanding Common Units and Subordinated Units and any other Outstanding Units that are senior or equal in right of distribution to the Subordinated Units during such periods;

(ii) the Adjusted Operating Surplus for each of the three consecutive, non-overlapping four-Quarter periods immediately preceding such date equaled or exceeded the sum of the Minimum Quarterly Distribution on all of the Common Units, Subordinated Units and any other Units that are senior or equal in right of distribution to the Subordinated Units that were Outstanding during such periods on a Fully Diluted

Basis; and

(iii) there are no Cumulative Common Unit Arrearages;

provided, however, that the conversion of Subordinated Units pursuant to this Section 5.6(b) may not occur until at least one year following the end of the last four-Quarter period in respect of which conversion of Subordinated Units pursuant to Section 5.6(a) occurred (i.e. the last four-Quarter contained in the “three consecutive, non-overlapping four-Quarter periods” referenced in this Section 5.6(b) may not include any Quarter included in the “three consecutive, non-overlapping four-Quarter periods” referenced in Section 5.6(a).

(c) Any Subordinated Units that are not converted into Common Units pursuant to Section 5.6(a) or Section 5.6(b) shall convert into Common Units on a one-for-one basis on the second Business Day following the distribution of Available Cash to Partners pursuant to Section 6.3(a) in respect of the final Quarter of the Subordination Period.

(d) Outstanding Subordinated Units may also convert into Common Units on a one-for-one basis as set forth in, and pursuant to the terms of, Section 11.4.

(e) Subordinated GP Units shall convert into Common GP Units and Subordinated LP Units shall convert into Common LP Units.

(f) A Subordinated Unit that has converted into a Common Unit shall be subject to the provisions of Section 6.8(c).

(g) In the event that any Subordinated Units convert into Common Units pursuant to Section 5.6(a) or Section 5.6(b) at a time when there is more than one holder of Subordinated Units, then, unless all of the holders of Subordinated Units agree to a different allocation, the Subordinated Units that are to be converted into Common Units shall be allocated among the holders of Subordinated Units pro rata based on the number of Subordinated Units held by each such holder.

Section 5.7 *Conversion of Common GP Units and Subordinated GP Units into Common LP Units and Subordinated LP Units*. All of the Common GP Units and Subordinated GP Units shall convert into Common LP Units and Subordinated LP Units, respectively, on a one-for-one basis if the Special General Partner ceases to own at least 15% of all Outstanding Units. Immediately upon such conversion, the Special General Partner shall become a Limited Partner and shall cease to have any of the rights and obligations of rights specified with respect to the Special General Partner (or the Special General Partner Interest) in this Agreement.

Section 5.8 *Preemptive Right*. Except as provided in this Section 5.8 or as otherwise provided in an agreement by the Partnership relating to a future issuance of Partnership Securities, no Person shall have any preemptive, preferential or other similar right with respect to the issuance of any Partnership Security, whether unissued, held in the treasury or hereafter created. The Managing General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Partnership Securities from the Partnership whenever, and on the same terms that, the Partnership issues Partnership Securities to Persons other than the Managing General Partner and its Affiliates, to the extent necessary to maintain the Percentage Interests of the Managing General Partner and its Affiliates equal to that which existed immediately prior to the issuance of such Partnership Securities. The Special General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Partnership Securities from the Partnership whenever, and on the same terms that, the Partnership issues Partnership Securities to Persons other than the Special General Partner and its Affiliates and other than in connection with the Initial Offering, to the extent necessary to maintain the Percentage Interests of the Special General Partner and its Affiliates equal to that which existed immediately prior to the issuance of such Partnership Securities. For the purposes of this Section 5.8, the Managing General Partner and its controlling Affiliates, on the one hand, and the Special General Partner and its controlling Affiliates, on the other hand, shall be deemed not to be Affiliates, unless otherwise agreed by the Managing General Partner and the Special General Partner.

Section 5.9 *Splits and Combinations*.

(a) Subject to Sections 5.9(d), 6.7 and 6.9, the Partnership may make a Pro Rata distribution of Partnership Securities to all Record Holders or may effect a subdivision or combination of Partnership Securities so long as, after any such event, each Partner shall have the same Percentage Interest in the Partnership as before such event, and any amounts calculated on a per Unit basis (including any Common Unit Arrearage or Cumulative Common Unit Arrearage) or stated as a number of Units are proportionately adjusted retroactive to the beginning of the Partnership.

(b) Whenever such a distribution, subdivision or combination of Partnership Securities is declared, the Managing General Partner shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice thereof at least 20 days prior to such Record Date to each Record Holder as of a date not less than 10 days prior to the date of such notice. The Managing General Partner also may cause a firm of independent public accountants selected by it to calculate the number of Partnership Securities to be held by each Record Holder after giving effect to such distribution, subdivision or combination. The Managing General Partner shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

(c) Promptly following any such distribution, subdivision or combination, the Partnership may issue Certificates to the Record Holders of Partnership Securities as of the applicable Record Date representing the new number of Partnership Securities held by such Record Holders, or the Managing General Partner may adopt such other procedures that it determines to be necessary or appropriate to reflect such changes. If any such combination results in a smaller total number of Partnership Securities Outstanding, the Partnership shall require, as a condition to the delivery to a Record Holder of any such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.

(d) The Partnership shall not issue fractional Units upon any distribution, subdivision or combination of Units. If a distribution, subdivision or combination of Units would result in the issuance of fractional Units but for the provisions of Section 5.4(d) and this Section 5.9(d), each fractional Unit shall be rounded to the nearest whole Unit (and a 0.5 Unit shall be rounded to the next higher Unit).

Section 5.10 *Fully Paid and Non-Assessable Nature of Limited Partner Interests*. All Limited Partner Interests issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Limited Partner Interests in the Partnership, except as such non-assessability may be affected by Sections 17-607 or 17-804 of the Delaware Act.

ARTICLE VI
ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 *Allocations for Capital Account Purposes*. For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with Section 5.3(b)) shall be allocated among the Partners in each taxable year (or portion thereof) as provided herein below.

(a) Net Income. After giving effect to the special allocations set forth in Section 6.1(d), Net Income for each taxable year and all items of income, gain, loss and deduction taken into account in computing Net Income for such taxable year shall be allocated as follows:

(i) First, 100% to the Managing General Partner, in an amount equal to the aggregate Net Losses allocated to the Managing General Partner pursuant to Section 6.1(b)(iii) for all previous taxable years until the aggregate Net Income allocated to the Managing General Partner pursuant to this Section 6.1(a)(i) for the current taxable year and all previous taxable years is equal to the aggregate Net Losses allocated to the Managing General Partner pursuant to Section 6.1(b)(iii) for all previous taxable years;

(ii) Second, 100% to the Unitholders, in accordance with their respective Percentage Interests, until the aggregate Net Income allocated to such Unitholders pursuant to this Section 6.1(a)(ii) for the current taxable year and all previous taxable years is equal to the aggregate Net Losses allocated to such Unitholders pursuant to Section 6.1(b)(ii) for all previous taxable years; and

(iii) Third, the balance, if any, 100% to the Unitholders, in accordance with their respective Percentage Interests.

(b) Net Losses. After giving effect to the special allocations set forth in Section 6.1(d), Net Losses for each taxable period and all items of income, gain, loss and deduction taken into account in computing Net Losses for such taxable period shall be allocated as follows:

(i) First, 100% to the Unitholders, in accordance with their respective Percentage Interests, until the aggregate Net Losses allocated pursuant to this Section 6.1(b)(i) for the current taxable year and all previous taxable years is equal to the aggregate Net Income allocated to such Unitholders pursuant to Section 6.1(a)(iii) for all previous taxable years, provided that the Net Losses shall not be allocated pursuant to this Section 6.1(b)(i) to the extent that such allocation would cause any Unitholder to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account);

(ii) Second, 100% to the Unitholders, in accordance with their respective Percentage Interests; provided, that Net Losses shall not be allocated pursuant to this Section 6.1(b)(ii) to the extent that such allocation would cause any Unitholder to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account); and

(iii) Third, the balance, if any, 100% to the Managing General Partner.

(c) Net Termination Gains and Losses. After giving effect to the special allocations set forth in Section 6.1(d), all items of income, gain, loss and deduction taken into account in computing Net Termination Gain or Net Termination Loss for such taxable period shall be allocated in the same manner as such Net Termination Gain or Net Termination Loss is allocated hereunder. All allocations under this Section 6.1(c) shall be made after Capital Account balances have been adjusted by all other allocations provided under this Section 6.1 and after all distributions of Available Cash provided under Sections 6.4 and Section 6.6 have been made; provided, however, that solely for purposes of this Section 6.1(c), Capital Accounts shall not be adjusted for distributions made pursuant to Section 12.4.

(i) If a Net Termination Gain is recognized (or deemed recognized pursuant to Section 5.3(d)), such Net Termination Gain shall be allocated among the Partners in the following manner (and the Capital Accounts of the Partners shall be increased by the amount so allocated in each of the following subclauses, in the order listed, before an allocation is made pursuant to the next succeeding subclause):

if such Net Termination Gain is recognized prior to the Initial Offering:

(A) First, to each Partner having a deficit balance in its Capital Account, in the proportion that such deficit balance bears to the total deficit balances in the Capital Accounts of all Partners, until each such Partner has been allocated Net Termination Gain equal to any such deficit balance in its Capital Account;

(B) Second, to all Unitholders, Pro Rata, until the Capital Account in respect of each Unit then Outstanding is equal to its Unrecovered Initial Unit Price;

(C) Third, to all Unitholders, Pro Rata, until the Capital Account in respect of each Unit then Outstanding is equal to the sum of (1) its Unrecovered Initial Unit Price, and (2) the excess of (aa) the First Target Distribution for each Quarter of the Partnership's existence over (bb) the cumulative per Unit amount of any distributions of Available Cash that is deemed to be Operating Surplus made pursuant to Section 6.4(a)(i) (the sum of (1) and (2) is, for the purpose of the immediately succeeding clause (D), the "First Liquidation Target Amount");

(D) Fourth, (y) 13% to the Managing General Partner (in respect of the Incentive Distribution Rights), and (z) 87% to all Unitholders, Pro Rata, until the Capital Account in respect of each Unit then Outstanding is equal to the sum of (1) the First Liquidation Target Amount, and (2) the excess of (aa) the Second Target Distribution less the First Target Distribution for each Quarter of the Partnership's existence over (bb) the cumulative per Unit amount of any distributions of Available Cash that is deemed to be Operating Surplus made pursuant to Section 6.4(a)(ii) (the sum of (1) and (2) is, for the purpose of the immediately succeeding clause (E), "Second Liquidation Target Amount");

(E) Fifth, (y) 23% to the Managing General Partner (in respect of the Incentive Distribution Rights), and (z) 77% to all Unitholders, Pro Rata, until the Capital Account in respect of each Unit then Outstanding is equal to the sum of (1) the Second Liquidation Target Amount, and (2) the excess of (aa) the Third Target Distribution less the Second Target Distribution for each Quarter of the Partnership's existence over (bb) the cumulative per Unit amount of any distributions of Available Cash that is deemed to be Operating Surplus made pursuant to Section 6.4(a)(iii); and

(F) Thereafter, (y) 48% to the Managing General Partner (in respect of the Incentive Distribution Rights), and (z) 52% to all Unitholders, Pro Rata.

if such Net Termination Gain is recognized on or after the Initial Offering:

(A) First, to each Partner having a deficit balance in its Capital Account, in the proportion that such deficit balance bears to the total deficit balances in the Capital Accounts of all Partners, until each such Partner has been allocated Net Termination Gain equal to any such deficit balance in its Capital Account;

(B) Second, to all Unitholders holding Common Units, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) its Unrecovered Initial Unit Price, (2) the Minimum Quarterly Distribution for the Quarter during which the Liquidation Date occurs, reduced by any distribution pursuant to Section 6.4(b)(i) and Section 6.4(c)(i) with respect to such Common Unit for such Quarter (the amount determined pursuant to this clause (2) is hereinafter referred to as the "Unpaid MQD") and (3) any then existing Cumulative Common Unit Arrearage;

(C) Third, if such Net Termination Gain is recognized (or is deemed to be recognized) prior to the conversion of the last Outstanding Subordinated Unit, to all Unitholders holding Subordinated Units, Pro Rata, until the Capital Account in respect of each Subordinated Unit then Outstanding equals the sum of (1) its Unrecovered Initial Unit Price, determined for the taxable year (or portion thereof) to which this allocation of gain relates, and (2) the Minimum Quarterly Distribution for the Quarter during which the Liquidation Date occurs, reduced by any distribution pursuant to Section 6.4(b)(iii) with respect to such Subordinated Unit for such Quarter;

(D) Fourth, 100% to all Unitholders, in accordance with their respective Percentage Interests, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) its Unrecovered Initial Unit Price, (2) the Unpaid MQD, (3) any then existing Cumulative Common Unit Arrearage, and (4) the excess of (aa) the First Target Distribution less the Minimum Quarterly Distribution for each Quarter of the Partnership's existence over (bb) the cumulative per Unit amount of any distributions of Available Cash that is deemed to be Operating Surplus made pursuant to Section 6.4(b)(iv) and Section 6.4(c)(ii) (the sum of (1), (2), (3) and (4) is, for the purpose of the immediately succeeding clause (F), the "First Liquidation Target Amount");

(E) Fifth, (y) 13% to the Managing General Partner (in respect of the Incentive Distribution Rights), and (z) 87% to all Unitholders, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) the First Liquidation Target Amount, and (2) the excess of (aa) the Second Target Distribution less the First Target Distribution for each Quarter of the Partnership's existence over (bb) the cumulative per Unit amount of any distributions of Available Cash that is deemed to be Operating Surplus made pursuant to Sections 6.4(b)(v) and 6.4(c)(iii) (the sum of (1) and (2) is, for the purpose of the immediately succeeding clause (E), the "Second Liquidation Target Amount");

(F) Sixth, (y) 23% to the Managing General Partner (in respect of the Incentive Distribution Rights), and (z) 77% to all Unitholders, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) the Second Liquidation Target Amount, and (2) the excess of (aa) the Third Target Distribution less the Second Target Distribution for each Quarter of the Partnership's existence over (bb) the cumulative per Unit amount of any distributions of Available Cash that is deemed to be Operating Surplus made pursuant to Sections 6.4(b)(vi) and 6.4(c)(iv); and

(G) Finally, (y) 48% to the Managing General Partner (in respect of the Incentive Distribution Rights), and (z) 52% to all Unitholders, Pro Rata.

(ii) If a Net Termination Loss is recognized (or deemed recognized pursuant to Section 5.3(d)), such Net Termination Loss shall be allocated among the Partners in the following manner:

if such Net Termination Loss is recognized prior to the Initial Offering:

(A) First, to all Unitholders, Pro Rata, until the Capital Account in respect of each Common Unit then Outstanding has been reduced to zero; and

(B) Second, the balance, if any, 100% to the Managing General Partner.

if such Net Termination Loss is recognized on or after the Initial Offering:

(A) First, if such Net Termination Loss is recognized (or is deemed to be recognized) prior to the conversion of the last Outstanding Subordinated Unit, (x) to the Managing General Partner in accordance with its Percentage Interest and (y) to all Unitholders holding Subordinated Units, Pro Rata, a percentage equal to 100% less the Managing General Partner's Percentage Interest, until the Capital Account in respect of each Subordinated Unit then Outstanding has been reduced to zero;

(B) Second, (x) to the Managing General Partner in accordance with its Percentage Interest and (y) to all Unitholders holding Common Units, Pro Rata, a percentage equal to 100% less the Managing General Partner's Percentage Interest, until the Capital Account in respect of each Common Unit then Outstanding has been reduced to zero; and

(C) Third, the balance, if any, 100% to the Managing General Partner.

(d) Special Allocations. Notwithstanding any other provision of this Section 6.1, the following special allocations shall be made for such taxable period:

(i) Partnership Minimum Gain Chargeback. Notwithstanding any other provision of this Section 6.1, if there is a net decrease in Partnership Minimum Gain during any Partnership taxable period, each Partner shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(f), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 6.1(d), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(d) with respect to such taxable period (other than an allocation pursuant to Sections 6.1(d)(vi) and 6.1(d)(vii)). This Section 6.1(d)(i) is intended to comply with the Partnership Minimum Gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) Chargeback of Partner Nonrecourse Debt Minimum Gain. Notwithstanding the other provisions of this Section 6.1 (other than Section 6.1(d)(i)), except as provided in Treasury Regulation Section 1.704-2(i)(4), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Partnership taxable period, any Partner with a share of Partner Nonrecourse Debt Minimum Gain at the beginning of such taxable period shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(i)(4), 1.704-2(i)(5) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 6.1(d), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(d), other than Section 6.1(d)(i) and other than an allocation pursuant to Sections 6.1(d)(vi) and 6.1(d)(vii), with respect to such taxable period. This Section

6.1(d)(ii) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) Priority Allocations.

(A) If the amount of cash or the Net Agreed Value of any property distributed (except cash or property distributed pursuant to Section 12.4) to any Unitholder for a taxable year is greater (on a per Unit basis) than the amount of cash or the Net Agreed Value of property distributed to the other Unitholders (on a per Unit basis), then each Unitholder receiving such greater cash or property distribution shall be allocated gross income in an amount equal to the product of (aa) the amount by which the distribution (on a per Unit basis) to such Unitholder exceeds the distribution (on a per Unit basis) to the Unitholders receiving the smallest distribution and (bb) the number of Units owned by the Unitholder receiving the greater distribution.

(B) After the application of Section 6.1(d)(iii)(A), all or any portion of the remaining items of Partnership gross income or gain for the taxable period, if any, shall be allocated to the Managing General Partner (in respect of the Incentive Distribution Rights), until the aggregate amount of such items allocated to the Managing General Partner pursuant to this Section 6.1(d)(iii)(B) for the current taxable year and all previous taxable years is equal to the cumulative amount of all Incentive Distributions made to the Managing General Partner from the Closing Date to a date 45 days after the end of the current taxable year.

(iv) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible unless such deficit balance is otherwise eliminated pursuant to Section 6.1(d)(i) or (ii).

(v) Gross Income Allocations. In the event any Partner has a deficit balance in its Capital Account at the end of any Partnership taxable period in excess of the sum of (A) the amount such Partner is required to restore pursuant to the provisions of this Agreement and (B) the amount such Partner is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 6.1(d)(v) shall be made only if and to the extent that such Partner would have a deficit balance in its Capital Account as adjusted after all other allocations provided for in this Section 6.1 have been tentatively made as if this Section 6.1(d)(v) were not in this Agreement.

(vi) Nonrecourse Deductions. Nonrecourse Deductions for any taxable period shall be allocated to the Partners in accordance with their respective Percentage Interests. If the Managing General Partner determines that the Partnership's Nonrecourse Deductions should be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the Managing General Partner is authorized, upon notice to the other Partners, to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

(vii) Partner Nonrecourse Deductions. Partner Nonrecourse Deductions for any taxable period shall be allocated 100% to the Partner that bears the Economic Risk of Loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i). If more than one Partner bears the Economic Risk of Loss with respect to a Partner Nonrecourse Debt, such Partner Nonrecourse Deductions attributable thereto shall be allocated between or among such Partners in accordance with the ratios in which they share such Economic Risk of Loss. This Section 6.1(d)(vii) is intended to comply with Treasury Regulations Section 1.704-2(i)(1) and shall be interpreted consistently therewith.

(viii) Nonrecourse Liabilities. For purposes of Treasury Regulation Section 1.752-3(a)(3), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (A) the amount of Partnership Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners in accordance with their respective Percentage Interests.

(ix) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(x) Economic Uniformity. At the election of the Managing General Partner with respect to any taxable period ending upon, or after, the termination of the Subordination Period, all or a portion of the remaining items of Partnership gross income or gain for such taxable period, after taking into account allocations pursuant to Section 6.1(d)(iii), shall be allocated 100% to each Partner holding Subordinated Units that are Outstanding as of the termination of the Subordination Period ("Final Subordinated Units") in the proportion of the number of Final Subordinated Units held by such Partner to the total number of Final Subordinated Units then Outstanding, until each such Partner has been allocated an amount of gross income or gain that increases the Capital Account maintained with respect to such Final Subordinated Units to an amount equal to the product of (A) the number of Final Subordinated Units held by such Partner and (B) the Per Unit Capital Amount for a Common Unit. The purpose of this allocation is to

establish uniformity between the Capital Accounts underlying Final Subordinated Units and the Capital Accounts underlying Common Units held by Persons other than the Managing General Partner and its Affiliates immediately prior to the conversion of such Final Subordinated Units into Common Units. This allocation method for establishing such economic uniformity will be available to the Managing General Partner only if the method for allocating the Capital Account maintained with respect to the Subordinated Units between the transferred and retained Subordinated Units pursuant to Section 5.3(c)(ii) does not otherwise provide such economic uniformity to the Final Subordinated Units.

(xi) Curative Allocation.

(A) Notwithstanding any other provision of this Section 6.1, other than the Required Allocations, the Required Allocations shall be taken into account in making the Agreed Allocations so that, to the extent possible, the net amount of items of income, gain, loss and deduction allocated to each Partner pursuant to the Required Allocations and the Agreed Allocations, together, shall be equal to the net amount of such items that would have been allocated to each such Partner under the Agreed Allocations had the Required Allocations and the related Curative Allocation not otherwise been provided in this Section 6.1. Notwithstanding the preceding sentence, Required Allocations relating to (1) Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Partnership Minimum Gain and (2) Partner Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Partner Nonrecourse Debt Minimum Gain. Allocations pursuant to this Section 6.1(d)(xi)(A) shall only be made with respect to Required Allocations to the extent the Managing General Partner determines that such allocations will otherwise be inconsistent with the economic agreement among the Partners. Further, allocations pursuant to this Section 6.1(d)(xi)(A) shall be deferred with respect to allocations pursuant to clauses (1) and (2) hereof to the extent the Managing General Partner determines that such allocations are likely to be offset by subsequent Required Allocations.

(B) The Managing General Partner shall, with respect to each taxable period, (1) apply the provisions of Section 6.1(d)(xi)(A) in whatever order is most likely to minimize the economic distortions that might otherwise result from the Required Allocations, and (2) divide all allocations pursuant to Section 6.1(d)(xi)(A) among the Partners in a manner that is likely to minimize such economic distortions.

(xii) Corrective Allocations. In the event of any allocation of Additional Book Basis Derivative Items or any Book-Down Event or any recognition of a Net Termination Loss, the following rules shall apply:

(A) In the case of any allocation of Additional Book Basis Derivative Items (other than an allocation of Unrealized Gain or Unrealized Loss under Section 5.3(d) hereof), the Managing General Partner shall allocate additional items of gross income and gain away from the Managing General Partner (in respect of the Incentive Distribution Rights) to the Unitholders, or additional items of deduction and loss away from the Unitholders to the Managing General Partner (in respect of the Incentive Distribution Rights), to the extent that the Additional Book Basis Derivative Items allocated to the Unitholders exceed their Share of Additional Book Basis Derivative Items. For this purpose, the Unitholders shall be treated as being allocated Additional Book Basis Derivative Items to the extent that such Additional Book Basis Derivative Items have reduced the amount of income that would otherwise have been allocated to the Unitholders under this Agreement (e.g., Additional Book Basis Derivative Items taken into account in computing cost of goods sold would reduce the amount of book income otherwise available for allocation among the Partners). Any allocation made pursuant to this Section 6.1(d)(xii)(A) shall be made after all of the other Agreed Allocations have been made as if this Section 6.1(d)(xii) were not in this Agreement and, to the extent necessary, shall require the reallocation of items that have been allocated pursuant to such other Agreed Allocations.

(B) In the case of any negative adjustments to the Capital Accounts of the Partners resulting from a Book-Down Event or from the recognition of a Net Termination Loss, such negative adjustment (1) shall first be allocated, to the extent of the Aggregate Remaining Net Positive Adjustments, in such a manner, as determined by the Managing General Partner, that to the extent possible the aggregate Capital Accounts of the Partners will equal the amount that would have been the Capital Account balance of the Partners if no prior Book-Up Events had occurred, and (2) any negative adjustment in excess of the Aggregate Remaining Net Positive Adjustments shall be allocated pursuant to Section 6.1(c) hereof.

(C) In making the allocations required under this Section 6.1(d)(xii), the Managing General Partner may apply whatever conventions or other methodology it determines will satisfy the purpose of this Section 6.1(d)(xii).

Section 6.2 *Allocations for Tax Purposes*.

(a) Except as otherwise provided herein, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of “book” income, gain, loss or deduction is allocated pursuant to Section 6.1.

(b) In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions shall be allocated for federal income tax purposes among the Partners as follows:

(i) (A) In the case of a Contributed Property, such items attributable thereto shall be allocated among the Partners in the manner provided under Section 704(c) of the Code that takes into account the variation between the Agreed Value of such property and its adjusted basis at the time of contribution; and (B) any item of Residual Gain or Residual Loss attributable to a Contributed Property shall be allocated among the Partners in the same manner as its correlative item of “book” gain or loss is allocated pursuant to Section 6.1.

(ii) (A) In the case of an Adjusted Property, such items shall (1) first, be allocated among the Partners in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 5.3(d)(i) or 5.3(d)(ii), and (2) second, in the event such property was originally a Contributed Property, be allocated among the Partners in a manner consistent with Section 6.2(b)(i)(A); and (B) any item of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated among the Partners in the same manner as its correlative item of “book” gain or loss is allocated pursuant to Section 6.1.

(iii) The Managing General Partner shall apply the principles of Treasury Regulation Section 1.704-3(d) to eliminate Book-Tax Disparities.

(c) For the proper administration of the Partnership and for the preservation of uniformity of the Units (or any class or classes thereof), the Managing General Partner shall (i) adopt such conventions as it deems appropriate in determining the amount of depreciation, amortization and cost recovery deductions; (ii) make special allocations for federal income tax purposes of income (including gross income) or deductions; and (iii) amend the provisions of this Agreement as appropriate (x) to reflect the proposal or promulgation of Treasury Regulations under Section 704(b) or Section 704(c) of the Code or (y) otherwise to preserve or achieve uniformity of the Units (or any class or classes thereof). The Managing General Partner may adopt such conventions, make such allocations and make such amendments to this Agreement as provided in this Section 6.2(c) only if such conventions, allocations or amendments would not have a material adverse effect on the Partners, the holders of any class or classes of Partnership Interests issued and Outstanding or the Partnership, and if such allocations are consistent with the principles of Section 704 of the Code.

(d) The Managing General Partner may determine to depreciate or amortize the portion of an adjustment under Section 743(b) of the Code attributable to unrealized appreciation in any Adjusted Property (to the extent of the unamortized Book-Tax Disparity) using a predetermined rate derived from the depreciation or amortization method and useful life applied to the Partnership’s common basis of such property, despite any inconsistency of such approach with Treasury Regulation Section 1.167(c)-l(a)(6), Treasury Regulation Section 1.197-2(g)(3), the legislative history of Section 743 of the Code or any successor regulations thereto. If the Managing General Partner determines that such reporting position cannot reasonably be taken, the Managing General Partner may adopt depreciation and amortization conventions under which all purchasers acquiring Partnership Interests in the same month would receive depreciation and amortization deductions, based upon the same applicable rate as if they had purchased a direct interest in the Partnership’s property. If the Managing General Partner chooses not to utilize such aggregate method, the Managing General Partner may use any other depreciation and amortization conventions to preserve the uniformity of the intrinsic tax characteristics of any Units, so long as such conventions would not have a material adverse effect on the Record Holders of any class or classes of Partnership Interests.

(e) Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 6.2, be characterized as Recapture Income in the same proportions and to the same extent as such Partners (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(f) All items of income, gain, loss, deduction and credit recognized by the Partnership for federal income tax purposes and allocated to the Partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code that may be made by the Partnership; provided, however, that such allocations, once made, shall be adjusted (in the manner determined by the Managing General Partner) to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

(g) Each item of Partnership income, gain, loss and deduction shall, for federal income tax purposes, be determined on an annual basis and prorated on a monthly basis and shall be allocated to the Partners (i) prior to the IO Closing Date, as of the last day of such month and (ii) thereafter as of the opening of the National Securities Exchange on which the Partnership's Units are listed or admitted to trading on the first Business Day of each month; provided, however, such items for the period beginning on the IO Closing Date and ending on the last day of the month in which any Over-Allotment Option is exercised or the expiration of any Over-Allotment Option occurs shall be allocated to the Partners as of the opening of the National Exchange on which the Partnership's Units are listed or admitted to trading on the first Business Day of the next succeeding month; and provided, further, that gain or loss on a sale or other disposition of any assets of the Partnership or any other extraordinary item of income or loss realized and recognized other than in the ordinary course of business, as determined by the Managing General Partner, shall be allocated to the Partners as of the opening of the National Exchange on which the Partnership's Units are listed or admitted to trading on the first Business Day of the month in which such gain or loss is recognized for federal income tax purposes. The Managing General Partner may revise, alter or otherwise modify such methods of allocation to the extent permitted or required by Section 706 of the Code and the regulations or rulings promulgated thereunder.

(h) Allocations that would otherwise be made to a Partner under the provisions of this Article VI shall instead be made to the beneficial owner of Partnership Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method determined by the Managing General Partner.

Section 6.3 *Requirement and Characterization of Distributions; Distributions to Record Holders*.

(a) Within 45 days following the end of each Quarter commencing with the Quarter that includes the Closing Date, an amount equal to 100% of Available Cash with respect to such Quarter shall, subject to Sections 17-607 and 17-804 of the Delaware Act, be distributed in accordance with this Article VI by the Partnership to the Partners as of the Record Date selected by the Managing General Partner. All amounts of Available Cash distributed by the Partnership on any date from any source shall be deemed to be Operating Surplus until the sum of all amounts of Available Cash theretofore distributed by the Partnership to the Partners pursuant to Section 6.4 equals the Operating Surplus from the Closing Date through the close of the immediately preceding Quarter. Any remaining amounts of Available Cash distributed by the Partnership on such date shall, except as otherwise provided in Section 6.5, be deemed to be Capital Surplus. All distributions required to be made under this Agreement will be made subject to Sections 17-607 and 17-804 of the Delaware Act.

(b) Notwithstanding Section 6.3(a), in the event of the dissolution and liquidation of the Partnership, all cash received during or after the Quarter in which the Liquidation Date occurs, other than from borrowings described in clause (a)(ii) of the definition of Available Cash, shall be applied and distributed solely in accordance with, and subject to the terms and conditions of, Section 12.4.

(c) The Managing General Partner may treat taxes paid by the Partnership on behalf of, or amounts withheld with respect to, all or less than all of the Partners, as a distribution of Available Cash to such Partners.

(d) Each distribution in respect of a Partnership Interest shall be paid by the Partnership, directly or through any Transfer Agent or through any other Person or agent, only to the Record Holder of such Partnership Interest as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

Section 6.4 *Distributions of Available Cash from Operating Surplus*.

(a) Prior to the Initial Offering. Available Cash with respect to any Quarter prior to the Initial Offering that is deemed to be Operating Surplus pursuant to the provisions of Section 6.3 or Section 6.6 shall, subject to Sections 17-607 and 17-804 of the Delaware Act, be distributed as follows, except as otherwise contemplated by Section 5.4(b) in respect of other Partnership Securities issued pursuant thereto:

(i) First, 100% to all Special Unitholders, Pro Rata, until there has been distributed in respect of each Special Unit then Outstanding an amount equal to the First Target Distribution;

(ii) Second, (A) 13% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 87% to all Special Unitholders, Pro Rata, until there has been distributed in respect of each Special Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter;

(iii) Third, (A) 23% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 77% to all Special Unitholders, Pro Rata, until there has been distributed in respect of each Special Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution for such Quarter; and

(iv) Thereafter, (A) 48% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 52% to all Special Unitholders, Pro Rata;

provided, however, if the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to the second sentence of Section 6.7(a), the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.4(a)(iv); provided further that no distributions will be paid to the Managing General Partner (in respect of the Incentive Distribution Rights) for so long as any Group Member is a guarantor of the Coffeyville Credit Agreement.

(b) During Subordination Period. Available Cash with respect to any Quarter within the Subordination Period that is deemed to be Operating Surplus pursuant to the provisions of Section 6.3 or 6.5 shall, subject to Sections 17-607 and 17-804 of the Delaware Act, be distributed as follows, except as otherwise contemplated by Section 5.4(b) in respect of other Partnership Securities issued pursuant thereto:

(i) First, to all the Unitholders holding Common Units, Pro Rata, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(ii) Second, to all Unitholders holding Common Units, Pro Rata, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Cumulative Common Unit Arrearage existing with respect to such Quarter;

(iii) Third, to all Unitholders holding Subordinated Units, Pro Rata, until there has been distributed in respect of each Subordinated Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(iv) Fourth, to all Unitholders, Pro Rata, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution for such Quarter;

(v) Fifth, (A) 13% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 87% to all Unitholders, Pro Rata, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter;

(vi) Sixth, (A) 23% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 77% to all Unitholders, Pro Rata, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution for such Quarter; and

(vii) Thereafter, (A) 48% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 52% to all Unitholders, Pro Rata;

provided, however, if the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to the second sentence of Section 6.7(a), the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.4(b)(vii); provided further that no distributions will be paid to the Managing General Partner (in respect of the Incentive Distribution Rights) for so long as any Group Member is a guarantor of the Coffeyville Credit Agreement.

(c) After Subordination Period. Available Cash with respect to any Quarter after the Subordination Period that is deemed to be Operating Surplus pursuant to the provisions of Section 6.3 or 6.5, subject to Sections 17-607 and 17-804 of the Delaware Act, shall be distributed as follows, except as otherwise contemplated by Section 5.4(b) in respect of additional Partnership Securities issued pursuant thereto:

(i) First, 100% to all Unitholders, Pro Rata, until there has been distributed in respect of each Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(ii) Second, 100% to all Unitholders in accordance with their respective Percentage Interests, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution for such Quarter;

(iii) Third, (A) 13% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 87% to all Unitholders, Pro Rata, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter;

(iv) Fourth, (A) 23% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 77% to all Unitholders, Pro Rata, until there has been distributed in respect of each Unit then Outstanding an amount equal to the excess of the Third Target Distribution over the Second Target Distribution for such Quarter; and

(v) Thereafter, (A) 48% to the Managing General Partner (in respect of the Incentive Distribution Rights); and (B) 52% to all Unitholders, Pro Rata;

provided, however, if the First Target Distribution, the Second Target Distribution and the Third Target Distribution have been reduced to zero pursuant to the second sentence of Section 6.7(a), the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.4(c)(v); provided further that no distributions will be paid to the Managing General Partner (in respect of the Incentive Distribution Rights) for so long as any Group Member is a guarantor of the Coffeyville Credit Agreement.

Section 6.5 *Distributions of Non-IDR Surplus Amount*. Notwithstanding anything to the contrary in this Agreement, no distribution shall be made to the Managing General Partner Interest until the Non-IDR Surplus Amount has been distributed to the Outstanding Units.

Section 6.6 *Distributions of Available Cash from Capital Surplus*.

(a) Prior to the IO Closing Date. Prior to the IO Closing Date, Available Cash that is deemed to be Capital Surplus pursuant to the provisions of Section 6.3(a) shall, subject to Sections 17-607 and 17-804 of the Delaware Act, be distributed, unless the provisions of Section 6.3 require otherwise, 100% to the Unitholders, Pro Rata, until the Minimum Quarterly Distribution has been reduced to zero pursuant to the second sentence of Section 6.7(a). Thereafter, all Available Cash shall be distributed as if it were Operating Surplus and shall be distributed in accordance with Section 6.4.

(b) On or after the IO Closing Date. Available Cash that is deemed to be Capital Surplus pursuant to the provisions of Section 6.3(a) shall, subject to Sections 17-607 and 17-804 of the Delaware Act, be distributed, unless the provisions of Section 6.3 require otherwise, 100% to the Unitholders, Pro Rata, until the Minimum Quarterly Distribution has been reduced to zero pursuant to the second sentence of Section 6.7(a). Available Cash that is deemed to be Capital Surplus shall then be distributed to all Unitholders holding Common Units, Pro Rata, until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Cumulative Common Unit Arrearage. Thereafter, all Available Cash shall be distributed as if it were Operating Surplus and shall be distributed in accordance with Section 6.4.

Section 6.7 *Adjustment of Minimum Quarterly Distribution and Target Distribution Levels*.

(a) The Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution, Third Target Distribution, Common Unit Arrearages and Cumulative Common Unit Arrearages shall be proportionately adjusted in the event of any distribution, combination or subdivision (whether effected by a distribution payable in Units or otherwise) of Units or other Partnership Securities in accordance with Section 5.8. In the event of a distribution of Available Cash that is deemed to be from Capital Surplus, the then applicable Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution and Third Target Distribution, shall be reduced in the same proportion that the distribution had to the fair market value of the Common Units immediately prior to the announcement of the distribution. If the Common Units are publicly traded on a National Securities Exchange, the fair market value will be the Current Market Price before the ex-dividend date. If the Common Units are not publicly traded, the fair market value will be determined by the Board of Directors of the General Partner.

(b) The Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution and Third Target Distribution, shall also be subject to adjustment pursuant to Section 6.9.

Section 6.8 *Special Provisions Relating to the Holders of Subordinated Units*.

(a) Except with respect to the right to vote on or approve matters requiring the vote or approval of a percentage of the holders of Outstanding Common Units and the right to participate in allocations of income, gain, loss and deduction and distributions made with respect to Common Units, the holder of a Subordinated Unit shall have all of the rights and obligations of a Unitholder holding Common Units hereunder; provided, however, that immediately upon the conversion of Subordinated Units into Common Units pursuant to Section 5.6, the Unitholder holding a Subordinated Unit shall possess all of the rights and obligations of a Unitholder holding Common Units hereunder, including the right to vote as a Common Unitholder and the right to participate in allocations of income, gain, loss and deduction and distributions made with respect to Common Units; provided, however, that such converted Subordinated Units shall remain subject to the provisions of Sections 5.3(c)(ii), 6.1(d)(x) and 6.8(b).

(b) A Unitholder shall not be permitted to transfer a Subordinated Unit or a Subordinated Unit that has converted into a Common Unit pursuant to Section 5.6 (other than a transfer to an Affiliate) if the remaining balance in the transferring Unitholder's Capital Account with respect to the retained Subordinated Units or Retained Converted Subordinated Units would be negative after giving effect to the allocation under Section 5.3(c)(ii)(B).

(c) A Unitholder holding a Subordinated Unit that has converted into a Common Unit pursuant to Section 5.5 shall not be issued a Common Unit Certificate pursuant to Section 4.1, if the Common Units are evidenced by Certificates, and shall not be permitted to transfer its converted Subordinated Units to a Person that is not an Affiliate of the holder until such time as the Managing General Partner determines, based on advice of counsel, that a converted Subordinated Unit should have, as a substantive matter, like intrinsic economic and federal income tax characteristics, in all material respects, to the intrinsic economic and federal income tax characteristics of an Initial Common Unit. In connection with the condition imposed by this Section 6.8(c), the Managing General Partner may take whatever steps are required to provide economic uniformity to the converted Subordinated Units in preparation for a transfer of such converted Subordinated Units, including the application of Sections 5.3(c)(ii), 6.1(d)(x) and 6.8(b); provided, however, that no such steps may be taken that would have a material adverse effect on the Unitholders holding Common Units.

Section 6.9 *Entity Level Taxation*. If legislation is enacted or the interpretation of existing language is modified by a court of competent jurisdiction so that a Group Member is treated as an association taxable as a corporation or is otherwise subject to an entity level tax for federal, state or local income tax purposes, then the Managing General Partner may, in its sole discretion, reduce the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution by the amount of the income taxes that are payable by reason of any such new legislation or interpretation (the "Incremental Income Tax"), or any portion thereof selected by the Managing General Partner, in the manner provided in this Section 6.9. If the Managing General Partner elects to reduce the Minimum Quarterly Distribution, the First Target Distribution, the Second Target Distribution and the Third Target Distribution for any Quarter with respect to all or a portion of the Incremental Income Taxes, the Managing General Partner shall estimate for such Quarter the Partnership Group's aggregate liability (the "Estimated Incremental Quarterly Tax Amount") for all (or the relevant portion of) such Incremental Income Taxes; provided that any difference between such estimate and the actual liability for Incremental Income Taxes (or the relevant portion thereof) or such Quarter may, to the extent determined by the Managing General Partner, be taken into account in determining the Estimated Incremental Quarterly Tax Amount with respect to each Quarter in which any such difference can be determined. For each such Quarter, the Minimum Quarterly Distribution, First Target Distribution, Second Target Distribution and Third Target Distribution, shall be the product obtained by multiplying (a) the amounts therefor that are set out herein prior to the application of this Section 6.9 times (b) the quotient obtained by dividing (i) Available Cash with respect to such Quarter by (ii) the sum of Available Cash with respect to such Quarter and the Estimated Incremental Quarterly Tax Amount for such Quarter, as determined by the Managing General Partner. For purposes of the foregoing, Available Cash with respect to a Quarter will be deemed reduced by the Estimated Incremental Quarterly Tax Amount for that Quarter.

Section 6.10 *Distributions in Connection with Initial Offering*.

Notwithstanding any provision of this Agreement to the contrary, there shall be two Quarters in the fiscal quarter in which the IO Closing Date occurs; one Quarter comprised of the period of such fiscal quarter before the IO Closing Date and one Quarter comprised of the period of such fiscal quarter from and after the IO Closing Date. With respect to the distribution for the fiscal quarter in which the IO Closing Date occurs, (a) the amount of Available Cash distributed to the Partners pursuant to Section 6.4(a) (and Section 6.6(a), if applicable), shall equal 100% of Available Cash with respect to such fiscal quarter multiplied by a fraction, the numerator of which is the number of days in such fiscal quarter before the IO Closing Date and the denominator of which is the total number of days in such fiscal quarter; and (b) the amount of Available Cash distributed to the Partners pursuant to Section 6.4(b) (and Section 6.6(b), if applicable) shall equal 100% of Available Cash with respect to such fiscal quarter less the amount described in clause (a).

Section 6.11 *Limitation on Increases in Distributions*.

Following such time as (a) no Group Member is a guarantor of the Coffeyville Credit Agreement and (b) the Non-IDR Surplus Amount has been distributed to the Outstanding Units, the Managing General Partner shall not cause the Partnership to make a regular Quarterly distribution of Available Cash that is deemed to be Operating Surplus at a per-Unit amount that represents an increase from the per-Unit amount of the most regular Quarterly Distribution preceding the date of determination unless the Managing General Partner determines that the increased per-Unit distribution amount is likely to be sustainable for a period of at least eight consecutive Quarters from the date of increase. This Section 6.11 shall not apply to any special distributions or any distribution in the nature of a liquidating distribution or partially liquidating distribution.

ARTICLE VII
MANAGEMENT AND OPERATION OF BUSINESS

Section 7.1 *Management*.

(a) The Managing General Partner shall conduct, direct and manage all activities of the Partnership, subject, however, to any prior approval required by Section 7.3. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership shall be exclusively vested in the Managing General Partner, and no other Partner shall have any management power over the business and affairs of the Partnership. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or that are granted to the Managing General Partner under any other provision of this Agreement, the Managing General Partner, subject to Section 7.3, shall have full power and authority to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Partnership, to exercise all powers set forth in Section 2.5 and to effectuate the purposes set forth in Section 2.4, including the following:

(i) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including indebtedness that is convertible or exchangeable into Partnership Securities, and the incurring of any other obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person (the matters described in this clause (iii) being subject, however, to any prior approval required by Section 7.3 or Article XIV);

(iv) the use of the assets of the Partnership (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership Group; the lending of funds to other Persons (including other Group Members); the repayment or guarantee of obligations of any Group Member; and the making of capital contributions to any Group Member (the matters described in this clause (iv) being subject, however, to subject to Section 7.6(a));

(v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the Managing General Partner or its assets other than its interest in the Partnership, even if same results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case);

(vi) the distribution of Partnership cash;

(vii) the selection and dismissal of employees (including employees having titles such as “president,” “vice president,” “secretary” and “treasurer”) and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring (the matters described in this clause (vii) being subject, however, to any prior approval required by Section 7.3(c));

(viii) the maintenance of insurance for the benefit of the Partnership Group, the Partners and Indemnitees;

(ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations, limited liability companies or other relationships (including the acquisition of interests in, and the contributions of property to, any Group Member from time to time) subject to the restrictions set forth in Section 2.4;

(x) the control of any matters affecting the rights and obligations of the Partnership, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation, arbitration or mediation and the incurring of legal expense and the settlement of claims and litigation;

(xi) the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xii) the entering into of listing agreements with any National Securities Exchange and the delisting of some or all of the Partnership Interests from, or requesting that trading be suspended on, any such exchange (subject to any prior approval required under Section 4.8);

(xiii) the purchase, sale or other acquisition or disposition of Partnership Securities, or the issuance of options, rights, warrants and appreciation rights relating to Partnership Securities;

(xiv) the undertaking of any action in connection with the Partnership's participation in the management of any Group Member through its directors, officers, employees or the Partnership's direct or indirect ownership of Group Members; and

(xv) the entering into of agreements with any of its Affiliates to render services to a Group Member or to itself in the discharge of its duties as Managing General Partner of the Partnership.

(b) Notwithstanding any other provision of this Agreement, any Group Member Agreement, the Delaware Act or any applicable law, rule or regulation, each of the Partners and each other Person who may acquire an interest in Partnership Securities hereby (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of this Agreement and the Group Member Agreement of each other Group Member, the Omnibus Agreement (without giving effect to any amendments, supplements or restatements after the date hereof), the Contribution Agreement (without giving effect to any amendments, supplements or restatements after the date hereof) and the other agreements described in or filed as exhibits to the Registration Statement that are related to the transactions contemplated by the Registration Statement; (ii) agrees that the Managing General Partner (on its own or on behalf of the Partnership) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence and the other agreements, acts, transactions and matters described in or contemplated by the Registration Statement on behalf of the Partnership without any further act, approval or vote of the Partners or the other Persons who may acquire an interest in Partnership Securities; and (iii) agrees that the execution, delivery or performance by the Managing General Partner, any Group Member or any Affiliate of any of them of this Agreement or any agreement authorized or permitted under this Agreement (including the exercise by the Managing General Partner or any Affiliate of the Managing General Partner of the rights accorded pursuant to Article XV) shall not constitute a breach by the Managing General Partner of any duty that the

Managing General Partner may owe the Partnership or the Partners or any other Persons under this Agreement (or any other agreements) or of any duty existing at law, in equity or otherwise.

Section 7.2 *Certificate of Limited Partnership*. The Managing General Partner has caused the Certificate of Limited Partnership to be filed with the Secretary of State of the State of Delaware as required by the Delaware Act. The Managing General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents that the Managing General Partner determines to be necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware or any other state in which the Partnership may elect to do business or own property. To the extent the Managing General Partner determines such action to be necessary or appropriate, the Managing General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership or other entity in which the limited partners have limited liability) under the laws of the State of Delaware or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 3.4(a), the Managing General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Partner.

Section 7.3 *Restrictions on the Managing General Partner's Authority; Approval Rights of Special General Partner*.

(a) Except as provided in Articles XII and XIV, the Managing General Partner may not sell, exchange or otherwise dispose of all or substantially all of the assets of the Partnership Group, taken as a whole, in a single transaction or a series of related transactions without the approval of holders of a Unit Majority; provided, however, that this provision shall not preclude or limit the Managing General Partner's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of the Partnership Group and shall not apply to any forced sale of any or all of the assets of the Partnership Group pursuant to the foreclosure of, or other realization upon, any such encumbrance. Without the approval of holders of a Unit Majority, the Managing General Partner shall not, on behalf of the Partnership, except as permitted under Sections 4.6, 11.1 and 11.2, elect or cause the Partnership to elect a successor general partner of the Partnership.

(b) The Managing General Partner may not cause the Partnership to take any of the following actions without approval of the Special General Partner:

(i) any merger or consolidation by the Partnership into another entity where:

(A) if the Special General Partner owns 50% or more of the Outstanding Units immediately prior to the merger or consolidation, less than 60% of the equity interests of the resulting entity are owned by the pre-merger Unitholders of the Partnership;

(B) if the Special General Partner owns 25% or more of all units of the Outstanding Units immediately prior to the merger or consolidation, less than

50% of the equity interests of the resulting entity are owned by the pre-merger Unitholders of the Partnership; and

(C) if the Special General Partner owns 15% or more of all units of the Outstanding Units immediately prior to the merger or consolidation, less than 40% of the equity interests of the resulting entity are owned by the pre-merger Unitholders of the Partnership;

(ii) any purchase or sale, exchange or other transfer of assets or entities by the Partnership with a purchase/sale price equal to 50% or more of the current asset value of the Partnership;

(iii) any fundamental change in the business of the Partnership from that conducted by the assets contributed to the Partnership pursuant to the Contribution Agreement;

(iv) any incurrence of indebtedness by the Partnership or issuance of Partnership Securities with rights to distribution or in liquidation ranking prior or senior to the Common Units, in either case in excess of $125 million ($200 million in the case of the Initial Offering, excluding any proceeds from any Over-Allotment Option), increased from time to time by 80% of the purchase price for assets or entities whose purchase was approved by the Special General Partner pursuant to Section 7.3(b)(ii).

(c) The Managing General Partner may not appoint a Person performing the functions of the chief executive officer or chief financial officer for the Partnership, either as an officer of the Partnership or as an officer of the Managing General Partner or otherwise, and may not terminate or substantially change the responsibilities of or make a change to the compensation of any such Person without approval of the Special General Partner, such approval not to be withheld unreasonably. If Person performing the functions of the chief executive officer or chief financial officer for the Partnership is an executive officer of the CVR Energy, Inc., or its successor as beneficial owner of the Special General Partner, or any of its Controlled Affiliates (other than a Group Member), the Special General Partner shall be deemed to have consented to the appointment of such executive officer by the Managing General Partner.

(d) The Managing General Partner agrees that the Special General Partner has the right to appoint one member to the Board of Directors. In addition, if the Partnership does not make distributions per Unit equal to or exceeding the Minimum Quarterly Distribution for four consecutive Quarters the Special General Partner shall have the right to appoint one additional member to the Board of Directors until the Partnership has made distributions per Unit equal to or exceeding the exceeding the Minimum Quarterly Distribution for four consecutive Quarters following the applicability of the Special General Partner's right to appoint an additional director.

(e) The Special General Partner shall be deemed to have approved any matter specified in Section 7.3(b), (c) or (d) if the Managing General Partner receives a written, facsimile or electronic instruction evidencing such approval from the Special General Partner or if the Special General Partner's designees on the Board of Directors approve such matter.

Section 7.4 *Reimbursement of the Managing General Partner*.

(a) Except as provided in this Section 7.4 and elsewhere in this Agreement, the Managing General Partner shall not be compensated for its services as a general partner or managing member of any Group Member.

(b) The Managing General Partner shall be reimbursed on a monthly basis, or such other basis as the Managing General Partner may determine, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership Group (including salary, bonus, incentive compensation and other amounts paid to any Person including Affiliates of the Managing General Partner to perform services for the Partnership Group or for the Managing General Partner in the discharge of its duties to the Partnership Group), and (ii) all other expenses reasonably allocable to the Partnership Group or otherwise incurred by the Managing General Partner in connection with operating the Partnership Group's business (including expenses allocated to the Managing General Partner by its Affiliates). The Managing General Partner shall determine the expenses that are allocable to the Partnership Group. Reimbursements pursuant to this Section 7.4 shall be in addition to any reimbursement to the Managing General Partner as a result of indemnification pursuant to Section 7.7.

(c) The Managing General Partner and its Affiliates may charge any member of the Partnership Group a management fee to the extent necessary to allow the Partnership Group to reduce the amount of any state franchise or income tax or any tax based upon the revenues or gross margin of any member of the Partnership Group if the tax benefit produced by the payment of such management fee or fees exceeds the amount of such fee or fees.

(d) The Managing General Partner, without the approval of the other Partners (who shall have no right to vote in respect thereof) but subject to any prior approval required by Section 7.3, may propose and adopt on behalf of the Partnership employee benefit plans, employee programs and employee practices (including plans, programs and practices involving the issuance of Partnership Securities or options to purchase or rights, warrants or appreciation rights relating to Partnership Securities), or cause the Partnership to issue Partnership Securities in connection with, or pursuant to, any employee benefit plan, employee program or employee practice maintained or sponsored by the Managing General Partner or any of its Affiliates, in each case for the benefit of employees of the Managing General Partner or its Affiliates, any Group Member or their Affiliates, or any of them, in respect of services performed, directly or indirectly, for the benefit of the Partnership Group. The Partnership agrees to issue and sell to the Managing General Partner or any of its Affiliates any Partnership Securities that the Managing General Partner or such Affiliates are obligated to provide to any employees pursuant to any such employee benefit plans, employee programs or employee practices. Expenses incurred by the Managing General Partner in connection with any such plans, programs and practices (including the net cost to the Managing General Partner or such Affiliates of Partnership Securities purchased by the Managing General Partner or such Affiliates, from the Partnership or otherwise, to fulfill options or awards under such plans, programs and practices) shall be reimbursed in accordance with Section 7.4(b). Any and all obligations of the Managing General Partner under any employee benefit plans, employee programs or employee practices adopted by the Managing General Partner as permitted by this Section 7.4(c) shall constitute obligations of the Managing General Partner hereunder and shall be assumed by any successor Managing

General Partner approved pursuant to Section 11.1 or 11.2 or the transferee of or successor to all of the Managing General Partner's Managing General Partner Interest pursuant to Section 4.6.

Section 7.5 *Outside Activities*.

(a) After the Closing Date, the Managing General Partner, for so long as it is the Managing General Partner of the Partnership (i) agrees that its sole business will be to act as a general partner or managing member, as the case may be, of the Partnership and any other partnership or limited liability company of which the Partnership is, directly or indirectly, a partner or member and to undertake activities that are ancillary or related thereto (including being a limited partner in the Partnership) and (ii) shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as general partner or managing member, if any, of one or more Group Members or as described in or contemplated by the Registration Statement or (B) the acquiring, owning or disposing of debt or equity securities in any Group Member.

(b) CVR Energy, Inc. has entered into the Omnibus Agreement, which agreement sets forth certain restrictions on the ability of CVR Energy, Inc. and its controlled Affiliates (other than the Partnership) to engage in Fertilizer Restricted Businesses.

(c) Except as specifically restricted by the Omnibus Agreement, each Unrestricted Person (other than the Managing General Partner) shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member, and none of the same shall constitute a breach of this Agreement or any duty otherwise existing at law, in equity or otherwise, to any Group Member or any Partner.

(d) Notwithstanding anything to the contrary in this Agreement, the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to any Unrestricted Person (including the Managing General Partner). Except as specifically provided in the Omnibus Agreement, no Unrestricted Person (including the Managing General Partner) who acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Partnership shall have any duty to communicate or offer such opportunity to the Partnership, and such Unrestricted Person (including the Managing General Partner) shall not be liable to the Partnership, any Partner or any other Person for breach of any fiduciary or other duty by reason of the fact that such Unrestricted Person (including the Managing General Partner) pursues or acquires for itself, directs such opportunity to another Person or does not communicate such opportunity or information to the Partnership.

(e) Subject to the terms of Section 7.5(a), Section 7.5(b), Section 7.5(c) and the Omnibus Agreement, but otherwise notwithstanding anything to the contrary in this Agreement, (i) the engaging in competitive activities by any Unrestricted Person (other than the Managing General Partner) in accordance with the provisions of this Section 7.5 is hereby approved by the Partnership and all Partners, and (ii) it shall be deemed not to be a breach of any fiduciary duty or any other duty or obligation of any type whatsoever of the Managing General Partner or of any other Unrestricted Person for the Unrestricted Person (other than the Managing General Partner) to engage in such business interests and activities in preference to or to the exclusion of the Partnership and the other Group Members.

(f) The Managing General Partner and each of its Affiliates may acquire Units or other Partnership Securities and, except as otherwise expressly provided in this Agreement, shall be entitled to exercise, at their option, all rights relating to all Units or other Partnership Securities acquired by them. The term "Affiliates" when used in this Section 7.5(f) with respect to the Managing General Partner shall not include any Group Member.

(g) Notwithstanding anything in this Agreement to the contrary, nothing herein shall be deemed to restrict Goldman, Sachs & Co., Kelso & Company, L.P. or their respective Affiliates (other than the Managing General Partner), or their respective successors and assigns as owners of interests in either of the General Partners, from engaging in any banking, brokerage, trading, market making, hedging, arbitrage, investment advisory, financial advisory, anti-raid advisory, merger advisory, financing, lending, underwriting, asset management, principal investing, mergers & acquisitions or other activities conducted in the ordinary course of their or their Affiliates' business in compliance with applicable law, including without limitation buying and selling Partnership Securities or securities of any other Partner or Group Member, entering into derivatives transactions regarding or shorting Partnership Securities or securities of any other Partner or Group Member, serving as a lender, underwriter or market maker or issuing research with respect to securities of any Partner or Group Member or acquiring, selling, making investments in or entering into other transactions or undertaking any opportunities with companies or businesses in the same or similar lines of business as any Partner or Group Member or any other businesses.

Section 7.6 *Loans from the Managing General Partner; Loans or Contributions from the Partnership or Group Members*.

(a) The Managing General Partner or any of its Affiliates may, but shall be under no obligation to, lend to any Group Member, and any Group Member may borrow from the Managing General Partner or any of its Affiliates, funds needed or desired by the Group Member for such periods of time and in such amounts as the Managing General Partner may determine; provided, however, that in any such case the lending party may not charge the borrowing party interest at a rate greater than the rate that would be charged the borrowing party or impose terms less favorable to the borrowing party than would be charged or imposed on the borrowing party by unrelated lenders on comparable loans made on an arm's length basis (without reference to the lending party's financial abilities or guarantees), all as determined by the Managing General Partner. The borrowing party shall reimburse the lending party for any costs (other than any additional interest costs) incurred by the lending party in connection with the borrowing of such funds. For purposes of this Section 7.6(a) and Section 7.6(b), the term "Group Member" shall include any Affiliate of a Group Member that is controlled by the Group Member.

(b) The Partnership may lend or contribute to any Group Member, and any Group Member may borrow from the Partnership, funds on terms and conditions determined by the Managing General Partner. No Group Member may lend funds to the Managing General Partner or any of its Affiliates (other than another Group Member).

(c) No borrowing by any Group Member or the approval thereof by the Managing General Partner shall be deemed to constitute a breach of any duty, expressed or implied, of the Managing General Partner or its Affiliates to the Partnership or the Partners by reason of the fact that the purpose or effect of such borrowing is directly or indirectly to (i) enable distributions to the Managing General Partner in respect of the Incentive Distribution Rights or (ii) hasten the expiration of the Subordination Period or the conversion of any Subordinated Units into Common Units.

Section 7.7 *Indemnification*.

(a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, all Indemnitees shall be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee; provided, that the Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section 7.7, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was unlawful; provided, further, no indemnification pursuant to this Section 7.7 shall be available to the Managing General Partner or its Affiliates (other than a Group Member) with respect to its or their obligations incurred pursuant to the Omnibus Agreement or the Contribution Agreement (other than obligations incurred by the Managing General Partner on behalf of the Partnership). Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, it being agreed that the General Partners shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 7.7(a) in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to a final and non-appealable determination that the Indemnitee is not entitled to be indemnified upon receipt by the Partnership of any undertaking by or on behalf of the Indemnitee to repay such amount if it shall be ultimately determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 7.7.

(c) The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the holders of Outstanding Limited Partner Interests, as a matter of law, in equity or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(d) The Partnership may purchase and maintain (or reimburse the Managing General Partner or its Affiliates for the cost of) insurance, on behalf of the Managing General Partner, its Affiliates, the Indemnitees and such other Persons as the Managing General Partner shall determine, against any liability that may be asserted against, or expense that may be incurred by, such Person in connection with the Partnership's activities or such Person's activities on behalf of the Partnership, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 7.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 7.7(a); and action taken or omitted by an Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 7.7 are for the benefit of the Indemnitees and their heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 7.7 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify any such Indemnitee under and in accordance with the provisions of this Section 7.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.8 *Liability of Indemnitees*.

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership, the Partners or any other Persons who have acquired interests in the Partnership Securities, for losses sustained or liabilities incurred as a result of any act or omission of an Indemnitee unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was criminal.

(b) Subject to its obligations and duties as Managing General Partner set forth in Section 7.1(a), the Managing General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the Managing General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the Managing General Partner in good faith.

(c) To the extent that, at law or in equity, an Indemnitee has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, the Managing General Partner and any other Indemnitee acting in connection with the Partnership's business or affairs shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement.

(d) Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.9 *Resolution of Conflicts of Interest; Standards of Conduct and Modification of Duties*.

(a) Unless otherwise expressly provided in this Agreement or any Group Member Agreement, whenever a potential conflict of interest exists or arises between a General Partner or any of its respective Affiliates, on the one hand, and the Partnership, any Group Member or any other Partner, on the other, any resolution or course of action by the General Partner or any of its respective Affiliates in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement, of any Group Member Agreement, of any agreement contemplated herein or therein, or of any duty hereunder or existing at law, in equity or otherwise, if the resolution or course of action in respect of such conflict of interest is (i) approved by Special Approval, (ii) approved by the vote of a majority of the Units (excluding Units owned by the Managing General Partner and its Affiliates), (iii) on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iv) fair and reasonable to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership). The Managing General Partner shall be authorized but not required in connection with its resolution of such conflict of interest to seek Special Approval or Unitholder approval of such resolution, and the Managing General Partner may also adopt a resolution or course of action that has not received Special Approval or Unitholder approval. If Special Approval or Unitholder approval is not sought and the Board of Directors determines that the resolution or course of action taken with respect to a conflict of interest satisfies either of the standards set forth in clauses (iii) or (iv) above, then it shall be presumed that, in making its decision, the Board of Directors acted in good faith, and in any proceeding brought by any Partner or by or on behalf of such Partner or any other Partner or the Partnership challenging such approval, the Person bringing or prosecuting such proceeding shall have the burden of overcoming such presumption. Notwithstanding anything to the contrary in this Agreement or any duty otherwise existing at law or equity, the existence of the conflicts of interest described in the Registration Statement are hereby approved by all Partners and shall not constitute a breach of this Agreement.

(b) Whenever a General Partner makes a determination or takes or declines to take any other action, or any of its respective Affiliates causes it to do so, in its capacity as a general partner of the Partnership as opposed to in its individual capacity, whether under this Agreement, any Group Member Agreement or any other agreement contemplated hereby or otherwise, then, unless another express standard is provided for in this Agreement, the General Partner or such Affiliates causing it to do so, shall make such determination or take or decline to take such other action in good faith and shall not be subject to any other or different standards imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. In order for a determination or other action to be in "good faith" for purposes of this Agreement, the Person or Persons making such determination or taking or declining to take such other action must believe that the determination or other action is in the best interests of the Partnership.

(c) Whenever a General Partner makes a determination or takes or declines to take any other action, or any of its respective Affiliates causes it to do so, in its individual capacity as opposed to in its capacity as the general partner of the Partnership, whether under this Agreement, any Group Member Agreement or any other agreement contemplated hereby or otherwise, then the General Partner, or such Affiliates causing it to do so, are entitled to make such determination or to take or decline to take such other action free of any fiduciary duty or obligation whatsoever to the Partnership, or any other Partner, and the General Partner, or such Affiliates causing it to do so, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. By way of illustration and not of limitation, whenever the phrase, "at the option of the General Partner," or some variation of that phrase, is used in this Agreement, it indicates that the General Partner is acting in its individual capacity. For the avoidance of doubt, whenever a General Partner votes or transfers its Partnership Interest, or refrains from voting or transferring its Partnership Interest, it shall be acting in its individual capacity. The organizational documents of each General Partner may provide that determinations to take or decline to take any action in its individual, rather than representative, capacity may or shall be determined by its members, if the General Partner is a limited liability company, stockholders, if the General Partner is a corporation, or the members or stockholders of the General Partner's general partner, if the General Partner is a limited partnership.

(d) Notwithstanding anything to the contrary in this Agreement, the General Partners and their respective Affiliates shall have no duty or obligation, express or implied, to (i) sell or otherwise dispose of any asset of the Partnership Group other than in the ordinary course of business or (ii) permit any Group Member to use any facilities or assets of the General Partner and their respective Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use. Any determination by the General Partner or any of their respective Affiliates to enter into such contracts shall be in its sole discretion.

(e) Except as expressly set forth in this Agreement, neither the General Partners nor any other Indemnitee shall have any duties or liabilities, including fiduciary duties, to the Partnership or any Partner and the provisions of this Agreement, to the extent that they restrict, eliminate or otherwise modify the duties and liabilities, including fiduciary duties, of the General Partner or any other Indemnitee otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of the General Partner or such other Indemnitee.

(f) The Unitholders hereby authorize the Managing General Partner, on behalf of the Partnership as a partner or member of a Group Member, to approve actions by the general partner or managing member of such Group Member similar to those actions permitted to be taken by the Managing General Partner pursuant to this Section 7.9.

Section 7.10 *Other Matters Concerning the General Partners*.

(a) Each General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Each General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the advice or opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion.

(c) Each General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers, a duly appointed attorney or attorneys-in-fact or, in the case of the Managing General Partner, the duly authorized officers of the Partnership.

Section 7.11 *Purchase or Sale of Partnership Securities*. The Managing General Partner may cause the Partnership to purchase or otherwise acquire Partnership Securities; provided that, except as permitted pursuant to Section 4.9, the Managing General Partner may not cause any Group Member to purchase Subordinated Units during the Subordination Period. As long as Partnership Securities are held by any Group Member, such Partnership Securities shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partners or any of their respective Affiliates may also purchase or otherwise acquire and sell or otherwise dispose of Partnership Securities for its own account, subject to the provisions of Articles IV and X.

Section 7.12 *Registration Rights of the General Partners and their Affiliates*.

(a) Following the Initial Public Offering, if (i) a General Partner or any of its respective Affiliates (including for purposes of this Section 7.12, any Person that is an Affiliate of a General Partner at the date hereof notwithstanding that it may later cease to be an Affiliate of a General Partner) holds Partnership Securities that it desires to sell and (ii) Rule 144 of the Securities Act (or any successor rule or regulation to Rule 144) or another exemption from registration is not available to enable such holder of Partnership Securities (the "Holder") to dispose of the number of Partnership Securities it desires to sell at the time it desires to do so without registration under the Securities Act, then at the option and upon the request of the Holder, the Partnership shall file with the Commission as promptly as practicable after receiving such request, and use all commercially reasonable efforts to cause to become effective and remain effective for a period of not less than six months following its effective date or such shorter period as shall terminate when all Partnership Securities covered by such registration statement have been sold, a registration statement under the Securities Act registering the offering and sale of the number of Partnership Securities specified by the Holder; provided, however, that the aggregate offering price of any such offering and sale of Partnership Securities covered by such registration statement as provided for in this Section 7.12(a) shall not be less than $5.0 million; provided further, that the Partnership shall not be required to effect more than two registrations pursuant to this Section 7.12(a) in any twelve-month period; and provided further, that if the Managing General Partner determines that a postponement of the requested registration for up to six months would be in the best interests of the Partnership and its Partners due to a pending transaction, investigation or other event, the filing of such registration statement or the effectiveness thereof may be deferred for up to six months, but not thereafter. In connection with any registration pursuant to the immediately preceding sentence, the Partnership shall (i) promptly prepare and file (A) such documents as may be necessary to register or qualify the securities subject to such registration under the securities laws of such states as the Holder shall reasonably request; provided, however, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Partnership would become subject to general service of process or to taxation or qualification to do business as a foreign corporation or partnership doing business in such jurisdiction solely as a result of such registration, and (B) such documents as may be necessary to apply for listing or to list the Partnership Securities subject to such registration on such National Securities Exchange as the Holder shall reasonably request, and (ii) do any and all other acts and things that may be necessary or appropriate to enable the Holder to consummate a public sale of such Partnership Securities in such states. Except as set forth in Section 7.12(c), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(b) If the Partnership shall at any time propose to file a registration statement under the Securities Act for an offering of Partnership Securities for cash (other than an offering relating solely to an employee benefit plan but including the Initial Public Offering), the Partnership shall use all commercially reasonable efforts to include such number or amount of Partnership Securities held by any Holder in such registration statement as the Holder shall request; provided, that the Partnership is not required to make any effort or take any action to so include the Partnership Securities of the Holder once the registration statement becomes or is declared effective by the Commission, including any registration statement providing for the offering from time to time of Partnership Securities pursuant to Rule 415 of the Securities Act. If the proposed offering pursuant to this Section 7.12(b) shall be an underwritten offering, then, in the event that the managing underwriter or managing underwriters of such offering advise the Partnership and the Holder that in their opinion the inclusion of all or some of the Holder's

Partnership Securities would adversely and materially affect the success of the offering, the Partnership shall include in such offering only that number or amount, if any, of Partnership Securities held by the Holder that, in the opinion of the managing underwriter or managing underwriters, will not so adversely and materially affect the offering. Except as set forth in Section 7.12(c), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(c) If underwriters are engaged in connection with any registration referred to in this Section 7.12, the Partnership shall provide indemnification, representations, covenants, opinions and other assurance to the underwriters in form and substance reasonably satisfactory to such underwriters. Further, in addition to and not in limitation of the Partnership's obligation under Section 7.7, the Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless the Holder, its officers, directors and each Person who controls the Holder (within the meaning of the Securities Act) and any agent thereof (collectively, "Indemnified Persons") against any losses, claims, demands, actions, causes of action, assessments, damages, liabilities (joint or several), costs and expenses (including interest, penalties and reasonable attorneys' fees and disbursements), resulting to, imposed upon, or incurred by the Indemnified Persons, directly or indirectly, under the Securities Act or otherwise (hereinafter referred to in this Section 7.12(c) as a "claim" and in the plural as "claims") based upon, arising out of or resulting from any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which any Partnership Securities were registered under the Securities Act or any state securities or Blue Sky laws, in any preliminary prospectus or issuer free writing prospectus as defined in Rule 433 of the Securities Act (if used prior to the effective date of such registration statement), or in any summary or final prospectus or in any amendment or supplement thereto (if used during the period the Partnership is required to keep the registration statement current), or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading; provided, however, that the Partnership shall not be liable to any Indemnified Person to the extent that any such claim arises out of, is based upon or results from an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, such preliminary, summary or final prospectus or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Partnership by or on behalf of such Indemnified Person specifically for use in the preparation thereof.

(d) The provisions of Sections 7.12(a) and 7.12(b) shall continue to be applicable with respect to a General Partner (and any of the General Partner's Affiliates) after it ceases to be a General Partner, during a period of two years subsequent to the effective date of such cessation and for so long thereafter as is required for the Holder to sell all of the Partnership Securities with respect to which it has requested during such two-year period inclusion in a registration statement otherwise filed or that a registration statement be filed; provided, however, that the Partnership shall not be required to file successive registration statements covering the same Partnership Securities for which registration was demanded during such two-year period. The provisions of Section 7.12(c) shall continue in effect thereafter.

(e) The rights to cause the Partnership to register Partnership Securities pursuant to this Section 7.12 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such Partnership Securities, provided (i) the Partnership is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the Partnership Securities with respect to which such registration rights are being assigned; and (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms set forth in this Section 7.12.

(f) Any request to register Partnership Securities pursuant to this Section 7.12 shall (i) specify the Partnership Securities intended to be offered and sold by the Person making the request, (ii) express such Person's present intent to offer such Partnership Securities for distribution, (iii) describe the nature or method of the proposed offer and sale of Partnership Securities, and (iv) contain the undertaking of such Person to provide all such information and materials and take all action as may be required in order to permit the Partnership to comply with all applicable requirements in connection with the registration of such Partnership Securities.

Section 7.13 *Reliance by Third Parties*. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the Managing General Partner and any officer of the Managing General Partner authorized by the Managing General Partner to act on behalf of and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any authorized contracts on behalf of the Partnership, and such Person shall be entitled to deal with the Managing General Partner or any such officer as if it were the Partnership's sole party in interest, both legally and beneficially. Each Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the Managing General Partner or any such officer in connection with any such dealing. In no event shall any Person dealing with the Managing General Partner or any such officer or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the Managing General Partner or any such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the Managing General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VIII
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 8.1 *Records and Accounting*. The Managing General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Partners any information required to be provided pursuant to Section 3.4(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including the record of the Record Holders of Units or other Partnership Securities, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard drives, magnetic tape, photographs, micrographics or any other information storage device; provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP.

Section 8.2 *Fiscal Year*. The fiscal year of the Partnership shall be a fiscal year ending December 31.

Section 8.3 *Reports*.

(a) As soon as practicable, but in no event later than 120 days after the close of each fiscal year of the Partnership, the Managing General Partner shall cause to be mailed or made available, by any reasonable means, to each Record Holder of a Unit as of a date selected by the Managing General Partner, an annual report containing financial statements of the Partnership for such fiscal year of the Partnership, presented in accordance with U.S. GAAP, including a balance sheet and statements of operations, Partnership equity and cash flows, such statements to be audited by a firm of independent public accountants selected by the Managing General Partner.

(b) As soon as practicable, but in no event later than 90 days after the close of each Quarter except the last Quarter of each fiscal year, the Managing General Partner shall cause to be mailed or made available, by any reasonable means, to each Record Holder of a Unit, as of a date selected by the Managing General Partner, a report containing unaudited financial statements of the Partnership and such other information as may be required by applicable law, regulation or rule of any National Securities Exchange on which the Units are listed or admitted to trading, or as the Managing General Partner determines to be necessary or appropriate.

(c) The Managing General Partner shall be deemed to have made a report available to each Record Holder as required by this Section 8.3 if it has either (i) filed such report with the Commission via its Electronic Data Gathering, Analysis and Retrieval system and such report is publicly available on such system or (ii) made such report available on any publicly available website maintained by the Partnership.

ARTICLE IX
TAX MATTERS

Section 9.1 *Tax Returns and Information*. The Partnership shall timely file all returns of the Partnership that are required for federal, state and local income tax purposes on the basis of the accrual method and the taxable year or years that it is required by law to adopt, from time to time, as determined by the Managing General Partner. The tax information reasonably required by Record Holders for federal and state income tax reporting purposes with respect to a taxable year shall be furnished to them within 90 days of the close of the calendar year in which the Partnership's taxable year ends. The classification, realization and recognition of income, gain, losses and deductions and other items shall be on the accrual method of accounting for federal income tax purposes.

Section 9.2 *Tax Elections*.

(a) The Partnership shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder, subject to the reservation of the right to seek to revoke any such election upon the Managing General Partner's determination that such revocation is in the best interests of the Partners. Notwithstanding any other provision herein contained, for the purposes of computing the adjustments under Section 743(b) of the Code, the Managing General Partner shall be authorized (but not required) to adopt a convention whereby the price paid by a transferee of a Partnership Interest will be deemed to be the lowest quoted closing price of the Partnership Interests on any National Securities Exchange on which such Partnership Interests are listed or admitted to trading during the calendar month in which such transfer is deemed to occur pursuant to Section 6.2(g) without regard to the actual price paid by such transferee.

(b) Except as otherwise provided herein, the Managing General Partner shall determine whether the Partnership should make any other elections permitted by the Code.

Section 9.3 *Tax Controversies*. Subject to the provisions hereof, the Managing General Partner is designated as the Tax Matters Partner (as defined in the Code) and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner agrees to cooperate with the Managing General Partner and to do or refrain from doing any or all things reasonably required by the Managing General Partner to conduct such proceedings.

Section 9.4 *Withholding*. Notwithstanding any other provision of this Agreement, the Managing General Partner is authorized to take any action that may be required to cause the Partnership and other Group Members to comply with any withholding requirements established under the Code or any other federal, state or local law including pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required or elects to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to any Partner (including by reason of Section 1446 of the Code), the Managing General Partner may treat the amount withheld as a distribution of cash pursuant to Section 6.3 in the amount of such withholding from such Partner.

ARTICLE X
ADMISSION OF PARTNERS

Section 10.1 *Admission of Limited Partners*.

(a) By acceptance of the transfer of any Limited Partner Interests in accordance with this Section 10.1 or the issuance of any Limited Partner Interests in accordance herewith, and except as provided in Section 4.9, each transferee or other recipient of a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so transferred or issued to such Person when any such transfer or issuance is reflected in the books and records of the Partnership, with or without execution of this Agreement, (ii) shall become bound by the terms of, and shall be deemed to have agreed to be bound by, this Agreement, (iii) shall become the Record Holder of the Limited Partner Interests so transferred or issued, (iv) represents that the transferee or other recipient has the capacity, power and authority to enter into this Agreement, (v) grants the powers of attorney set forth in this Agreement and (vi) makes the consents, acknowledgments and waivers contained in this Agreement. The transfer of any Limited Partner Interests and/or the admission of any new Limited Partner shall not constitute an amendment to this Agreement. A Person may become a Record Holder without the consent or approval of any of the Partners. A Person may not become a Limited Partner without acquiring a Limited Partner Interest. The rights and obligations of a Person who is a Ineligible Holder shall be determined in accordance with Section 4.9.

(b) The name and mailing address of each Limited Partner shall be listed on the books and records of the Partnership maintained for such purpose by the Managing General Partner or the Transfer Agent. The Managing General Partner shall update its books and records from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable). A Limited Partner Interest may be represented by a Certificate, as provided in Section 4.1.

(c) Any transfer of a Limited Partner Interest shall not entitle the transferee to share in the profits and losses, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the transferor was entitled until the transferee becomes a Limited Partner pursuant to Section 10.1(a).

Section 10.2 *Admission of Successor Managing General Partner*. A successor Managing General Partner approved pursuant to Section 11.1 or 11.2 or the transferee of or successor to all of the Managing General Partner Interest pursuant to Section 4.6 who is proposed to be admitted as a successor Managing General Partner shall be admitted to the Partnership as the Managing General Partner, effective immediately prior to the withdrawal or removal of the predecessor or transferring Managing General Partner, pursuant to Section 11.1 or 11.2 or the transfer of the Managing General Partner Interest pursuant to Section 4.6, provided, however, that no such successor shall be admitted to the Partnership until compliance with the terms of Section 4.6 has occurred and such successor has executed and delivered such other documents or instruments as may be required to effect such admission. Any such successor shall, subject to the terms hereof, carry on the business of the members of the Partnership Group without dissolution.

Section 10.3 *Amendment of Agreement and Certificate of Limited Partnership*. To effect the admission to the Partnership of any Partner, the Managing General Partner shall take all steps necessary under the Delaware Act to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practicable an amendment to this Agreement and, if required by law, the Managing General Partner shall prepare and file an amendment to the Certificate of Limited Partnership, and the Managing General Partner may for this purpose, among others, exercise the power of attorney granted pursuant to Section 2.6.

ARTICLE XI
WITHDRAWAL OR REMOVAL OF PARTNERS

Section 11.1 *Withdrawal of the Managing General Partner*.

(a) The Managing General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an "Event of Withdrawal");

(i) The Managing General Partner voluntarily withdraws from the Partnership by giving written notice to the other Partners;

(ii) The Managing General Partner transfers all of its rights as Managing General Partner pursuant to Section 4.6;

(iii) The Managing General Partner is removed pursuant to Section 11.2;

(iv) The Managing General Partner (A) makes a general assignment for the benefit of creditors; (B) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (C) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Managing General Partner in a proceeding of the type described in clauses (A) through (C) of this Section 11.1(a)(iv); or (E) seeks, consents to or acquiesces in the appointment of a trustee (but not a debtor-in-possession), receiver or liquidator of the Managing General Partner or of all or any substantial part of its properties;

(v) A final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against the Managing General Partner; or

(vi) (A) in the event the Managing General Partner is a corporation, a certificate of dissolution or its equivalent is filed for the Managing General Partner, or 90 days expire after the date of notice to the Managing General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation; (B) in the event the Managing General Partner is a partnership or a limited liability company, the dissolution and commencement of winding up of the Managing General Partner; (C) in the event the Managing General Partner is acting in such capacity by virtue of being a trustee of a trust, the termination of the trust; (D) in the event the Managing General Partner is a natural person, his death or adjudication of incompetency; and (E) otherwise in the event of the termination of the Managing General Partner.

If an Event of Withdrawal specified in Section 11.1(a)(iv), (v) or (vi)(A), (B), (C) or (E) occurs, the withdrawing Managing General Partner shall give notice to the Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 11.1 shall result in the withdrawal of the Managing General Partner from the Partnership.

(b) Withdrawal of the Managing General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period beginning on the Closing Date and ending at 12:00 midnight, prevailing Central Time, on June 30, 2017, the Managing General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Partners; provided, that prior to the effective date of such withdrawal, the withdrawal is approved by Unitholders holding at least a majority of the Outstanding Units (excluding Units held by the Managing General Partner and its Affiliates) and the Managing General Partner delivers to the Partnership an Opinion of Counsel ("Withdrawal Opinion of Counsel") that such withdrawal (following the selection of the successor Managing General Partner) would not result in the loss of the limited liability of any Limited Partner or any Group Member under applicable partnership or limited liability company law of the state under whose laws the Partnership or Group Member, as applicable, is organized or cause any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously so treated or taxed); (ii) at any time after 12:00 midnight, Central Time, on June 30, 2017, the Managing General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Partners, such withdrawal to take effect on the date specified in such notice; (iii) at any time that the Managing General Partner ceases to be the Managing General Partner pursuant to Section 11.1(a)(ii) or is removed pursuant to Section 11.2; or (iv) notwithstanding clause (i) of this sentence, at any time that the Managing General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the other Partners, such withdrawal to take effect on the date specified in the notice, if at the time such notice is given one Person and its Affiliates (other than the Managing General Partner and its Affiliates) own beneficially or of record or control at least 50% of the Outstanding Units. The withdrawal of the Managing General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall also constitute the withdrawal of the Managing General Partner as general partner or managing member, if any, to the extent applicable, of the other Group Members. If the Managing General Partner withdraws other than pursuant to Section 11.1(a)(ii), the holders of a Unit Majority, may, prior to the effective date of such withdrawal, elect a successor Managing General Partner. The Person so elected as successor Managing General Partner shall automatically become the successor general partner or managing member, to the extent applicable, of the other Group Members of which the Managing General Partner is a general partner or a managing member. If, prior to the effective date of the Managing General Partner's withdrawal, a successor is not selected by the Unitholders as provided herein or the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section 12.1, unless the business of the Partnership is continued pursuant to Section 12.2. Any successor Managing General Partner elected in accordance with the terms of this Section 11.1 shall be subject to the provisions of Section 10.2.

Section 11.2 *Removal of the Managing General Partner*. The Managing General Partner may be removed if such removal is approved by the Unitholders holding at least 80% of the Outstanding Units (including Units held by the Managing General Partner and its Affiliates) voting as a single class. Notwithstanding the foregoing, prior to the fifth anniversary of the Closing Date, the General Partner may be removed only for Cause. Any such action by such holders for removal of the Managing General Partner must also provide for the election of a successor Managing General Partner by the Unitholders holding a majority of each class of outstanding Units, voting as separate classes. Such removal shall be effective immediately following the admission of a successor Managing General Partner pursuant to Section 10.2. The removal of the Managing General Partner shall also automatically constitute the removal of the Managing General Partner as general partner or managing member, to the extent applicable, of the other Group Members of which the Managing General Partner is a general partner or a managing member. If a Person is elected as a successor Managing General Partner in accordance with the terms of this Section 11.2, such Person shall, upon admission pursuant to Section 10.2, automatically become a successor general partner or managing member, to the extent applicable, of the other Group Members of which the Managing General Partner is a general partner or a managing member. The right of the holders of Outstanding Units to remove the Managing General Partner shall not exist or be exercised unless the Partnership has received an opinion opining as to the matters covered by a Withdrawal Opinion of Counsel. Any successor Managing General Partner elected in accordance with the terms of this Section 11.2 shall be subject to the provisions of Section 10.2.

Section 11.3 *Interest of Departing General Partner and Successor Managing General Partner*.

(a) In the event of (i) withdrawal of the Managing General Partner under circumstances where such withdrawal does not violate this Agreement or (ii) removal of the Managing General Partner by the holders of Outstanding Units under circumstances where Cause does not exist, if the successor Managing General Partner is elected in accordance with the terms of Section 11.1 or 11.2, the Departing General Partner shall have the option, exercisable prior to the effective date of the departure of such Departing General Partner, to require its successor to purchase its Managing General Partner Interest (including the Incentive Distribution Rights) and its general partner interest (or equivalent interest), if any, in the other Group Members (collectively, the "Combined Interest") in exchange for an amount in cash equal to the fair market value of such Combined Interest, such amount to be determined and payable as of the effective date of its departure. If the Managing General Partner is removed by the Unitholders under circumstances where Cause exists or if the Managing General Partner withdraws under circumstances where such withdrawal violates this Agreement, and if a successor Managing General Partner is elected in accordance with the terms of Section 11.1 or 11.2 (or if the business of the Partnership is continued pursuant to Section 12.2 and the successor Managing General Partner is not the former Managing General Partner), such successor shall have the option, exercisable prior to the effective date of the departure of such Departing General Partner (or, in the event the business of the Partnership is continued, prior to the date the business of the Partnership is continued), to purchase the Combined Interest for such fair market value of such Combined Interest of the Departing General Partner. In either event, the Departing General Partner shall be entitled to receive all reimbursements due such Departing General Partner pursuant to Section 7.4, including any employee related liabilities (including severance liabilities), incurred in connection with the termination of any employees employed by the Departing General Partner or its Affiliates (other than any Group Member) for the benefit of the Partnership or the other Group Members.

For purposes of this Section 11.3(a), the fair market value of the Departing General Partner's Combined Interest shall be determined by agreement between the Departing General Partner and its successor or, failing agreement within 30 days after the effective date of such Departing General Partner's departure, by an independent investment banking firm or other independent expert selected by the Departing General Partner and its successor, which, in turn, may rely on other experts, and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such departure, then the Departing General Partner shall designate an independent investment banking firm or other independent expert, the Departing General Partner's successor shall designate an independent investment banking firm or other independent expert, and such firms or experts shall mutually select a third independent investment banking firm or independent expert, which third independent investment banking firm or other independent expert shall determine the fair market value of the Combined Interest of the Departing General Partner. In making its determination, such third independent investment banking firm or other independent expert may consider the then current trading price of Units on any National Securities Exchange on which Units are then listed or admitted to trading, the value of the Partnership's assets, the rights and obligations of the Departing General Partner and other factors it may deem relevant.

(b) If the Combined Interest is not purchased in the manner set forth in Section 11.3(a), the Departing General Partner (or its transferee) shall become a Limited Partner and its Combined Interest shall be converted into Special LP Units, if such conversion occurs prior to the IO Closing Date, or Common Units, thereafter, in each case pursuant to a valuation made by an investment banking firm or other independent expert selected pursuant to Section 11.3(a), without reduction in such Partnership Interest (but subject to proportionate dilution by reason of the admission of its successor). Any successor Managing General Partner shall indemnify the Departing General Partner (or its transferee) as to all debts and liabilities of the Partnership arising on or after the date on which the Departing General Partner (or its transferee) becomes a Limited Partner. For purposes of this Agreement, conversion of the Combined Interest of the Departing General Partner to Special LP Units or Common Units, as the case may be, will be characterized as if the Departing General Partner (or its transferee) contributed its Combined Interest to the Partnership in exchange for the newly issued Units.

Section 11.4 *Termination of Subordination Period, Conversion of Subordinated Units and Extinguishment of Cumulative Common Unit Arrearages*. Notwithstanding any provision of this Agreement to the contrary, if the Managing General Partner is removed as managing general partner of the Partnership under circumstances where Cause does not exist:

(a) with respect to Subordinated Units held by any Person, provided (i) neither such Person nor any of its Affiliates voted any of its Units in favor of the removal and (ii) such Person is not an Affiliate of the successor General Partner, such Subordinated Units, will immediately and automatically convert into Common Units on a one-for-one basis; and

(b) if all of the Subordinated Units, convert pursuant to Section 11.4(a), all Cumulative Common Unit Arrearages on the Common Units will be extinguished and the Subordination Period will end.

Section 11.5 *Withdrawal of Limited Partners or Special General Partner*. No Limited Partner or Special General Partner shall have any right to withdraw from the Partnership; provided, however, that when a transferee of a Limited Partner's or Special General Partner's Partnership Interest becomes a Record Holder of the Partnership Interest so transferred (including Limited Partner interests that have converted from Special General Partner Interests pursuant to the provisions of Section 5.5), such transferring Limited Partner or Special General Partner, as applicable, shall cease to be a Partner with respect to the Partnership Interest so transferred.

ARTICLE XII
DISSOLUTION AND LIQUIDATION

Section 12.1 *Dissolution*. The Partnership shall not be dissolved by the admission of additional Partners or by the admission of a successor Managing General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the Managing General Partner, if a successor Managing General Partner is elected pursuant to Section 11.1 or 11.2, the Partnership shall not be dissolved and such successor Managing General Partner shall continue the business of the Partnership. The Partnership shall dissolve, and (subject to Section 12.2) its affairs shall be wound up, upon:

(a) an Event of Withdrawal of the Managing General Partner as provided in Section 11.1(a) (other than Section 11.1(a)(ii)), unless a successor is elected and an Opinion of Counsel is received as provided in Section 11.1(b) or 11.2 and such successor is admitted to the Partnership pursuant to Section 10.2;

(b) an election to dissolve the Partnership by the Managing General Partner that is approved by the holders of a Unit Majority;

(c) the entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Delaware Act; or

(d) at any time there are no Limited Partners, unless the Partnership is continued without dissolution in accordance with the Delaware Act.

Section 12.2 *Continuation of the Business of the Partnership After Dissolution*. Upon (a) dissolution of the Partnership following an Event of Withdrawal caused by the withdrawal or removal of the Managing General Partner as provided in Section 11.1(a)(i) or (iii) and the failure of the Partners to select a successor to such Departing General Partner pursuant to Section 11.1 or 11.2, then within 90 days thereafter, or (b) dissolution of the Partnership upon an event constituting an Event of Withdrawal as defined in Section 11.1(a)(iv), (v) or (vi), then, to the maximum extent permitted by law, within 180 days thereafter, the holders of a Unit Majority may elect to continue the business of the Partnership on the same terms and conditions set forth in this Agreement by appointing as the successor Managing General Partner a Person approved by the holders of a Unit Majority. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(i) the Partnership shall continue without dissolution unless earlier dissolved in accordance with this Article XII;

(ii) if the successor Managing General Partner is not the former Managing General Partner, then the interest of the former Managing General Partner shall be treated in the manner provided in Section 11.3; and

(iii) all necessary steps shall be taken to cancel this Agreement and the Certificate of Limited Partnership and to enter into and, as necessary, to file a new partnership agreement and certificate of limited partnership, and the successor Managing General Partner may for this purpose exercise the powers of attorney granted the Managing General Partner pursuant to Section 2.6; provided, that the right of the holders of a Unit Majority to approve a successor Managing General Partner and to continue the business of the Partnership shall not exist and may not be exercised unless the Partnership has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability of any Limited Partner under the Delaware Act and (y) neither the Partnership nor any successor limited partnership would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of such right to continue (to the extent not previously so treated or taxed).

Section 12.3 *Liquidator*. Upon dissolution of the Partnership, unless the business of the Partnership is continued pursuant to Section 12.2, the Managing General Partner shall select one or more Persons to act as Liquidator. The Liquidator (if other than the Managing General Partner) shall be entitled to receive such compensation for its services as may be approved by holders of at least a majority of the Outstanding Common Units and Subordinated Units voting as a single class. The Liquidator (if other than the Managing General Partner) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by notice of removal approved by holders of at least a majority of the Outstanding Common Units and Subordinated Units, voting as a single class. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by holders of at least a majority of the Outstanding Common Units and Subordinated Units voting as a single class. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XII, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the Managing General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in Section 7.3(a)) necessary or appropriate to carry out the duties and functions of the Liquidator hereunder for and during the period of time required to complete the winding up and liquidation of the Partnership as provided for herein.

Section 12.4 *Liquidation*. The Liquidator shall proceed to dispose of the assets of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Liquidator, subject to Section 17-804 of the Delaware Act and the following:

(a) The assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidator and such Partner or Partners may agree. If any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of Section 12.4(c) to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Partners. The Liquidator may defer liquidation or distribution of the Partnership's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Partnership's assets would be impractical or would cause undue loss to the Partners. The Liquidator may distribute the Partnership's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Partners.

(b) Liabilities of the Partnership include amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 12.3) and amounts to Partners otherwise than in respect of their distribution rights under Article VI. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) All property and all cash in excess of that required to discharge liabilities as provided in Section 12.4(b) shall be distributed to the Partners in accordance with, and to the extent of, the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments (other than those made by reason of distributions pursuant to this Section 12.4(c)) for the taxable year of the Partnership during which the liquidation of the Partnership occurs (with such date of occurrence being determined pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(g)), and such distribution shall be made by the end of such taxable year (or, if later, within 90 days after said date of such occurrence).

Section 12.5 *Cancellation of Certificate of Limited Partnership*. Upon the completion of the distribution of Partnership cash and property as provided in Section 12.4 in connection with the liquidation of the Partnership, the Partnership shall be terminated and the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 12.6 *Return of Contributions*. No General Partner shall be personally liable for, or shall have any obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Capital Contributions of the Partners or Unitholders, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

Section 12.7 *Waiver of Partition*. To the maximum extent permitted by law, each Partner hereby waives any right to partition of the Partnership property.

Section 12.8 *Capital Account Restoration*. No Limited Partner or Special General Partner shall have any obligation to restore any negative balance in its Capital Account upon liquidation of the Partnership. The Managing General Partner shall be obligated to restore any negative balance in its Capital Account upon liquidation of its interest in the Partnership by the end of the taxable year of the Partnership during which such liquidation occurs, or, if later, within 90 days after the date of such liquidation.

ARTICLE XIII
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE

Section 13.1 *Amendments to be Adopted Solely by the Managing General Partner*. Each Partner agrees that the Managing General Partner, without the approval of any other Partner, may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b) admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that the Managing General Partner determines to be necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state or to ensure that the Group Members will not be treated as associations taxable as corporations or otherwise taxed as entities for federal income tax purposes;

(d) a change that the Managing General Partner determines (i) does not adversely affect the Partners (including any particular class of Partnership Interests as compared to other classes of Partnership Interests) in any material respect, (ii) to be necessary or appropriate to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Delaware Act) or (B) facilitate the trading of the Units (including the division of any class or classes of Outstanding Units into different classes to facilitate uniformity of tax consequences within such classes of Units) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which any class of Partnership Interests are or will be listed or admitted to trading, (iii) to be necessary or appropriate in connection with action taken by the Managing General Partner pursuant to Section 5.8 or (iv) is required to effect the intent expressed in the Registration Statement or the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) a change in the fiscal year or taxable year of the Partnership and any other changes that the Managing General Partner determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of the Partnership including, if the Managing General Partner shall so determine, a change in the definition of “Quarter” and the dates on which distributions are to be made by the Partnership;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership, or the General Partners or CVR Energy, Inc. (for so long as CVR Energy, Inc. continues to own the Special General Partner) or their directors, officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the Managing General Partner determines to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of Partnership Securities pursuant to Section 5.4;

(h) any amendment expressly permitted in this Agreement to be made by the Managing General Partner acting alone;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 14.3;

(j) an amendment that the Managing General Partner determines to be necessary or appropriate to reflect and account for the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Partnership of activities permitted by the terms of Section 2.4;

(k) a merger or conveyance pursuant to Section 14.3(d); or

(l) any other amendments substantially similar to the foregoing.

Section 13.2 *Amendment Procedures*. Except as provided in Sections 13.1 and 13.3, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed only by the Managing General Partner; provided, however that the Managing General Partner shall have no duty or obligation to propose any amendment to this Agreement and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or any Partner and, in declining to propose an amendment, to the fullest extent permitted by law shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. A proposed amendment shall be effective upon its approval by the Managing General Partner and the holders of a Unit Majority, unless a greater or different percentage is required under this Agreement or by Delaware law. Each proposed amendment that requires the approval of the holders of a specified percentage of Outstanding Units shall be set forth in a writing that contains the text of the proposed amendment. If such an amendment is proposed, the Managing General Partner shall seek the written approval of the requisite percentage of Outstanding Units or call a meeting of the Unitholders to consider and vote on such proposed amendment. The Managing General Partner shall notify all Record Holders upon final adoption of any such proposed amendments.

Section 13.3 *Amendment Requirements*.

(a) Notwithstanding the provisions of Sections 13.1 and 13.2, no provision of this Agreement that establishes a percentage of Outstanding Units (including Units deemed owned by the Managing General Partner) required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the written consent or the affirmative vote of holders of Outstanding Units whose aggregate Outstanding Units constitute not less than the voting requirement sought to be reduced.

(b) Notwithstanding the provisions of Sections 13.1 and 13.2, no amendment to this Agreement may (i) enlarge the obligations of any Partner without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 13.3(c), (ii) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, a General Partner or any of its Affiliates without its consent, which consent may be given or withheld in its sole discretion, (iii) change Section 12.1(b), or (iv) change the term of the Partnership or, except as set forth in Section 12.1(b), give any Person the right to dissolve the Partnership.

(c) Except as provided in Section 14.3, and without limitation of the Managing General Partner’s authority to adopt amendments to this Agreement without the approval of any Partners as contemplated in Section 13.1, any amendment that would have a material adverse effect on the rights or preferences of any class of Partnership Interests in relation to other classes of Partnership Interests must be approved by the holders of not less than a majority of the Outstanding Partnership Interests of the class affected.

(d) Notwithstanding any other provision of this Agreement, except for amendments pursuant to Section 13.1 and except as otherwise provided by Section 14.3(b), no amendments shall become effective without the approval of the holders of at least 90% of the Outstanding Units voting as a single class unless the Partnership obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any Limited Partner under applicable partnership law of the state under whose laws the Partnership is organized.

(e) Except as provided in Section 13.1, this Section 13.3 shall only be amended with the approval of the holders of at least 90% of the Outstanding Units.

Section 13.4 *Special Meetings*. All acts of Partners to be taken pursuant to this Agreement shall be taken in the manner provided in this Article XIII. Special meetings of the Partners may be called by any General Partner or by Limited Partners owning 20% or more of the Outstanding Units of the class or classes for which a meeting is proposed. Limited Partners and the Special General Partner shall call a special meeting by delivering to the Managing General Partner one or more requests in writing stating that the signing Partners wish to call a special meeting and indicating the general or specific purposes for which the special meeting is to be called. Within 60 days after receipt of such a call from Partners or within such greater time as may be reasonably necessary for the Partnership to comply with any statutes, rules, regulations, listing agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, the Managing General Partner shall send a notice of the meeting to the Partners either directly or indirectly through the Transfer Agent. A meeting shall be held at a time and place determined by the Managing General Partner on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Delaware Act or the law of any other state in which the Partnership is qualified to do business.

Section 13.5 *Notice of a Meeting*. Notice of a meeting called pursuant to Section 13.4 shall be given to the Record Holders of the class or classes of Units for which a meeting is proposed in writing by mail or other means of written communication in accordance with Section 16.1. The notice shall be deemed to have been given at the time when deposited in the mail or sent by other means of written communication.

Section 13.6 *Record Date*. For purposes of determining the Partners entitled to notice of or to vote at a meeting of the Partners or to give approvals without a meeting as provided in Section 13.11 the Managing General Partner may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed or admitted to trading or U.S. federal securities laws, in which case the rule, regulation, guideline or requirement of such National Securities Exchange or U.S. federal securities law shall govern) or (b) in the event that approvals are sought without a meeting, the date by which Partners are requested in writing by the Managing General Partner to give such approvals. If the Managing General Partner does not set a Record Date, then (a) the Record Date for determining the Partners entitled to notice of or to vote at a meeting of the Partners shall be the close of business on the day next preceding the day on which notice is given, and (b) the Record Date for determining the Partners entitled to give approvals without a meeting shall be the date the first written approval is deposited with the Partnership in care of the Managing General Partner in accordance with Section 13.11.

Section 13.7 *Adjournment*. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article XIII.

Section 13.8 *Waiver of Notice; Approval of Meeting; Approval of Minutes*. The transactions of any meeting of Partners, however called and noticed, and whenever held, shall be as valid as if it had occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy. Attendance of a Partner at a meeting shall constitute a waiver of notice of the meeting, except (i) when the Partner attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and (ii) that attendance at a meeting is not a waiver of any right to disapprove the consideration of matters required to be included in the notice of the meeting, but not so included, if the disapproval is expressly made at the meeting.

Section 13.9 *Quorum and Voting*. The holders of a majority of the Outstanding Units of the class or classes for which a meeting has been called (including Outstanding Units deemed owned by any General Partner) represented in person or by proxy shall constitute a quorum at a meeting of Partners of such class or classes unless any such action by the Partners requires approval by holders of a greater percentage of such Units, in which case the quorum shall be such greater percentage. At any meeting of the Partners duly called and held in accordance with this Agreement at which a quorum is present, the act of Partners holding Outstanding Units that in the aggregate represent a majority of the Outstanding Units entitled to vote and be present in person or by proxy at such meeting shall be deemed to constitute the act of all Partners, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Partners holding Outstanding Units that in the aggregate represent at least such greater or different percentage shall be required. The Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of Outstanding Units specified in this Agreement (including Outstanding Units deemed owned by any General Partner). In the absence of a quorum any meeting of Partners may be adjourned from time to time by the affirmative vote of holders of at least a majority of the Outstanding Units entitled to vote at such meeting (including Outstanding Units deemed owned by any General Partner) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 13.7.

Section 13.10 *Conduct of a Meeting*. The Managing General Partner shall have full power and authority concerning the manner of conducting any meeting of the Partners or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 13.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The Managing General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Partnership maintained by the Managing General Partner. The Managing General Partner may make such other regulations consistent with applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

Section 13.11 *Action Without a Meeting*. If authorized by the Managing General Partner, any action that may be taken at a meeting of the Partners may be taken without a meeting, without a vote and without prior notice, if an approval in writing setting forth the action so taken is signed by Partners owning not less than the minimum percentage of the Outstanding Units (including Units deemed owned by any General Partner) that would be necessary to authorize or take such action at a meeting at which all the Partners were present and voted (unless such provision conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are listed or admitted to trading, in which case the rule, regulation, guideline or requirement of such National Securities Exchange shall govern). Prompt notice of the taking of action without a meeting shall be given to the Partners who have not approved in writing. The Managing General Partner may specify that any written ballot submitted to Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the Managing General Partner. If a ballot returned to the Partnership does not vote all of the Units held by the Partners, the Partnership shall be deemed to have failed to receive a ballot for the Units that were not voted. If approval of the taking of any action by the Partners is solicited by any Person other than by or on behalf of the Managing General Partner, the written approvals shall have no force and effect unless and until (a) they are deposited with the Partnership in care of the Managing General Partner, (b) approvals sufficient to take the action proposed are dated as of a date not more than 90 days prior to the date sufficient approvals are deposited with the Partnership and (c) an Opinion of Counsel is delivered to the Managing General Partner to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (i) will not cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability, and (ii) is otherwise permissible under the state statutes then governing the rights, duties and liabilities of the Partnership and the Partners. Nothing contained in this Section 13.11 shall be deemed to require the Managing General Partner to solicit all holders of Units in connection with a matter approved by the requisite percentage of Units or other holders of Outstanding Units acting by written consent without a meeting

Section 13.12 *Right to Vote and Related Matters*.

(a) Only those Record Holders of the Units on the Record Date set pursuant to Section 13.6 (and also subject to the limitations contained in the definition of "Outstanding") shall be entitled to notice of, and to vote at, a meeting of Partners or to act with respect to matters as to which the holders of the Outstanding Units have the right to vote or to act. All references in this Agreement to votes of, or other acts that may be taken by, the Outstanding Units shall be deemed to be references to the votes or acts of the Record Holders of such Outstanding Units.

(b) With respect to Units that are held for a Person's account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Units are registered, such other Person shall, in exercising the voting rights in respect of such Units on any matter, and unless the arrangement between such Persons provides otherwise, vote such Units in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be entitled to assume it is so acting without further inquiry. The provisions of this Section 13.12(b) (as well as all other provisions of this Agreement) are subject to the provisions of Section 4.3.

ARTICLE XIV
MERGER

Section 14.1 *Authority*. The Partnership may merge or consolidate with or into one or more corporations, limited liability companies, business trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a general partnership or limited partnership, formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger or consolidation ("Merger Agreement") in accordance with this Article XIV.

Section 14.2 *Procedure for Merger or Consolidation*. Merger or consolidation of the Partnership pursuant to this Article XIV requires the prior consent of the Managing General Partner, provided, however, that, to the fullest extent permitted by law, the Managing General Partner shall have no duty or obligation to consent to any merger or consolidation of the Partnership and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or any Partner and, in declining to consent to a merger or consolidation, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any Group Member Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. If the Managing General Partner shall determine to consent to the merger or consolidation, the Managing General Partner shall approve the Merger Agreement, which shall set forth:

(a) the names and jurisdictions of formation or organization of each of the business entities proposing to merge or consolidate;

(b) the name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation (the "Surviving Business Entity");

(c) the terms and conditions of the proposed merger or consolidation;

(d) the manner and basis of exchanging or converting the equity securities of each constituent business entity for, or into, cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any general or limited partner interests, securities or rights of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity, the cash, property or general or limited partner interests, rights, securities or obligations of any limited partnership, corporation, trust or other entity (other than the Surviving Business Entity) which the holders of such general or limited partner interests, securities or rights are to receive in exchange for, or upon conversion of their general or limited partner interests, securities or rights, and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, corporation, trust or other entity (other than the Surviving Business Entity), or evidences thereof, are to be delivered;

(e) a statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(f) the effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 14.4 or a later date specified in or determinable in accordance with the Merger Agreement (provided, that if the effective time of the merger is to be later than the date of the filing of the certificate of merger, the effective time shall be fixed no later than the time of the filing of the certificate of merger and stated therein); and

(g) such other provisions with respect to the proposed merger or consolidation that the Managing General Partner determines to be necessary or appropriate.

Section 14.3 *Approval by Partners of Merger or Consolidation*.

(a) Except as provided in Section 14.3(d) or 14.3(e), the Managing General Partner, upon its approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of Partners, whether at a special meeting or by written consent, in either case in accordance with the requirements of Article XIII. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a special meeting or the written consent.

(b) Except as provided in Section 14.3(d) or 14.3(e) and subject to any prior approval required by Section 7.3, the Merger Agreement shall be approved upon receiving the affirmative vote or consent of the holders of a Unit Majority unless the Merger Agreement contains any provision that, if contained in an amendment to this Agreement, the provisions of this Agreement or the Delaware Act would require for its approval the vote or consent of a greater percentage of the Outstanding Units or of any class of Partners, in which case such greater percentage vote or consent shall be required for approval of the Merger Agreement.

(c) Except as provided in Section 14.3(d) and 14.3(e), after such approval by vote or consent of the Partners, and at any time prior to the filing of the certificate of merger pursuant to Section 14.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Article XIV or in this Agreement, the Managing General Partner is permitted, without Partner approval, to convert the Partnership or any Group Member into a new limited liability entity, to merge the Partnership or any Group Member into, or convey all of the Partnership’s assets to, another limited liability entity that shall be newly formed and shall have no assets, liabilities or operations at the time of such conversion, merger or conveyance other than those it receives from the Partnership or other Group Member if (i) the Managing General Partner has received an Opinion of Counsel that the conversion, merger or conveyance, as the case may be, would not result in the loss of the limited liability of any Limited Partner or any Group Member or cause the Partnership or any Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such), (ii) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of the Partnership into another limited liability entity and (iii) the governing instruments of the new entity provide the Partners with the same rights and obligations as are herein contained.

(e) Additionally, notwithstanding anything else contained in this Article XIV or in this Agreement, the Managing General Partner is permitted, without Partner approval, to merge or consolidate the Partnership with or into another entity if (A) the Managing General Partner has received an Opinion of Counsel that the merger or consolidation, as the case may be, would not result in the loss of the limited liability of any Limited Partner or cause the Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such), (B) the merger or consolidation would not result in an amendment to the Partnership Agreement, other than any amendments that could be adopted pursuant to Section 13.1, (C) the Partnership is the Surviving Business Entity in such merger or consolidation, (D) each Unit outstanding immediately prior to the effective date of the merger or consolidation is to be an identical Unit of the Partnership after the effective date of the merger or consolidation, and (E) the number of Partnership Securities to be issued by the Partnership in such merger or consolidation does not exceed 20% of the Partnership Securities Outstanding immediately prior to the effective date of such merger or consolidation.

Section 14.4 *Certificate of Merger*. Upon the required approval by the Managing General Partner and the Unitholders of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

Section 14.5 *Amendment of Partnership Agreement*. Pursuant to Section 17-211(g) of the Delaware Act, an agreement of merger or consolidation approved in accordance with this Article XIV may (a) effect any amendment to this Agreement or (b) effect the adoption of a new partnership agreement for the Partnership if it is the Surviving Business Entity. Any such amendment or adoption made pursuant to this Section 14.5 shall be effective at the effective time or date of the merger or consolidation.

Section 14.6 *Effect of Merger*.

(a) At the effective time of the certificate of merger:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities, shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interests in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

(b) A merger or consolidation effected pursuant to this Article shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another.

ARTICLE XV
RIGHT TO ACQUIRE LIMITED PARTNER INTERESTS

Section 15.1 *Right to Acquire Limited Partner Interests*.

(a) Notwithstanding any other provision of this Agreement, if at any time the Managing General Partner and its Affiliates hold more than 80% of the total Limited Partner Interests of any class then Outstanding, the Managing General Partner shall then have the right, which right it may assign and transfer in whole or in part to the Partnership or any Affiliate of the Managing General Partner, exercisable in its sole discretion, to purchase all, but not less than all, of such Limited Partner Interests of such class then Outstanding held by Persons other than the Managing General Partner and its Affiliates, at the greater of (x) the Current Market Price as of the date three days prior to the date that the notice described in Section 15.1(b) is mailed and (y) the highest price paid by the Managing General Partner or any of its Affiliates for any such Limited Partner Interest of such class purchased during the 90-day period preceding the date that the notice described in Section 15.1(b) is mailed.

(b) If the Managing General Partner, any Affiliate of the Managing General Partner or the Partnership elects to exercise the right to purchase Limited Partner Interests granted pursuant to Section 15.1(a), the Managing General Partner shall deliver to the Transfer Agent notice of such election to purchase (the "Notice of Election to Purchase") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of Limited Partner Interests of such class (as of a Record Date selected by the Managing General Partner) at least 10, but not more than 60, days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published for a period of at least three consecutive days in at least two daily newspapers of general circulation printed in the English language and circulated in the Borough of Manhattan, New York. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 15.1(a)) at which Limited Partner Interests will be purchased and state that the Managing General Partner, its Affiliate or the Partnership, as the case may be, elects to purchase such Limited Partner Interests (in the case of Limited Partner Interests evidenced by Certificates), upon surrender of Certificates representing such Limited Partner Interests in exchange for payment, at such office or offices of the Transfer Agent as the Transfer Agent may specify, or as may be required by any National Securities Exchange on which such Limited Partner Interests are listed or admitted to trading. Any such Notice of Election to Purchase mailed to a Record Holder of Limited Partner Interests at his address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given regardless of whether the owner receives such notice. On or prior to the Purchase Date, the Managing General Partner, its Affiliate or the Partnership, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of such Limited Partner Interests to be purchased in accordance with this Section 15.1. If the Notice of Election to Purchase shall have been duly given as aforesaid at least 10 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding sentence has been made for the benefit of the holders of Limited Partner Interests subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Certificate shall not have been surrendered for purchase, all rights of the holders of such Limited Partner Interests (including any rights pursuant to Articles IV, V, VI, and XII) shall thereupon cease, except the right to receive the purchase price (determined in accordance with

Section 15.1(a)) for Limited Partner Interests therefor, without interest (in the case of Limited Partner Interests evidenced by Certificates), upon surrender to the Transfer Agent of the Certificates representing such Limited Partner Interests, and such Limited Partner Interests shall thereupon be deemed to be transferred to the Managing General Partner, its Affiliate or the Partnership, as the case may be, on the record books of the Transfer Agent and the Partnership, and the Managing General Partner or any Affiliate of the Managing General Partner, or the Partnership, as the case may be, shall be deemed to be the owner of all such Limited Partner Interests from and after the Purchase Date and shall have all rights as the owner of such Limited Partner Interests (including all rights as owner of such Limited Partner Interests pursuant to Articles IV, V, VI and XII).

(c) If, following the Initial Offering, the Special General Partner owns less than 20% of all Outstanding Units, the Common GP Units will be deemed to be of the same class of Limited Partner Interests as Common LP Units for purposes of this Article XV.

ARTICLE XVI
GENERAL PROVISIONS

Section 16.1 *Addresses and Notices*. Any notice, demand, request, report or proxy materials required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Partner at the address described below.

Any notice, payment or report to be given or made to a Partner hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Partnership Securities at such Record Holder's address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Partnership Securities by reason of any assignment or otherwise.

Notwithstanding the foregoing, if (i) a Partner shall consent to receiving notices, demands, requests, reports or proxy materials via electronic mail or by the Internet or (ii) the rules of the Commission shall permit any report or proxy materials to be delivered electronically or made available via the Internet, any such notice, demand, request, report or proxy materials shall be deemed given or made when delivered or made available via such mode of delivery.

An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 16.1 executed by the Managing General Partner, the Transfer Agent or the mailing organization shall be prima facie evidence of the giving or making of such notice, payment or report. If any notice, payment or report given or made in accordance with the provisions of this Section 16.1 is returned marked to indicate that such notice, payment or report was unable to be delivered, such notice, payment or report and, in the case of notices, payments or reports returned by the United States Postal Service (or other physical mail delivery mail service outside the United States of America), any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Partnership of a change in the address of such Record Holder) or other delivery if they are available for the Partner at the principal office of the Partnership for a period of one year from the date of the giving or making of such notice, payment or report to the other Partners. Any notice to the Partnership shall be deemed given if received by the Managing General Partner at the principal office of the Partnership designated pursuant to Section 2.3. The Managing General Partner may rely and shall be protected in relying on any notice or other document from a Partner or other Person if believed by it to be genuine.

Section 16.2 *Further Action*. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 16.3 *Binding Effect*. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 16.4 *Integration*. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 16.5 *Creditors*. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 16.6 *Waiver*. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 16.7 *Counterparts*. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a Person acquiring a Unit, pursuant to Section 10.1(a) without execution hereof.

Section 16.8 *Applicable Law*. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law that would result in the application of the laws of another state.

Section 16.9 *Invalidity of Provisions*. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 16.10 *Consent of Partners*. Each Partner hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Partners, such action may be so taken upon the concurrence of less than all of the Partners and each Partner shall be bound by the results of such action.

Section 16.11 *Facsimile Signatures*. The use of facsimile signatures affixed in the name and on behalf of the transfer agent and registrar of the Partnership on Certificates representing Units is expressly permitted by this Agreement.

Section 16.12 *Third Party Beneficiaries*. Each Partner agrees that (a) any Indemnitee shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Indemnitee, (b) any Unrestricted Person shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to those provisions of this Agreement affording a right, benefit or privilege to such Unrestricted Person and (c) Goldman, Sachs & Co., Kelso & Company, L.P. and their respective Affiliates and successors and assigns as owners of interests in either of the General Partners shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to Section 7.5(g).

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

MANAGING GENERAL PARTNER:

CVR GP, LLC

By: ______________________________

Name:

Title:

SPECIAL GENERAL PARTNER:

CVR Special GP, LLC

By: ______________________________

Name:

Title:

ORGANIZATIONAL LIMITED PARTNER:

CVR LP, LLC

By: ______________________________

Name:

Title:

[Signature Page to Partnership Agreement]

FUTURE LIMITED PARTNERS AND SPECIAL GENERAL PARTNERS

All Limited Partners and Special General Partners now and hereafter admitted as Partners of the Partnership, pursuant to powers of attorney now and hereafter executed in favor of, and granted and delivered to the Managing General Partner.

CVR GP, LLC

By: ______________________________
Name:
Title:

[Signature Page to Partnership Agreement]

COKE SUPPLY AGREEMENT

THIS COKE SUPPLY AGREEMENT is entered into and effective as of the _____ day of ___________, 2007, by and between Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company ("***Refinery Company***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company ("***Fertilizer Company***").

RECITALS

Refinery Company owns and operates a petroleum refinery located at Coffeyville, Kansas (the "***Refinery***").

Fertilizer Company owns and operates a fertilizer manufacturing Plant located adjacent to the Refinery (the "***Fertilizer Plant***").

Fertilizer Company and Refinery Company desire to enter into this Agreement providing for the provision of Coke by the Refinery Company to the Fertilizer Company, all upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

The following terms shall have the meanings set forth below, unless the context otherwise dictates, both for purposes of this Agreement and all Exhibits hereto:

"***Agreement***" means this Coke Supply Agreement and the Exhibits hereto, all as the same may be amended, modified or supplemented from time to time.

"***Coke***" means petroleum coke that meets the specifications set forth on Exhibit A hereto. It is agreed that "Coke" may include API sludges and other oily sludges added to the petroleum coke so long as such petroleum coke continues to meet the specifications for "Coke" set forth on Exhibit A.

"***Dispute***" is defined in ARTICLE 4.

"***Event of Breach***" is defined in Section 3.12.

"***Feedstock and Shared Services Agreement***" means the Feedstock and Shared Services Agreement dated as of the date hereof between Refinery Company and Fertilizer Company.

"***Fertilizer Plant***" is identified in the second recital.

"***Fertilizer Company***" is defined in the preamble.

“***Fertilizer Company Representative***” shall mean the plant manager of the Fertilizer Plant or such other person as is designated in writing by Fertilizer Company.

“***Intermediate Coke Storage Site***” means that certain intermediate coke storage site owned by Fertilizer Company located east of Sunflower Road.

“***Late Payment Rate***” is defined in Section 2.2(d).

“***Laws***” means all applicable laws, regulations, orders and decrees, including, without limitation, laws, regulations, permits, orders and decrees respecting health, safety and the environment.

“***Material Adverse Change***” is defined in Section 2.2(e).

“***Party***” and “***Parties***” mean the Parties to this Agreement.

“***Person***” means and includes natural persons, corporations, limited partners, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities.

“***Purchase Price***” is defined in Section 2.2(a).

“***Refinery***” is defined in the first recital.

“***Refinery Company***” is defined in the preamble.

“***Refinery Company Representative***” means the Plant Manager of Refinery Company or such other person as is designated in writing by Refinery Company.

ARTICLE 2

COKE SUPPLY

Section 2.1 Coke.

(a) Subject to the terms hereof, Refinery Company agrees to sell and deliver to Fertilizer Company, and Fertilizer Company agrees to purchase and accept delivery of, each calendar year during the term of this Agreement, an amount (the “***Maximum Required Amount***”) equal to the lesser of (i) one hundred percent (100%) of the Coke produced at the Refinery during such calendar year, or (ii) 500,000 tons of Coke. In the event that Refinery Company produces during a calendar month a quantity of Coke that exceeds 41,667 tons of Coke (“***Base Monthly Amount***”), then Refinery Company may sell the excess amount of Coke (“***Excess Coke***”) to any third party, provided that the Refinery Company first gives the Fertilizer Company notice of the availability of such Excess Coke and the option of Fertilizer Company to purchase all or part of such Excess Coke at the Purchase Price, which option must be exercised by Fertilizer Company’s taking delivery of such Excess Coke within ten (10) days following the date Refinery Company gives notice of such Excess Coke to Fertilizer Company. Coke shall be measured as provided for in Exhibit B.

(b) During the term of this Agreement, Refinery Company will (i) not less than thirty (30) days prior to the commencement of each calendar quarter, provide Fertilizer Company with a good faith written forecast, for the twelve (12) month period commencing on the first day of such calendar quarter, of the quantity of Coke to be produced for such twelve (12) month period, and (ii) on or before February 1 of each calendar year, provide Fertilizer Company with a good faith written forecast for the three (3) calendar year period commencing on the first day of the calendar year in which such forecast is provided. Such forecasts shall be part of, or consistent with, Refinery Company's business plan. It is understood that the forecasts provided in accordance with this Section 2.1(a) are solely for the purpose of facilitating scheduling and delivery of Coke and are not binding upon Refinery Company or Fertilizer Company. Refinery Company will not have any liability to Fertilizer Company arising out of or relating to such forecasts.

Section 2.2 Price, Invoices and Payment.

(a) The price for Coke purchased hereunder will be as indicated on Exhibit A (the "***Purchase Price***").

(b) To the extent legally permissible, all present and future taxes imposed by any federal, state, local or foreign authority which Refinery Company may be required to pay or collect, upon or with reference to the sale, purchase, transportation, delivery, storage, use or consumption of Coke, including taxes upon or measured by the receipts therefrom (except net income and equity franchise taxes) will be for the account of Fertilizer Company.

(c) Refinery Company will invoice Fertilizer Company (as below provided), and Fertilizer Company will pay Refinery Company via wire transfer, the net amount due per such invoices in accordance with the payment provisions set forth in this Section 2.2.

(d) Invoices will be issued weekly, after the delivery of the Coke, in accordance with Section 2.3 and the price will be the price as in effect at the time of such delivery in accordance with Exhibit A. All such invoices will be due net fifteen (15) days. Fertilizer Company will make payment in full of the amount due under each invoice in strict compliance with the payment terms as set forth in this Agreement without any deduction for any discount or credits, contra or setoffs of any kind or amount whatsoever (including any claims against Refinery Company for any reason other than a breach of this Agreement) unless expressly authorized in writing by Refinery Company prior to the payment date relating to such invoice(s), and except that Fertilizer Company shall be entitled to offset, against any amount payable by Fertilizer Company to Refinery Company for Coke under this Agreement, any amounts payable from Refinery Company to Fertilizer Company for Feedstocks or Services under the Feedstock and Shared Services Agreement. To the extent any amount payable under this Agreement is not paid when due, then in addition to the amount payable and in addition to all other available rights and remedies, Fertilizer Company also will be obligated to pay interest on such amount payable from and after the due date for such payment until such payment is made at a rate of interest per annum equal to three percent (3%) above the "prime rate" as published from time to time in The Wall Street Journal as the base lending rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest United States banks (the "***Late Payment Rate***").

(e) As soon as available, and in any event within ninety (90) days after the end of the Fertilizer Company's fiscal year and forty-five (45) days after the end of each of the first three fiscal quarters of the Fertilizer Company's fiscal year, Fertilizer Company will provide financial statements to Refinery Company to support its purchase of Coke under the terms of this Agreement on an unsecured basis. In the event that, in Refinery Company's sole judgment and utilizing financial and credit metrics commonly used to analyze the Refinery Company's existing customer base, there is deemed to exist any material adverse change in the financial condition or liquidity of Fertilizer Company and/or in the then current ability of Fertilizer Company to discharge its existing or future payment obligations hereunder (a "***Material Adverse Change***"), Refinery Company will have the right, upon written notice to Fertilizer Company, to require that Fertilizer Company provide additional assurances ("***Assurances***") to Refinery Company as security for Fertilizer Company's obligations hereunder, which notice shall include (i) a summary of the information upon which Refinery Company has based its determination that such a Material Adverse Change has occurred, and (ii) the dollar amount of the required Assurances (the "***Assurance Amount***"), which Assurance Amount shall not exceed the product of the following: (A) the average daily dollar value of Coke purchased by Fertilizer Company from Refinery Company for the ninety (90) day period preceding the date on which Refinery Company gives notice to Fertilizer Company that a Material Adverse Change has occurred, multiplied by (B) twenty-one (21). Unless otherwise agreed by the Parties with respect to a Material Adverse Change that is the subject of such a notice, any requirement of such Assurances with respect to such Material Adverse Change shall be satisfied only by Fertilizer Company's delivery to Refinery Company of Assurances in the form and nature of any of the following: (i) an irrevocable standby or documentary letter of credit, for a duration and in an amount sufficient to cover the Assurance Amount, in a format reasonably satisfactory to Refinery Company and issued or confirmed by a bank reasonably acceptable to Refinery Company; (ii) a prepayment to cover the Assurance Amount; and/or (iii) a surety instrument for a duration and in an amount sufficient to cover the Assurance Amount, in a format reasonably satisfactory to Refinery Company and issued by a financial institution or insurance company reasonably acceptable to Refinery Company. All bank charges relating to any letter of credit and any fees, commissions, premiums, costs and expenses incurred with respect to furnishing such Assurances will be for Fertilizer Company's account. Fertilizer Company agrees, at any time and from time to time upon the request of Refinery Company, to execute, deliver and acknowledge, or cause to execute, deliver and acknowledge, such further documents and instruments and do such other acts and things as Refinery Company may reasonably request in order to fully effect the purposes of this Section 2.2(e). If Fertilizer Company does not provide such Assurances within five (5) days following the giving of written notice by Refinery Company that a Material Adverse Change has occurred and that such Assurances are required, Refinery Company may, in addition to any and all remedies available to Refinery Company hereunder or at law or in equity, require Fertilizer Company to pay for future deliveries of Coke on a cash-on-delivery basis, failing which Refinery Company may suspend further delivery of Coke until such Assurances are provided and terminate this Agreement upon thirty (30) days prior written notice to Fertilizer Company. Notwithstanding anything to the contrary in this Agreement, Fertilizer Company may, within sixty (60) days after it provides Assurances to Refinery Company as required hereunder, terminate this Agreement upon five (5) days prior written notice to Refinery

Company, provided that such termination shall not limit or affect the right of Refinery Company to draw upon the Assurances, or pursue any other remedies available hereunder, at law, or in equity, with respect to any obligations of Fertilizer Company hereunder. Any Assurances provided by Fertilizer Company shall be promptly released following such termination and satisfaction of any remaining obligations to Refinery Company.

Section 2.3 Delivery, Title, and Risk of Loss.

(a) Delivery of Coke to Fertilizer Company will take place FOB Refinery in the eastern half of the Refinery's Coke pit (the "Delivery Point") and will be loaded at the Delivery Point by Fertilizer Company, at its expense, into transport trucks supplied by Fertilizer Company or its contractor. Title and risk of loss to the Coke delivered under this Agreement will pass from Refinery Company to Fertilizer Company upon loading of the Coke into such trucks at the Delivery Point. Refinery Company shall permit such trucks to enter upon Refinery premises as reasonably necessary to load the Coke into such trucks and related ingress and egress.

(b) Fertilizer Company is required to take delivery of Coke and remove it from the Delivery Point on a ratable basis so that Coke inventory accumulation at the Delivery Point will not exceed 1,500 tons at any time, and so that the Delivery Point will, at least once during every calendar day, not contain any Coke (other than residual Coke fines or Coke that is at or below the water level in the Coke pit at the Delivery Point). In the event that the daily production of Coke by Refinery Company increases, Fertilizer Company will be required to take delivery of Coke as often as is necessary based upon the increased production by Refinery Company so as to continue to satisfy Fertilizer Company's obligations under the immediately preceding sentence. Notwithstanding the foregoing, Fertilizer Company shall have no obligation to take delivery of Excess Coke unless Fertilizer Company elects to purchase such Excess Coke.

(c) If Fertilizer Company does not take delivery of the Coke in accordance with this Agreement, such quantities will be delivered by Refinery Company on Fertilizer Company's behalf to the Intermediate Coke Storage Site. Fertilizer Company will pay Refinery Company for all Coke delivered into the Intermediate Coke Storage Site, the Purchase Price, plus Refinery Company's costs of delivering the Coke. Title and risk of loss or damage to such Coke will pass to Fertilizer Company upon delivery into the Intermediate Coke Storage Site, and Refinery Company will invoice Fertilizer Company, pursuant to the procedures set forth in Section 2.2(d), the Purchase Price plus the fee upon delivery into the Intermediate Coke Storage Site.

Section 2.4 Sampling, Analysis and Weighing.

(a) Refinery Company will sample the Coke produced by each production turn and the Coke purchased by Fertilizer Company as per its standard practice, perform chemical and physical analyses in accordance with Exhibit B, and either average the analyses of such samples, or composite the samples for one analysis, to determine a weekly average analysis that will be deemed to be the analysis of Coke loaded into trucks by Fertilizer Company or delivered to Fertilizer Company, as the case may be, during such week. The weekly weighted average Coke analysis will be transmitted electronically or telefaxed to such Person as Fertilizer Company may from time to time direct as soon as available, it being understood that such analysis will be available as soon as practicable, normally within 24 to 48 hours of the analyzed Coke's delivery.

Such weekly average analyses will be rebuttably presumptively correct as to the quality of Coke sold hereunder; however, if Fertilizer Company should encounter material discrepancies between Refinery Company's weekly average analyses and Fertilizer Company's own quality analyses, Fertilizer Company and Refinery Company will meet to discuss the reasons for such discrepancies and any appropriate remedial action. If Fertilizer Company encounters any such material discrepancy, then Fertilizer Company will retain a sample of the Coke sampled pursuant to this Section 2.4(a) for its own quality analysis, labeled so as to identify the truck load that was sampled. In the event that Fertilizer Company and Refinery Company cannot agree as to the quality of the Coke, either party may, without limitation, submit such dispute for resolution in accordance with ARTICLE 4.

(b) Refinery Company shall give to Fertilizer Company at least twenty-four (24) hours advance notice if Refinery Company has actual knowledge that any petroleum coke to be made available for delivery to Fertilizer Company hereunder on a specified date will not meet the specifications for Coke set forth on Exhibit A ("***Off-Spec Coke***"). Fertilizer Company shall have the right to refuse delivery of such Off-Spec Coke, provided that if Fertilizer Company does accept delivery of any Off-Spec Coke, then such Off-Spec Coke accepted by Fertilizer Company shall be deemed Coke for all other purposes of this Agreement. In the event that Refinery Company gives advance notice of Off-Spec Coke to Fertilizer Company, with respect to the Coke that is available on more than twenty (20) days in any calendar year, or Off-Spec Coke is otherwise delivered to Fertilizer Company on more than twenty (20) days in any calendar year, and Fertilizer Company is required to incur additional capital costs to handle such Off-Spec Coke ("***Off-Spec Costs***"), then Fertilizer Company shall give written notice of such Off-Spec Costs to Refinery Company and the Refinery Company shall, within thirty (30) days thereafter, elect by written notice to Fertilizer Company to either (i) adjust the Purchase Price on a mutually agreeable commercially reasonable basis to address such additional Off-Spec Costs, or (ii) share such additional Off-Spec Costs on a mutually agreeable commercially reasonable basis.

(c) Refinery Company shall give to Fertilizer Company not less than three (3) years advance written notice (the "***Advance Sustained Off-Spec Notice***") that Refinery Company reasonably anticipates, based upon reasonably expected expansion or revamp plans for the Refinery or reasonably expected changes in the feedstocks used in the production of Coke, that the Coke to be made available hereunder will, for a sustained period of more than seven (7) consecutive days, have either of the following ("***Sustained Off-Spec Coke***"): (i) HGI below 30, or (ii) sulfur content in excess of 5.0 wt. %. Fertilizer Company shall determine, on a commercially reasonable basis, and deliver to Refinery Company within ninety (90) days following the Advance Sustained Off-Spec Notice, written notice of the additional capital costs that Fertilizer Company reasonably anticipates that it will be required to incur in order to handle such Sustained Off-Spec Coke on a commercially reasonable basis ("***Sustained Off-Spec Costs***"). Following receipt by Refinery Company of such notice of Sustained Off-Spec Costs, the Refinery Company shall, within ninety (90) days thereafter, elect by written notice to Fertilizer Company to either (i) adjust the Purchase Price on a mutually agreeable commercially reasonable basis to address such additional Sustained Off-Spec Costs, or (ii) direct Fertilizer Company to invoice Refinery Company for the actual commercially reasonable Sustained Off-Spec Costs as and when incurred by Fertilizer Company, which invoice shall include reasonable documentation of such Sustained Off-Spec Costs as incurred, and Refinery Company shall pay to Fertilizer Company the amount of such invoice within thirty (30) days following receipt of such invoice.

(d) Fertilizer Company reserves the right to perform quality analyses more often than weekly and, in the event that any such quality analyses demonstrates a material discrepancy between the analyses performed by Refinery Company and Fertilizer Company, such discrepancy shall be addressed as provided in Section 2.4(a).

(e) With respect to shipments of Coke, the quantities used for billing hereunder will be as determined in accordance with the Coke quantity measurement provision in Exhibit B.

Section 2.5 Terms and Conditions of Sale.

(a) In the event that any shipment of Coke does not conform to the applicable specifications, the Party discovering the nonconformity will provide prompt written notice to the other Party (and in any event, within two (2) days after the arrival of the shipment) of the nonconformity, which notice will include copies of all analyses and other documentation describing and quantifying the nonconformity, and the Parties will promptly undertake negotiations in good faith to effectuate an appropriate disposition of the nonconforming material, which may include an equitable price adjustment. In the event that the Parties are unable to agree to an appropriate disposition of the nonconforming material within fourteen (14) days, either Party may submit such dispute for resolution in accordance with ARTICLE 4 hereof.

(b) In the event of a conflict between the terms and conditions of this Agreement and the terms or conditions contained in any notice, shipment, specifications, purchase order, sales order, acknowledgement or other document which may be used in connection with the transactions contemplated by this Agreement, the terms and conditions of this Agreement will supersede and govern, unless expressly waived in accordance with Section 11.5.

Section 2.6 Warranty. Except for Off-Spec Coke identified in advance and delivered to Fertilizer Company in accordance with Section 2.4(b), Refinery Company warrants that all Coke sold by Refinery Company hereunder will conform to the specifications set forth in Exhibit A. OTHER THAN AS AFORESAID, REFINERY COMPANY MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE ARE HEREBY EXPRESSLY DISCLAIMED BY REFINERY COMPANY AND EXCLUDED HEREUNDER. Refinery Company will not be liable for any incidental, consequential or punitive damages, losses or expenses based upon, resulting from, or arising out of any breach of this Agreement by Refinery Company or any use of, or the inability to use, the Coke for any purpose whatsoever.

ARTICLE 3

TERM

Section 3.1 Term. This Agreement shall be for an initial term of twenty (20) years. The term of this Agreement shall be automatically extended following the initial term for additional successive five (5) year renewal periods, unless either party gives notice to the other party, not less than three (3) years prior to the date that any such renewal period would commence, that such party does not desire to extend and renew the term of this Agreement, in which event this Agreement shall terminate upon the expiration of the term in which the notice of nonrenewal is given.

Section 3.2 Termination. Notwithstanding Section 3.1, this Agreement may be terminated by mutual agreement of the parties. This Agreement may also be terminated as otherwise provided in this Agreement and as follows:

(a) This Agreement may be terminated by one Party (the "Terminating Party") upon notice to the other Party (the "Breaching Party"), following the occurrence of an Event of Breach with respect to the Breaching Party. For purposes hereof, an "Event of Breach" shall occur when a breach of this Agreement by the Breaching Party has not been cured by such Breaching Party within ten (10) days after receipt of written notice thereof from the Terminating Party with respect to breach of any monetary payment obligation, or, in the case of a breach other than of any monetary payment obligation, within thirty (30) days after such receipt, or, in the case of a breach that is not reasonably feasible to effect a cure within said 30-day period, within ninety (90) days after such receipt provided that the Breaching Party diligently prosecutes the cure of such breach.

(b) This Agreement may be terminated by the Refinery Company effective as of the permanent termination of substantially all of the operations at the Refinery (with no intent by Refinery Company or its successor to recommence operations at the Refinery); provided, however, that notice of such permanent termination of operations shall be provided by the Refinery Company to Fertilizer Company at least twelve (12) months prior to such permanent termination.

(c) This Agreement may be terminated by the Fertilizer Company effective as of the permanent termination of substantially all of the fertilizer production operations at the Fertilizer Plant (with no intent by Fertilizer Company or its successor to recommence operations at the Fertilizer Plant); provided, however, that notice of such permanent termination of operations shall be provided by the Fertilizer Company to Refinery Company at least twelve (12) months prior to such permanent termination.

(d) This Agreement may be terminated by one Party upon notice to the other Party following (i) the appointment of a receiver for such other Party or any part of its property, (ii) a general assignment by such other Party for the benefit of creditors of such other Party, or (iii) the commencement of a proceeding under any bankruptcy, insolvency, reorganization, arrangement or other law relating to the relief of debtors by or against such other Party; provided, however, that if any such appointment or proceeding is initiated without the consent or application of such other Party, such appointment or proceeding shall not constitute a termination event under this Agreement until the same shall have remained in effect for sixty (60) days.

Section 3.3 Effects of Expiration or Termination. Refinery Company and Fertilizer Company agree that upon and after expiration or termination of this Agreement:

(a) Fertilizer Company will remain obligated to make any payment due to Refinery Company hereunder for any Coke delivered to or purchased by Fertilizer Company prior to termination.

(b) Liabilities of any Party arising from any act, breach or occurrence prior to termination will remain with such Party.

(c) The Parties' rights and obligations under Sections 2.2, 2.3, 2.5 and 2.6, and ARTICLES 4, 5, 6, 7, 8, 9, 10 and 11, will survive the expiration or termination of this Agreement.

ARTICLE 4

DISPUTES

The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "***Dispute***") pursuant to this Article 4. The Parties shall first submit the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the Refinery Company Representative and the Fertilizer Company Representative as provided above, then the Parties may exercise all available remedies.

ARTICLE 5

INDEMNIFICATION

Section 5.1 Indemnification Obligations. Each of the Parties (each, an "***Indemnitor***") shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees (each, an "***Indemnitee***") harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, "***Losses***") imposed upon, incurred by or asserted against the Person seeking indemnification that are caused by, are attributable to, result from or arise out of the breach of this Agreement by the Indemnitor or the negligence or willful misconduct of the Indemnitor, or of any officers, directors, members, managers, employees, agents, contractors and/or subcontractors acting for or on behalf of the Indemnitor. Any indemnification obligation pursuant to this Article 5 with respect to any particular Losses shall be reduced by all amounts actually recovered by the Indemnitee from third parties, or from applicable insurance coverage, with respect to such Losses. Upon making any payment to any Indemnitee, the Indemnitor shall be subrogated to all rights of the Indemnitee against any third party in respect of the Losses to which such payment relates, and such Indemnitee shall execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. If the Indemnitee receives any amounts from any third party or under applicable insurance coverage subsequent to an indemnification payment by the Indemnitor, then such Indemnitee shall promptly reimburse the Indemnitor for any payment made or expense incurred by such Indemnitor in connection with providing such indemnification payment up to the amount received by the Indemnitee, net of any expenses incurred by such Indemnitee in collecting such amount.

Section 5.2 Indemnification Procedures.

(a) Promptly after receipt by an Indemnitee of notice of the commencement of any action that may result in a claim for indemnification pursuant to this Article 5, the Indemnitee shall notify the Indemnitor in writing within 30 days thereafter; provided, however, that any omission to so notify the Indemnitor will not relieve it of any liability for indemnification hereunder as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice shall have been materially prejudicial to the Indemnitor) nor from any other liability that it may have to any Indemnitee. The Indemnitor shall have the right to assume sole and exclusive control of the defense of any claim for indemnification pursuant to this Article 5, including the choice and direction of any legal counsel.

(b) An Indemnitee shall have the right to engage separate legal counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the Indemnitor has agreed in writing to pay such fees and expenses, (ii) the Indemnitor has failed to assume the defense thereof and engage legal counsel within a reasonable period of time after being given the notice required above, or (iii) the Indemnitee shall have been advised by its legal counsel that representation of such Indemnitee and other parties by the same legal counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same legal counsel has been proposed) due to actual or potential conflicts of interests between them. It is understood, however, that to the extent more than one Indemnitee is entitled to engage separate legal counsel at the Indemnitor’s expense pursuant to clause (iii) above, the Indemnitor shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having the same or substantially similar claims against the Indemnitor, unless but only to the extent the Indemnitees have actual or potential conflicting interests with each other.

(c) The Indemnitor shall not be liable for any settlement of any action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

ARTICLE 6

ASSIGNMENT

This Agreement shall extend to and be binding upon the Parties hereto, their successors and permitted assigns. Either Party may assign its rights and obligations hereunder solely (i) to an affiliate under common control with the assigning Party, provided that any such assignment shall require the prior written consent of the other Party hereto (such consent not to be unreasonably withheld or delayed), and provided that the applicable assignee agrees, in a written instrument delivered to (and reasonably acceptable to) such other Party, to be fully bound hereby, or (ii) to a Party's lenders for collateral security purposes, provided that in the case of any such assignment each Party agrees (x) to cooperate with the lenders in connection with the execution and delivery of a customary form of lender consent to assignment of contract rights and (y) any delay or other inability of a Party to timely perform hereunder due to a restriction imposed under the applicable credit agreement or any collateral document in connection therewith shall not constitute a breach hereunder. In addition, each Party agrees that it will assign its rights and obligations hereunder to a transferee acquiring all or substantially all of the equity in or assets of the assigning Party related to the Refinery or Fertilizer Plant (as applicable), which transferee must be approved in writing by the non-assigning Party (such approval not to be unreasonably withheld or delayed) and must agree in writing (with the non-assigning Party) to be fully bound hereby.

ARTICLE 7

GOVERNING LAW AND VENUE

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SAID STATE. THE PARTIES AGREE THAT ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 8

LIMITATION OF LIABILITY

In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, will either Party, its employees, suppliers or subcontractors, be liable for loss of profits or revenue or special, incidental, exemplary, punitive or consequential damages. In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall either Party, its employees, suppliers or subcontractors, be liable for loss of profits or revenue or special, incidental, exemplary, punitive or consequential damages; provided, however, that the foregoing limitation shall not preclude recourse to any insurance coverage maintained by the Parties.

ARTICLE 9

NOTICE

Any notice, request, correspondence, information, consent or other communication to any of the Parties required or permitted under this Agreement will be in writing (including telex, telecopy, or facsimile) and will be given by personal service or by telex, telecopy, facsimile, overnight courier service, or certified mail with postage prepaid, return receipt requested, and properly addressed to such Party and shall be effective upon receipt. For purposes hereof the proper address of the Parties will be the address stated beneath the corresponding Party's name below, or at the most recent address given to the other Parties hereto by notice in accordance with this Article:

If to Refinery Company, to:

Coffeyville Resources Refining &
Marketing, LLC

____

____

Attention: Chief Executive Officer

If to Fertilizer Company, to:

Coffeyville Resources Nitrogen
Fertilizers, LLC

____

____

Attention: Chief Executive Officer

or such other addresses as either Party designates by registered or certified mail addressed to the other Party.

ARTICLE 10

EXHIBITS

All of the Exhibits attached hereto are incorporated herein and made a part of this Agreement by reference thereto.

ARTICLE 11

MISCELLANEOUS

Section 11.1 Headings. The headings used in this Agreement are for convenience only and will not constitute a part of this Agreement.

Section 11.2 Ancillary Documentation; Amendments and Waiver. The Parties may, from time to time, use purchase orders, acknowledgments or other instruments to order, acknowledge or specify delivery times, suspensions, quantities or other similar specific matters concerning the provision of Coke or relating to performance hereunder, but the same are intended for convenience and record purposes only and any provisions which may be contained therein are not intended to (nor will they serve to) add to or otherwise amend or modify any specific provision of this Agreement, even if signed or accepted on behalf of either Party with or without qualification. This Agreement may not be amended, modified or waived except by a writing signed by all Parties to this Agreement that specifically references this Agreement and specifically provides for an amendment, modification or waiver of this Agreement. No waiver of or failure or omission to enforce any provision of this Agreement or any claim or right arising hereunder will be deemed to be a waiver of any other provision of this Agreement or any other claim or right arising hereunder.

Section 11.3 Cooperation. Refinery Company and Fertilizer Company will cause their respective personnel to fully cooperate with, and comply with the reasonable requests of, the other Party and its employees, agents and contractors in coordinating the scheduling of planned turnarounds and temporary shutdowns.

Section 11.4 Construction and Severability. Every covenant, term and provision of this Agreement will be construed simply according to its fair meaning and in accordance with industry standards and not strictly for or against either Party. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the validity or legality of the remainder of this Agreement.

Section 11.5 Waiver. The waiver by either Party of any breach of any term, covenant or condition contained in this Agreement will not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition contained in this Agreement. No term, covenant or condition of this Agreement will be deemed to have been waived unless such waiver is in writing.

Section 11.6 Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire, integrated agreement between the Parties regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties, whether written or oral.

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

COFFEYVILLE RESOURCES REFINING & MARKETING, LLC	COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC
By: ______________________________	By: ______________________________

EXHIBIT A

ANALYSIS, SPECIFICATIONS AND PRICING FOR COKE

- Sulfur	3.5 wt. % (dry, typical); provided, however, that the sulfur will not exceed 4.5% on a monthly average basis and will not exceed 6% on a weekly composite basis
- Ash	0.35 wt. % (dry, maximum)
- Chloride content	30.0 ppm by wt. dry basis (maximum)
- Moisture content	Refinery Company to provide report of moisture content for available Coke on a monthly basis.
- Volatile matter	9 to 14%
- Hardness	30.0 HGI (maximum)
- Purchase Price	The Purchase Price per ton of Coke will be the lesser of the Index Price or the UAN Netback Based Price. The Index Price shall be the mid-point for the most recent published quarter in the Pace Petroleum Coke Quarterly under the heading "Midwest Green Coke, Chicago Area, FOB Source." (in the event Pace Petroleum Coke Quarterly ceases to be published or ceases to include a heading for "Midwest Green Coke, Chicago Area", the Parties will agree on a substitute Coke index). The UAN Netback Based Price shall be $25 per ton at a UAN netback plant price of $205, adjusted up or down $0.50 per ton for each $1 change in the UAN netback plant price, up to a UAN Netback Based Price cap of $40 per ton or down to a UAN Netback Based Price floor of $5 per ton. The UAN netback plant price will be the netback price realized by the Fertilizer Company at the Fertilizer Plant for the calendar month preceding the month of Coke delivery based upon the books and records of the Fertilizer Company. In no event shall the Purchase Price per ton of Coke be below $0. The Purchase Price shall be subject to adjustment as provided in Sections 2.4(b) and (c).

EXHIBIT B

COKE MEASUREMENT, SAMPLING AND TESTING PROCEDURES

- Quantity measurement	Refinery Company shall, upon opening a coke drum and prior to emptying the contents of such coke drum into the coke pit, determine Coke quantity by measuring the “outage” for a coke drum which is the distance from the designated spot near the top of each coke drum down to the level in the drum where the Coke begins. An outage table, attached as Appendix 1 to this Exhibit B, will then be utilized along with the measured outage to determine the quantity of Coke in the coke drum. The Coke quantity so determined shall be recorded in the Refinery Company’s outage log. A copy of the outage log shall be provided to Fertilizer Company with each invoice. Refinery Company shall maintain for three (3) years all records related to the determination of Coke quantity along with the outage log and the Fertilizer Company, upon reasonable request, may review such records and logs and may observe the physical measurement of the coke drum outage.
- Sampling and testing	Representative drum cut samples will be composited and tested for ash, sulfur and chlorine per the following methodology: Sample Preparation: ASTM D346-90 “Collection and Preparation of Coke Samples For Laboratory Analysis” Deviation: A 2.5 gallon sample will be used. Ash: ASTM D3174-02 “Ash in the Analysis Sample of Coal and Coke from Coal” Deviation: Ashed at 750C to constant weight. Sulfur and Chlorine: X-ray analysis of whole coke as pressed pellet against known Standards.

Exhibit 10.26

CROSS EASEMENT AGREEMENT

THIS CROSS EASEMENT AGREEMENT (this "***Agreement***") is made as of the _____ day of __________, 2007 (the "***Effective Date***"), by and between Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company, (the "***Fertilizer Company***"), and Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company, (the "***Refinery Company***").

RECITALS

1. Fertilizer Company is the owner of certain real property located in Montgomery County, Kansas, as legally described on the attached Exhibit A (the "***Fertilizer Parcel***"), and Refinery Company is the owner of certain real property located in Montgomery County, Kansas, as legally described on the attached Exhibit B (the "***Refinery Parcel***"). The Refinery Parcel and the Fertilizer Parcel are herein collectively referred to as the "***Parcels***", and each, as a "***Parcel***").

2. The Refinery Parcel and the Fertilizer Parcel are the subject of that certain unrecorded Cross Easement Agreement dated as of March ___, 2004 (the "***Original Cross Easement Agreement***"), in which Fertilizer Company and Refinery Company granted to each other various easements and rights as therein more particularly set forth.

3. The Parties have recently reconfigured the boundaries of their respective Parcels and are dividing and separating the operations of Refinery Company's oil refinery facilities from the operations of Fertilizer Company's adjacent nitrogen fertilizer plant operations. In connection therewith, the Parties are entering into the following agreements (collectively, "***Service Agreements***"): (i) Feedstock and Shared Services Agreement (the "***Feedstock Agreement***"); (ii) Coke Supply Agreement; (iii) Raw Water and Facilities Sharing Agreement (the "***Raw Water Agreement***"); and (iv) Environmental Agreement.

4. Fertilizer Company and Refinery Company are granting to each other, as hereinafter set forth, certain non-exclusive easements and rights of use upon and across the Fertilizer Parcel and the Refinery Parcel, respectively, for, but not limited to, the following purposes: (i) the use of pipelines, transmission lines, equipment, drainage facilities, other Plant facilities and improvements and the maintenance thereof; (ii) pedestrian and vehicular access; and (iii) all other purposes as necessary for the current use, operation and maintenance of the business and operations currently conducted on the Parcels and as necessary to carry out the purpose and intent of the Service Agreements.

5. The parties desire to amend, supersede and restate the Original Cross Easement Agreement in its entirety by this Agreement to reflect the foregoing, all as hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. INCORPORATION OF RECITALS; DEFINITIONS

1.1 As of the date hereof, the Original Cross Easement Agreement is hereby amended, superseded and restated in its entirety by the terms of this Agreement.

1.2 The terms of each of the foregoing Recitals are incorporated herein by this reference.

1.3 All terms not defined in this Agreement but which are defined in the Service Agreements are used herein as so defined in Service Agreements except for those terms that are expressly stated herein as being defined in the Raw Water Agreement (which terms are used herein as defined in the Raw Water Agreement). The following terms shall have the meanings set forth below, for purposes of this Agreement and all Exhibits hereto:

"***Access Areas***" is defined in Section 2.1(A).

"***Access Easement (Fertilizer Parcel)***" is defined in Section 2.1(B).

"***Access Easement (Refinery Parcel)***" is defined in Section 2.1(C).

"***Additional Easements***" is defined in Section 2(J).

"***Agreement***" means this Cross Easement Agreement and the Exhibits hereto, all as the same may be subsequently amended, modified or supplemented from time to time.

"**Buffer Zone—Fertilizer Parcel**" is legally described in Exhibit R-1

"**Buffer Zone—Refinery Parcel**" is legally described in Exhibit R-2.

"***Coke Haul Road***" is legally described in Exhibit P.

"***Coke Conveyor Belt Easement***" is defined in Section 2.3(C).

"***Coke Conveyor Belt Easement Area"*** is legally described in Exhibit G.

"***Coke Supply Agreement***" is defined in Recital 3.

"***Connection Purposes***" is defined in Section 3.2.

"***Constructing Party***" is defined in Section 2.2(E)(1).

"***Dispute***" is defined in Section 5.1.

"***Easement Areas***" is defined in Section 4.1.

"***Easements***" is defined in Section 4.1.

"***East Tank Farm Easements***" is defined in Section 2.3(F).

"***East Tank Farm (Refinery Parcel) Area***" is defined in Section 2.3(F) and is legally described on Exhibit K.

"***East Tank Farm Roadway (Fertilizer Parcel) Area***" is defined in Section 2.3(F) and is legally described on Exhibit J.

"***Environmental Agreement***" is defined in Recital 3.

"***Feedstock Agreement***" is defined in Recital 3.

"***Fertilizer Company***" is defined in the preamble.

"***Fertilizer Company Clarifier Tract***" is defined in Section 2.3.

"***Fertilizer Parcel***" is defined in Recital 1.

"***Fertilizer 75% Trackage Area***" is shown on the Plot Plan

"***Fertilizer Plant***" means the nitrogen fertilizer complex located on the Fertilizer Parcel owned and operated by Fertilizer Company, consisting of the Gasification Unit, the UAN Plant, the Ammonia Synthesis Loop, the Utility Facilities, storage and loading facilities, the Fertilizer Plant Water Clarifier and river access, the Grounds and related connecting pipes and improvements, which fertilizer manufacturing complex is connected to and associated with the BOC Facility and the Offsite Sulfur Recovery Unit, including any additions or other modifications made thereto from time to time and (without limitation) any fertilizer plant improvements, facilities and components on the Fertilizer Parcel as are shown on the Plot Plan.

"***First Mortgage***" is defined in Section 4.13(B).

"***Future Raw Water Pumping Area***" is defined in Section 2.3(A).

"***Indemnitee***" is defined in Section 6.1.

“***Indemnitor***” is defined in Section 6.1.

“***Interconnect Points***” is defined in Section 3.1.

“***Interconnect Points Easement***” is defined in Section 3.2.

“***Losses***” is defined in Section 6.1.

“***Non-Performing Party***” is defined in Section 4.6.

“***Original Cross Easement Agreement***” is defined in Recital 4.

“***Parcels***” is defined in Recital 1.

“***Party***” and “***Parties***” mean the parties to this Agreement.

“***Performing Party***” is defined in Section 4.7.

“***Pipe Rack Easement (service between Fertilizer Parcel Nos. 4 and 5)***” is defined in Section 2.3(B).

“***Pipe Rack Easement Area (service between Fertilizer Parcel Nos. 4 and 5)***” is defined in Section 2.3(B) and is legally described on Exhibit F.

“***Plot Plan***” means that plot plan drawing attached hereto as Exhibit C, which consists of ___ sheets, labeled __________ and _____________________.

“***Railroad Trackage Easement (Fertilizer Parcel)***” is defined in Section 2.3(G)(1).

“***Railroad Trackage Easement Area (Fertilizer Parcel)***” is defined in Section 2.3(G)(1) and is legally described on Exhibit L.

“***Railroad Trackage Easement (Refinery Parcel)***” is defined in Section 2.3(G)(2).

“***Railroad Trackage Easement (Refinery Parcel) Area***” is defined in Section 2.3(G)(2) and is legally described on Exhibit M.

“***Raw Water Agreement***” is defined in Recital 3.

“***Refinery Company***” is defined in the preamble.

“***Refinery Parcel***” is defined in Recital 1.

“***Refinery***” means the petroleum refinery at Coffeyville, Kansas located on the Refinery Parcel and owned and operated by Refinery Company, including any additions or other modifications made thereto from time to time and (without limitation) any refinery plant improvements, components and facilities on the Refinery Parcel shown on the Plot Plan.

“***Refinery Shared Parking Area***” is legally described on Exhibit Q.

“***Service Agreements***” is defined in Recital 3.

“***Shared Operation Zone Easements***” is defined in Section 2.2(B).

“***Shared Operation Zone Easement Area (Fertilizer Parcel)***” is defined in Section 2.2(B) and is legally described on Exhibit D.

“***Shared Operation Zone Easement Area (Refinery Parcel)***” is defined in Section 2.2(B) and is legally described on Exhibit E.

“***S/L Lease***” is defined in Section 4.13(B).

“***Sunflower Street Pipeline Crossing Easement (Fertilizer Parcel)***” is defined in Section 2.3(E)(1).

“***Sunflower Street Pipeline Crossing Easement Area (Fertilizer Parcel)***” is defined in Section 2.3(E)(1) and is legally described on Exhibit H.

“***Sunflower Street Pipeline Crossing Easement (Refinery Parcel)***” is defined in Section 2.3(E)(2).

“***Sunflower Street Pipeline Crossing Easement (Refinery Parcel) Area***” is defined in Section 2.3(E)(2) and is legally described on Exhibit I.

“***Temporary Construction / Maintenance Easements***” is defined in Section 2.2(E)

“***TKI Pipelines Easement***” is defined in Section 2.3(D).

“***Unavoidable Delay***” is defined in Section 4.6.

“***Water Rights Easement***” is defined in Section 2.3(A).

“***Work***” is defined in Section 2.2(E)(1).

ARTICLE 2. GRANTS OF EASEMENTS

The Parties hereby grant to each other the following easements and rights of use, subject to the other provisions of this Agreement:

2.1 **Access Easements**.

(A) The term "***Access Areas***" as used in this Agreement shall mean the following portions of the Fertilizer Parcel and the Refinery Parcel, respectively, as the same may be located from time to time:

(1) All vehicular roadways, driveways and pathways on the Parcels, however surfaced, and all interior vehicular roadways across parking lot areas (except those portions thereof which may from time to time constitute a duly dedicated public roadway); and

(2) All sidewalks, walkways and other pathways providing pedestrian access to and across the Parcels.

(B) Fertilizer Company hereby grants to Refinery Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Refinery Parcel, a non-exclusive easement and right of use in the Access Areas located from time to time on the Fertilizer Parcel for such pedestrian and vehicular access, ingress and egress, all in common with Fertilizer Company, as may be reasonably required for access, ingress and egress for the Refinery's operations (the "***Access Easement (Fertilizer Parcel)***").

(C) Reciprocally, Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a non-exclusive easement and right of use in the Access Areas located from time to time on the Refinery Parcel for such pedestrian and vehicular access, ingress and egress, all in common with Refinery Company, as may be reasonably required for access, ingress and egress for the Fertilizer Company's operations (the "***Access Easement (Refinery Parcel)***").

(D) The Parties agree that while neither Party, as grantor of the foregoing access easements, respectively, has any right or obligation to retain the existing Access Areas in their present configurations or locations (and may relocate, change or modify the Access Areas on its Parcel from time to time), each grantor Party shall provide at all times routes of vehicular and pedestrian access, ingress and egress across such Party's respective Parcel to reasonably facilitate the other Party's operations on its Parcel and exercise of its rights under this Agreement.

2.2 **Shared Operation Zone Easements**.

(A) The Parties acknowledge that: (i) Refinery Company requires access to and rights of use in certain improvements and structures located on the Fertilizer Parcel (including, without limitation, pipelines, transmission lines and other conduits and equipment, to operate its Refinery); and (ii) Fertilizer Company requires access to and rights of use in certain improvements and structures located on the Refinery Parcel (including, without limitation, pipelines, transmission lines and other conduits and equipment, to operate its Fertilizer Plant).

(B) The term "***Shared Operation Zone Easements*** " means those easements granted below in Sections 2.2(C) and (D).

(C) Accordingly, in order to carry out the Service Agreements, Fertilizer Company hereby grants to Refinery Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Refinery Parcel, a non-exclusive easement and right of use in, to, over, under and across the Shared Operation Zone Easement Area (Fertilizer Parcel) as required and necessary for implementation of the Service Agreements, which easement and right of use shall include, without limitation, the right to (i) maintain, repair, inspect and replace all existing pipelines, transmission lines, equipment, and drainage facilities of Refinery Company now located in the "***Shared Operation Zone Easement Area (Fertilizer Parcel)***" that are used in the operation of the Refinery and (ii) utilize each of the Interconnect Points therein (as defined in Section 3.1 below) (such easement and right of use being called "***Shared Operation Zone Easement (Fertilizer Parcel)***"). The Shared Operation Zone Easement Area (Fertilizer Parcel) is generally depicted on the Plot Plan and is legally described in Exhibit D attached hereto.

(D) Reciprocally, in order to carry out the Service Agreements, Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a non-exclusive easement and right of use in, to, over, under and across the Shared Operation Zone Easement Area (Refinery Parcel) as required and necessary for implementation of the Service Agreements, which easement and right of use shall include, without limitation, the right to (i) maintain, repair, inspect and replace all existing pipelines, transmission lines, equipment, and drainage facilities of Fertilizer Company now located in the "***Shared Operation Zone Easement Area (Refinery Parcel)***" that are used in the operation of the Fertilizer Plant and (ii) utilize each of the Interconnect Points therein (as defined in Section 3.1 below) (such easement and right of use being called "***Shared Operation Zone Easement (Refinery Parcel)***"). The Shared Operation Zone Easement Area (Refinery Parcel) is generally depicted on the Plot Plan and is legally described in Exhibit E attached hereto.

(E) **Temporary Construction / Maintenance Easements**.

(1) In connection with exercise of the foregoing Access Easements, the Shared Operation Zone Easements and the Easements granted hereinafter in Section 2.3, each Party (a "***Constructing Party***") is hereby granted by the other Party a temporary construction and maintenance easement as needed from time to time to use necessary portions of the other Party's Parcel, as the servient estate under such Easement, in connection with:

(a) All construction activities as permitted under the applicable Easement; and

(b) Inspecting, maintaining, repairing and replacing the Constructing Party's pipelines, transmission lines, conduits, equipment and other improvements.

(c) The transportation and hauling of heavy vehicles, loads and equipment over any road within an Access Area of the other Party, in which case the Constructing Party may temporarily cap (with gravel, asphalt or other suitable, protective material) such road in order to prevent or mitigate damage thereby caused to such road. Notwithstanding anything to the contrary contained in this Agreement, any damage to any such road of a Party caused by such transportation and hauling by the Constructing Party shall be promptly repaired by the Constructing Party at its sole cost and expense.

The foregoing easements are collectively referred to herein as the "***Temporary Construction/ Maintenance Easements***". Any and all activities described in Sections 2.2(E)(1)(a) and (b) are collectively referred to in this Section 2.2(E)(1) as "***Work***".

(2) Within a reasonable time before it begins any Work, the Constructing Party shall provide reasonable prior notice (except in an emergency situation, in which case no prior notice is required, but instead the Constructing Party shall submit subsequent notice) to the other Party outlining those portions of the other Party's Parcel in which the temporary construction easement is needed, identifying the Work to be undertaken, and the estimated duration of such Work.

(3) When the Constructing Party ceases using the other Party's Parcel for such Work, it must promptly restore such area to the condition in which it existed before the commencement of the Work within a reasonable period of time. This restoration Work shall include clearing the area of all loose dirt, debris, equipment and construction materials and the repair or replacement of equipment areas, equipment connections, utility services, paving, and landscaping and repairs and replacements to such other items as may be required to reasonably restore.

(4) The Constructing Party must also restore any portions of the other Party's Parcel that may be damaged by its Work promptly upon the occurrence of such damage without delay.

(5) All Work shall be performed by the Constructing Party in a manner so as to avoid material interference with Fertilizer Plant and Refinery operations within such Easement Areas and on surrounding areas. At the completion of Work, a given Temporary Construction/ Maintenance Easement shall automatically be deemed terminated.

2.3 **Easements for Specific Operations**.

In addition to the foregoing Access Easements and the Shared Operation Zone Easements, the Parties grant the following additional easements for the specific operations designated therein:

(A) **Water Rights Easement**. In order to provide for the real property rights and interests necessary to effectuate the provisions of the Raw Water Agreement and to provide for the transportation of water from the Water Facilities (as defined in the Raw Water Agreement) into the Fertilizer Company's Plant facilities located on its Parcel, Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel:

(i) A perpetual, non-exclusive easement in and right of use of: (a) the Refinery's Water Intake Structure, River Water Pumps, other Water Facilities and equipment related thereto (all as defined and described in the Raw Water Agreement) to the extent provided in the Raw Water Agreement; and (b) any existing water supply pipeline of Refinery Company (and related equipment) which carries raw water from the River Water Pumps (y) into pipelines of Fertilizer Company located on the Refinery Parcel that run to the tract of land owned by Fertilizer Company on which its clarifier is located, which tract of land is described on Exhibit M ("***Fertilizer Company Clarifier Tract***") or (z) directly to the Fertilizer Company Clarifier Tract. Refinery Company hereby reserves the right to alter, relocate, expand or replace all of its herein described water supply equipment from time to time, so long as it continues to supply sufficient, uninterrupted water and pipeline service to Fertilizer Company pursuant to the terms of the Raw Water Agreement and as provided in clauses (a) and (b) above. The Parties acknowledge that such water supply equipment described in clause (a) presently provides the single source of water to both the Refinery and the Fertilizer Plant.

(ii) A perpetual, non-exclusive easement in and right of use of such portions of the Refinery Parcel on which the Fertilizer Company's existing separate water supply pipelines are located that carry water from the "Y Intersection" (as defined in the Raw Water Agreement") to the Fertilizer Company Clarifier Tract and from the Fertilizer Company Clarifier Tract southerly across the Refinery Parcel onto the Fertilizer Parcel and into the Fertilizer Plant located thereon. The general location of the area of the Refinery Parcel in which such pipelines are located is shown on the Plot Plan and a general legal description of the area is attached hereto as Exhibit O ("***Fertilizer Water Pipeline Easement Area***"). Such easement includes the right and easement in favor of Fertilizer Company to operate, maintain, alter, repair and replace such water supply pipelines within the Fertilizer Water Pipeline Easement Area in a manner that does not materially interfere with the operation or use of the Refinery or any part thereof.

(iii) The right of use, privilege and interest for Fertilizer Company, at any future time upon prior notice to, and reasonable coordination with, Refinery Company so as to not materially impair any operations on the Refinery Parcel, to construct separate water facilities, as contemplated by the Raw Water Agreement, which separate water facilities may include, without limitation, a separate intake valve, water plant structure and associated water pumping equipment within the Future Raw Water Pumping Area. Upon Fertilizer Company's relocation and/or construction of separate water facilities pursuant to the rights granted in this paragraph, the areas in which such separate water facilities are located (and any areas to connect such separate water facilities to the Verdigris River and to Refinery Company's then-existing Water Intake Structure, River Water Pumps and Water Facilities as may then be reasonably necessary for the operation, alteration, maintenance, repair and replacement of Fertilizer Company's separate water facilities), shall be automatically deemed additional Easement Areas pursuant to the terms of this Agreement and the easement granted in 2.3(A)(1)(a) shall terminate to the extent no longer required due to construction of such separate water facilities.

The foregoing easements and rights of use are collectively referred to herein as the "***Water Rights Easement***".

(iv) **Water Rights Agreement**. The Water Rights Agreement contains various other rights, options, interests and obligations of the Parties in the event either Party elects to terminate the Sharing of Water Facilities and Water Rights, all as more particularly set forth in the Water Rights Agreement.

(B) **Pipe Rack Easement (Service between Fertilizer Parcel Nos. 4 and 5)**. Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a perpetual, non-exclusive easement and right of use to operate and otherwise utilize for Fertilizer Plant operations, in common with Refinery Company, all existing pipe rack installations of Refinery Company (as such pipe rack installations may be altered, relocated, expanded or replaced from time to time by Refinery Company, at its sole cost, so long as comparable uninterrupted pipe rack service is provided to Fertilizer Company) on that portion of the Refinery Parcel (the "***Pipe Rack Easement (service between Fertilizer Parcel Nos. 4 and 5) Area***" legally described on Exhibit F attached hereto and generally depicted on the Plot Plan (the "***Pipe Rack Easement (service between Fertilizer Parcel Nos. 4 and 5)***").

(C) **Coke Conveyor Belt Easement**. Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a perpetual, non-exclusive easement and right of use of the Coke Conveyor Belt Easement Area legally described on Exhibit G attached hereto and generally depicted on the Plot Plan, for the construction, operation, repair, maintenance and replacement of a conveyor belt system for the transportation of coke and coke related materials to and from the Fertilizer Plant (the "***Coke Conveyor Belt Easement***").

(D) **TKI Pipeline Easement**. In addition to the Shared Operation Zone Easement (Refinery Parcel) granted to Fertilizer Company in Section 2.2(B) above, Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a perpetual, non-exclusive easement and right of use to operate and otherwise utilize the existing TKI-dedicated pipelines and related pipeline equipment (as such pipelines and pipeline equipment may in the future be altered, relocated, expanded or replaced by Refinery Company, at its sole cost, so long as comparable uninterrupted TKI pipeline service is provided to Fertilizer Company) which traverses the Refinery Parcel and leads into the TKI sulphur plant located on the Fertilizer Parcel as generally depicted on the Plot Plan (the "***TKI Pipelines Easement***").

(E) **Sunflower Street Pipeline Crossing Easements**.

(1) Fertilizer Company hereby grants to Refinery Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Refinery Parcel, a perpetual, non-exclusive easement and right of use to operate and otherwise utilize for Refinery operations, in common with Fertilizer Company, all existing pipeline crossing and pipe rack equipment (both above and below-ground equipment, as such pipeline crossing and pipe rack equipment may be altered, relocated, expanded or replaced from time to time by Fertilizer Company, at its sole cost, so long as comparable uninterrupted pipeline crossing service is provided to Refinery Company) on: (i) that portion of the Fertilizer Parcel (the "***Sunflower Street Pipeline Crossing Easement (Fertilizer Parcel) Area***") legally described on Exhibit H attached hereto and generally depicted on the Plot Plan; and (ii) the portion of the public street right-of-way for Sunflower Street over which the subject pipeline crossings traverse but only to the extent Fertilizer Company has the legal right to grant such easement and right (collectively, the "***Sunflower Street Pipeline Crossing Easement (Fertilizer Parcel)***").

(2) Reciprocally, Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a non-exclusive easement and right of use to operate and otherwise utilize for Fertilizer Plant operations, in common with Refinery Company, all existing pipeline crossing and pipe rack equipment (both above and below-ground equipment, as such pipeline crossing and pipe rack equipment may be altered, relocated, expanded or replaced from time to time by Refinery Company, at its sole cost, so long as comparable, uninterrupted pipeline crossing service is provided to Fertilizer Company) on: (i) that portion of the Refinery Parcel (the "***Sunflower***

Street Pipeline Crossing Easement (Refinery Parcel) Area") legally described on Exhibit I attached hereto and generally depicted on the Plot Plan; and (ii) the portion, if any, of the public street right-of-way for Sunflower Street over which the subject pipeline crossings traverse but only to the extent the Refining Company has the legal right to grant such easement and right (collectively, the "***Sunflower Street Pipeline Crossing Easement (Refinery Parcel)***").

(F) **East Tank Farm Easements**. Fertilizer Company hereby grants to Refinery Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Refinery Parcel the following two easements:

(i) A perpetual, non-exclusive access, ingress and egress easement and right of use to traverse the roadway located on that portion of the Fertilizer Parcel (the "***East Tank Farm Roadway (Fertilizer Parcel) Area***") legally described on Exhibit J attached hereto and generally depicted on the Plot Plan, for such pedestrian and vehicular access, ingress and egress, as may be reasonably required for access, ingress and egress to that portion of the Refinery Parcel known as the "***East Tank Farm (Refinery Parcel) Area***" legally described on Exhibit K attached hereto and generally depicted on the Plot Plan.

(ii) A non-exclusive easement and right of use to maintain the existing underground pipelines and related equipment owned by Refinery Company and located underneath the East Tank Farm Roadway (Fertilizer Parcel) (as such pipelines and equipment may be altered, relocated, expanded or replaced from time to time by Refinery Company, at its sole cost and expense, but not so as to materially interfere with the use of the roadway on the East Tank Farm Roadway (Fertilizer Parcel) Area).

The foregoing easements are collectively referred to herein as the "***East Tank Farm Easements***".

(G) **Railroad Trackage Easements**.

(1) In order to provide for the real property rights and interests necessary to effectuate the provisions of the Feedstock Agreement with regard to railroad track sharing, Fertilizer Company hereby grants to Refinery Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Refinery Parcel, a non-exclusive easement and right of use to access, operate (with the term, 'operate' being deemed to include the right to temporarily store railroad cars in accordance with commercially reasonable practices) and otherwise utilize for the receipt of feedstocks to, and delivery out of products, from the Refinery's operations, in common with Fertilizer Company, all existing railroad tracks and track equipment (as such railroad tracks and trackage equipment may be altered, relocated, expanded or replaced from time to time by Fertilizer Company, at its sole cost and expense, so long as comparable uninterrupted railroad trackage service is provided to Refinery Company) on that portion of the Fertilizer Parcel (the "***Railroad Trackage Easement (Fertilizer Parcel) Area***") legally described on Exhibit L attached hereto and generally depicted on the Plot Plan (the

“***Railroad Trackage Easement (Fertilizer Parcel)***”). The Parties acknowledge that the Main Trackage (as defined in the Feedstock Agreement) within the subject Easement Area and in the Easement Area set forth in paragraph 2(G)(2) below is presently owned by Union Pacific Railroad Company and is operated by South Kansas & Oklahoma Railroad, Inc.

(2) Reciprocally, in order to provide for the real property rights and interests necessary to effectuate the provisions of the Feedstock Agreement with regard to railroad track sharing, Refinery Company hereby grants to Fertilizer Company, for use by its agents, employees, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a non-exclusive easement and right of use to access, operate (which operations shall be deemed to include the right to temporarily store railroad cars in accordance with commercially reasonable operating practices) and otherwise utilize for the receipt of feedstocks to and delivery out of products from the Fertilizer Plant’s operations, in common with Refinery Company, all existing railroad tracks and track equipment (as such railroad tracks and trackage equipment may be altered, relocated, expanded or replaced from time to time by Refinery Company, at its sole cost and expense, so long as comparable uninterrupted railroad trackage service is provided to Fertilizer Company) on that portion of the Refinery Parcel (the “***Railroad Trackage Easement (Refinery Parcel) Area***” legally described on Exhibit M attached hereto and generally depicted on the Plot Plan (the “***Railroad Trackage Easement (Refinery Parcel)***”); provided, however, and notwithstanding the foregoing provisions of this Section 2.3(G)(2), Refining Company hereby grants Fertilizer Company, and agrees that Fertilizer Company shall have, the easement and right to use seventy five percent (75%) of the recently constructed trackage on the Railroad Trackage Easement (Refinery Parcel) Area that is located east of Linden and north of Fertilizer’s loading rack (such trackage being shown on the Plot Plan as “***Fertilizer 75% Trackage Area***”), and the Parties hereby agree to reasonably cooperate with each other so as to be able to access and move their respective railroad cars and equipment stored on the Fertlizer 75% Trackage Area.

(H) **Parking Easement**. Refinery Company hereby grants to Fertilizer Company, for use by its employees, agents, contractors, licensees and lessees, as an appurtenance to the Fertilizer Parcel, a non-exclusive easement and right of use of the parking areas on the Refinery Shared Parking Area and described on Exhibit Q hereto for the parking of vehicles of Fertilizer Company and its employees, agents, employees, contractors, licensees and lessees, all in common with Refinery Company; provided, however, Refining Company hereby agrees that no less than fifty (50) parking spaces on the Refinery Shared Parking Ares shall be exclusively available to Fertilizer Company at all times (the easement granted under this Section 2.3(H) is called “***Parking Easement***”).

(I) **Construction Buffer Zone Easements**. Currently, Refinery Company is using a portion of the Buffer Zone—Fertilizer Company in connection with the construction of certain improvements on the Refinery Parcel. It is agreed and understood that Fertilizer Company shall have the right to at anytime terminate such use by Refinery Company upon giving no less that thirty (30) days prior written notice, and if such notice is so given, Refinery

Company shall remove all of its equipment and other property on the portion of the Buffer Zone-Fertilizer Company it is so using and shall restore such portion to the same condition as existed prior to Refinery Company's entry for staging purposes. Should either Party in the future grant to the other Party the right to stage on its respective Buffer Zone, then unless otherwise expressly agreed between the Parties in writing to the contrary, such right shall likewise be terminable by the granting party upon thirty (30) days prior notice and the removal and restoration covenants set forth above in this Section 2.3(I) shall apply.

(J) **Additional Easements**. In order for the Parties to provide any and all other real property easement interests and rights of use necessary to fully effectuate the purpose and intent of the Service Agreements and without limiting the foregoing grants of Easements and the Easements granted below in Article 3 for the Interconnect Points, each of the Parties hereby grants to the other Party, to the extent an easement therefor is not otherwise granted herein, non-exclusive easements over and across the granting Party's Parcel for such purposes as may be reasonably necessary to carry out the purpose and intent of the Service Agreements (the "***Additional Easements***").

ARTICLE 3. INTERCONNECT POINTS AND EASEMENTS

3.1 **Interconnect Points; Definition**. There currently exist numerous pipelines, facilities and other production equipment which serve both the Fertilizer Plant and the Refinery or which provide for distribution of feedstocks between the Fertilizer Plant and Refinery and other matters covered under the Services Agreements which involve portions of both the Fertilizer Parcel and the Refinery Parcel. As used herein, the term "***Interconnect Points***" shall mean those designated points of demarcation of ownership and control for certain operations, equipment and facilities between the Fertilizer Plant and the Refinery, irrespective of the boundaries of the Fertilizer Parcel and the Refinery Parcel. Each of the Parties is hereby deemed to own the operations, equipment and facilities on its designated side of all Interconnect Points (even though the same are located on the other Party's Parcel). The Interconnect Points are identified on the Plot Plan.

3.2 **Rights to Connect at Interconnect Points**. As generally provided for in the Shared Operation Zone Easements granted in Section 2.2 of this Agreement, and in order to effectuate the provisions of the Service Agreements, particularly the provisions of the Feedstock Agreement, each of Fertilizer Company and Refinery Company is hereby granted a non-exclusive easement and right of use to connect, at the Interconnect Points, to the operations, equipment and facilities of the other Party, with the attendant rights (collectively, the "***Connection Purposes***") to access, inspect, maintain, repair and replace such operations, equipment and facilities (the "***Interconnect Points Easement***"). The Interconnect Easement shall be deemed to cover all Interconnect Points, some of which are located on Parcel boundary lines and some of which are located within the interior of the Parcels. Furthermore, the Interconnect Easement includes an easement and right for any and all existing incidental encroachments of facilities, equipment and other improvements onto the other Party's Parcel and the right to access reasonably necessary portions of the other Party's Parcel immediately adjacent to Interconnect Points for Connection Purposes, subject to the terms of the Temporary Construction/Maintenance Easement granted in Section 2.2(E) of this Agreement.

3.3 **Future Interconnect Points**. The Parties acknowledge that there may be a need for additional Interconnect Points in the future as may be mutually agreed upon between the Parties, and the Parties hereby agree that the provisions of Sections 3.1 and 3.2 shall apply with respect to such future Interconnect Points.

ARTICLE 4. EASEMENT PROVISIONS — GENERAL

4.1 **Collective Definition — Easements**. The foregoing easements granted in Articles 2 and 3 hereof are collectively referred to herein as the "***Easements***", and each as an "***Easement***", within the various areas set forth herein in which the Easements are located, which are collectively referred to herein as the "***Easement Areas***", and each as an "***Easement Area***".

4.2 **Duration**. The Easements granted herein which are designated as perpetual Easements shall have a perpetual term. The Easements granted herein in order to carry out the purpose and intent of a particular Service Agreement shall run concurrently with the term of such Service Agreement and shall terminate when the applicable Service Agreement or portion thereof is no longer in effect pursuant to the terms thereof. Upon such termination of an Easement, neither Party shall have any further liability under such Easement except as shall have arisen or accrued prior to such termination. Furthermore, an individual Easement granted herein shall be deemed terminated if such Easement is abandoned by a Party pursuant to applicable law. In the event that an Easement is terminated as provided in this Section 4.2, the Parties agree to execute a memorandum giving notice of such termination, and the Parties shall record such memorandum in the county real estate records.

4.3 **Reserved Rights; Modification of Easement Areas**. Each Party, as grantor, hereto reserves for itself the right from time to time to remove, relocate, expand, substitute and use, at its sole cost and expense, any building, improvement, structure, equipment, road, pipeline, curb cut, utility or other facility currently or hereafter existing on its Parcel within an applicable Easement Area; provided, however, that in no event shall the exercise of any of foregoing rights by a Party deprive or materially adversely affect or interfere with the use by the other Party hereto of the Easements herein granted to such other Party or the exercise of such other Party's rights thereunder.

4.4 **Service Agreements; Provision of Services**. The Parties intend that this Agreement and the Easements granted herein do not cover the specifics of the provision of the services (e.g., feedstock, coke, water, etc.) attendant to the purposes of the Easements. Instead, the Parties' agreements regarding the services themselves are detailed in the Service Agreements. Nothing in this Agreement shall be deemed to in anyway modify, impair or otherwise limit the specific provisions or stated purposes of the Service Agreements.

4.5 **Maintenance – General**. With regard to those facilities, improvements and equipment of any kind, including pipelines, pipe racks and conduits, owned by a Party on its Parcel which are necessary to carry out the purposes of one or more Service Agreements or the Easements granted herein, Fertilizer Company and Refinery Company each agree to maintain in good order and condition (with the term 'maintain', as used in this paragraph, hereby deemed inclusive of repairs and replacements, as necessary) at its sole cost and expense, those facilities, improvements and equipment located on its Parcel. Each Party shall also maintain its facilities, equipment and other improvements up to the Interconnect Points therefor which are located on the other Party's Parcel. Notwithstanding the foregoing, neither Party has the obligation at any time to maintain Facilities owned by the other Party, whether such facilities, equipment and other improvements are located on the other Party's Parcel or on a Party's own Parcel.

4.6 **Unavoidable Delay**. Neither Party shall be deemed to be in default in the performance of any obligation created under or pursuant to this Agreement, other than an obligation requiring the execution of documents or the payment of money, if and so long as non-performance of such obligation shall be directly caused by fire or other casualty, national emergency, governmental or municipal law or restrictions, enemy action, civil commotion, strikes, lockouts, inability to obtain labor or materials, war or national defense preemptions, acts of God, energy shortages, or similar causes beyond the reasonable control of such Party (each, an "***Unavoidable Delay***") and the time limit for such performance shall be extended for a period equal to the period of such Unavoidable Delay; provided, however, that the Party unable to perform (the "***Non-Performing Party***") shall notify the other Party in writing, of the existence and nature of any Unavoidable Delay, within ten (10) days after such other Party has notified the Non-Performing Party pursuant to the Agreement of its failure to perform. Thereafter, the Non-Performing Party shall, from time to time upon written request of the other Party, keep the other Party fully informed, in writing, of all further developments concerning the Unavoidable Delay and its non-performances.

4.7 **Right of Self-Help**. If a Non-Performing Party shall default in its performance of an obligation under this Agreement, the other Party, (the "***Performing Party***"), in addition to all other remedies such Performing Party may have at law or in equity, after fifteen (15) days' prior written notice to Non-Performing Party and to any First Mortgage holder of whose interest Performing Party has actual knowledge (or in the event of an emergency, after giving such notice as is practical under the circumstances), may (but shall not be obligated to) perform Non-Performing Party's obligation, in which case Non-Performing Party shall promptly reimburse Performing Party: (a) all reasonable expenses, including, but not limited to, fees of counsel, incurred by Performing Party to so perform the cure and to prepare and record the lien allowed in this Section 4.7 hereinafter mentioned; and (b) interest thereon from the date of each outlay (until the date paid in full, inclusive of interest) at a rate equal to the lesser of: (i) two percent (2%) per annum over the then-current prime commercial rate of interest as published by the Wall Street Journal (or if no longer published, a comparable rate of a nationally recognized publication designated by Performing Party); or (ii) the highest rate permitted by applicable law to be paid by Non-Performing Party.

4.8 **Safety Measures**. Each Party hereto in the exercise of any of the Easement rights and interests granted to it hereunder shall take all safety and precautionary measures necessary to protect the other Party hereto and its Parcel and the improvements thereon from any injury or damage caused by the exercise of such rights and interests.

4.9 **Compliance with Laws**. In all Work required of a Party or otherwise allowed under this Agreement, and in connection with all entries by one Party onto the other Party's Parcel permitted hereunder, each Party's Work, entries and related actions of any kind shall comply with all applicable requirements, administrative and judicial orders, laws, statutes, ordinances, rules and regulations of all federal, state, county, municipal and local departments, commissions, boards, bureaus, agencies and offices thereof having or claiming jurisdiction.

4.10 **Plant Security; Rules and Restrictions**. Each Party hereto may, from time to time and with advance notice to and reasonable coordination with the other Party, impose reasonable rules and restrictions with regard to use of the various Easements within its Parcel which are herein granted to the other Party, specifically including, without limitation, reasonable security measures and restrictions which may be instituted from time to time by a Party within its Parcel; provided, however, that no rule or regulation imposed pursuant to this Section 4.10 shall materially interfere with a Party's ability as a grantee to effectively utilize an Easement granted in this Agreement.

4.11 **Temporary Closure of Easement Areas**. Each Party shall have the right from time to time and with advance notice to and reasonable coordination with the other Party (except in the event of an emergency, in which case advance notice need not be given) to temporarily close off and/or erect barriers across certain Easement Areas, as deemed reasonably necessary by the Party owning the servient Parcel under a given Easement, for the following purposes: (i) blocking off access to an area in order to avoid the possibility of dedicating the same for public use or creating prescriptive rights therein; and (ii) attending to security issues which threaten the industrial operations within an Easement Area. During the period of any such temporary closure, the Party taking the closing action shall use commercially reasonable efforts to provide to the other Party such continuous alternate access and usage rights as are provided in the applicable Easement.

4.12 **Insurance**.

(A) Minimum Insurance. During the term of the Feedstock Agreement, Refinery Company and Fertilizer Company shall each carry the minimum insurance described below.

(1) Workers' compensation with no less than the minimum limits as required by applicable law.

(2) Employer’s liability insurance with not less than the following minimum limits:

(i) Bodily injury by accident — $1,000,000 each accident;

(ii) Bodily injury by disease — $1,000,000 each employee; and

(iii) Bodily injury by disease — $1,000,000 policy limit.

(3) Commercial general liability insurance on ISO form CG 00 01 10 93 or an equivalent form covering liability from premises, operations, independent contractor, property damage, bodily injury, personal injury, products, completed operations and liability assumed under an insured contract, all on an occurrence basis, with limits of liability of not less than $1,000,000 combined single limits.

(4) Automobile liability insurance, on each and every unit of automobile equipment, whether owned, non-owned, hired, operated, or used by Refinery Company or Fertilizer Company or their employees, agents, contractors and/or their subcontractors covering injury, including death, and property damage, in an amount of not less than $1,000,000 per accident.

(5) Excess liability insurance in the amount of $10,000,000 covering the risks and in excess of the limits set for in Section 4.12(A)(2), (3) and (4) above.

(B) Additional Insurance Requirements. Refinery Company and Fertilizer Company shall each abide by the following additional insurance requirements with respect to all insurance policies required by Section 14.2(A), as follows:

(1) All insurance policies purchased and maintained in compliance with Section 4.12(A)(3), (4) and (5) above by one party (the “***Insuring Party***”), as well as any other excess and/or umbrella insurance policies maintained by the Insuring Party, shall name the other party and their collective directors, officers, partners, members, managers, general partners, agents, and employees as additional insureds, with respect to any claims related to losses caused by the Insuring Party’s business activities or premises. Those policies referred to in Section 4.12(A)(3) shall be endorsed to provide that the coverage provided by the Insuring Party’s insurance carriers shall always be primary coverage and non-contributing with respect to any insurance carried by the other Party with respect to any claims related to liability or losses caused by the Insuring Party’s business activities or premises.

(2) Those policies referred to in Section 4.12(A), and in Section 4.12(B)(5), shall be endorsed to provide that underwriters and insurance companies of each of Refinery Company and Fertilizer Company shall not have any right of subrogation against the other Party or any of such other Party’s directors, officers, members, managers, general partners, agents, employees, contractors, subcontractors, or insurers.

(3) Those policies referred to in Section 4.12(A) shall be endorsed to provide that 30 days prior written notice shall be given to the other Party in the event of cancellation, no-payment of premium, or material change in the policies.

(4) Each of Refinery Company and Fertilizer Company shall furnish the other, prior to the commencement of any operations under this Agreement, with a certificate or certificates, properly executed by its insurance carrier(s), showing all the insurance described in Section 4.12(A) to be in full force and effect.

(5) The Refinery Company and Fertilizer Company shall each be responsible for its own property and business interruption insurance.

4.13 **Title Matters; Mortgage Subordination; and Subsequent Grants**.

(A) Except as provided in paragraph (B) of this Section 4.13, the Easements and rights granted hereunder are made subject to any and all prior existing easements, grants, leases, licenses, agreements, encumbrances, defects and other matters and states of fact affecting the Parcels, or any part thereof, as of the Effective Date whether or not of record and the rights of others with respect thereto. Each Party, as grantee under the each of various Easements, agrees to abide by the terms of all matters of public record or of which it otherwise has notice binding upon the other Party, as the owner of the servient Parcel pursuant to such Easement(s).

(B) The lien of any existing first mortgage or deed of trust (a "***First Mortgage***") on the Parcels has been subordinated to this Agreement pursuant to the Consent of Mortgage Holder pages attached hereto. The liens of any future First Mortgages and the interest of any entity holding the position of lessor on what is commonly referred to as a "sale-leaseback", "synthetic lease", or "lease-leaseback" transaction ("***S/L Lease***") are also hereby automatically subordinated to this Agreement.

(C) Amendments and other modifications to this Agreement shall be considered an extension of the rights granted herein and shall remain superior to any future mortgage, deed of trust or other encumbrance placed upon the property or appearing in title prior to such amendment or modification. Each of Fertilizer Company and Refinery Company, in its role as grantor, as applicable, agrees to promptly execute such instruments as may be required to confirm such priority.

(D) Each Party hereto shall have the continuing right to grant easements and other rights and interests in and to, and permit uses of the Parcel owned by it in favor of and by such other parties as each Party may deem appropriate; provided, however, that any such easements, rights, interests and uses shall be subject to the terms of this Agreement and the terms of the Easements granted herein and shall not materially interfere with the grantee Party's rights and usage of the Easements granted herein.

4.14 **Easement Appurtenant to Land under Common Ownership**. The Easements granted in this Agreement are appurtenant to the dominant estate Parcels as indicated herein and are also appurtenant to any land that may hereafter come into common ownership with the dominant estate Parcel thereunder which is contiguous thereto. An area physically separated from such dominant estate Parcel but having access thereto by means of a public right-of-way or a private easement (including the Easements granted herein) is deemed to be contiguous to such Parcel.

4.15 **Cooperation**. Each of the Parties acknowledges and agrees that upon reasonable request of the other, at the cost and expense of the requesting Party, each Party shall promptly and duly execute and deliver such reasonable documents and take such further reasonable action to acknowledge, confirm and effect the intent of, and actions described in, this Agreement and the Easements herein.

4.16 **Restoration**. If by reason of fire or other casualty, the improvements, pipelines, equipment or other facilities on a Party's Parcel which serve or benefit the operations on the Parcel of the other Party as set forth in this Agreement or in any of the Service Agreements shall be damaged or destroyed and such Party shall not be obligated by this Agreement to repair or restore such damaged or destroyed improvements, pipeline, equipment or other facilities, then the other Party shall have the right to go on such Party's Parcel and repair and restore the same at such other Party's sole cost and expense, but the work undertaken in doing so shall be deemed "Work" and be subject to the provisions of Section 2.2(E)(2), (3), (4) and (5).

ARTICLE 5. DISPUTES

5.1 **Resolution of Disputes.** The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "***Dispute***") pursuant to this Article 5. The Parties shall first submit the Dispute to a designated Fertilizer Company representative and Refinery Company Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to such representatives, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the Refinery Company representative and the Fertilizer Company representative as provided above, then the Parties may exercise all available remedies and file all actions and proceedings in connection therewith.

5.2 **Multi-Party Disputes.** The Parties acknowledge that they or their respective affiliates contemplate entering or have entered into various additional agreements with third parties that relate to the subject matter of this Agreement and that, as a consequence, Disputes may arise hereunder that involve such third parties. Accordingly, the Parties agree, with the consent of such third parties, that any such Dispute, to the extent feasible, shall be resolved by and among all the interested parties consistent with the provisions of this Article 5.

ARTICLE 6. INDEMNIFICATION

6.1 **Indemnification Obligations.** To the extent not otherwise provided for in the Service Agreements, each of the Parties (each, an "***Indemnitor***") shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees (each, an "***Indemnitee***") harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, "***Losses***") imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of the breach of this Agreement by the Indemnitor or the negligence or willful misconduct of the Indemnitor, or of any officers, directors, members, managers, employees, agents, contractors and/or subcontractors acting for or on behalf of the Indemnitor. Any indemnification obligation pursuant to this Article 6 with respect to any particular Losses shall be reduced by all amounts actually recovered by the Indemnitee from third parties, or from applicable insurance coverage, with respect to such Losses. Upon making any payment to any Indemnitee, the Indemnitor shall be subrogated to all rights of the Indemnitee against any third party in respect of the Losses to which such payment relates, and such Indemnitee shall execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. If the Indemnitee receives any amounts from any third party or under applicable insurance coverage subsequent to an indemnification payment by the Indemnitor, then such Indemnitee shall promptly reimburse the Indemnitor for any payment made or expense incurred by such Indemnitor in connection with providing such indemnification payment up to the amount received by the Indemnitee, net of any expenses incurred by such Indemnitee in collecting such amount.

6.2 **Indemnification Procedures.**

(A) Promptly after receipt by an Indemnitee of notice of the commencement of any action that may result in a claim for indemnification pursuant to this Article 6, the Indemnitee shall notify the Indemnitor in writing within thirty (30) days thereafter; provided, however, that any omission to so notify the Indemnitor will not relieve it of any liability for indemnification hereunder as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice shall have been materially prejudicial to the Indemnitor) nor from any other liability that it may have to any Indemnitee. The Indemnitor shall have the right to assume sole and exclusive control of the defense of any claim for indemnification pursuant to this Article 6, including the choice and direction of any legal counsel.

(B) An Indemnitee shall have the right to engage separate legal counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless: (i) the Indemnitor has agreed in writing to pay such fees and expenses; (ii) the Indemnitor has failed to assume the defense thereof and engage legal counsel within a reasonable period of time after being given the notice required above; or (iii) the

Indemnitee shall have been advised by its legal counsel that representation of such Indemnitee and other parties by the same legal counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same legal counsel has been proposed) due to actual or potential conflicts of interests between them. It is understood, however, that to the extent more than one Indemnitee is entitled to engage separate legal counsel at the Indemnitor's expense pursuant to clause (iii) above, the Indemnitor shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having the same or substantially similar claims against the Indemnitor, unless but only to the extent the Indemnitees have actual or potential conflicting interests with each other.

(C) The Indemnitor shall not be liable for any settlement of any action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

6.3 **Survival.** The provisions of this Article 6 shall survive the termination of this Agreement.

6.4 **Service Agreements Indemnification**. Notwithstanding anything to the contrary set forth above in Section 6.1, (i) the intent of the Parties with regard to indemnification matters under this Agreement is that they are not duplicative of the indemnification obligations set forth in the Service Agreements; and (ii) to the extent an indemnity matter is otherwise covered by a Service Agreement, the Service Agreement indemnification obligation shall govern and control, and this Article 6 shall have no force or effect with respect to that particular indemnity matter. The indemnification obligations hereunder shall not under any circumstance be deemed to create overlapping or duplicative indemnification obligations for the Parties.

ARTICLE 7. FINANCING REQUIREMENTS

If, in connection with either Party obtaining financing for its respective Parcel, a banking, insurance or other recognized institutional lender shall request any modification(s) to this Agreement as a condition to such financing, the Parties covenant and agree to make such modifications to this Agreement as reasonably requested by such financing party (including the creation of such instrument (in recordable form to the extent required)) provided that such modification(s) do not increase the obligations or reduce the rights of the Parties or adversely (other than in a de minimis respect) affect the Easement interests, rights and privileges granted herein, the Parties' rights under the Service Agreements, or either Party's right to otherwise improve, construct, use, operate and maintain its respective Parcel and the improvements, equipment and facilities thereon.

ARTICLE 8. NO LIENS OR ENCUMBRANCES

Each of the Parties, in their role as a grantee, hereby covenants that it shall not, as a result of any act or omission of, directly or indirectly, create, incur, assume or suffer to exist any liens on or with respect to its respective Easement interests and rights of use in the Fertilizer Parcel or the Refinery Parcel, respectively, if such lien shall have or may gain superiority over this Agreement. Each Party shall promptly notify the other Party of the imposition of any such liens not permitted above of which it is aware and shall promptly, at its own expense, take such action as may be necessary to immediately fully discharge or release any such lien of record by payment, bond or otherwise (but this shall not preclude a contest of such lien so long as the same shall be removed of record).

ARTICLE 9. SUCCESSORS AND ASSIGNS; TRANSFER OF INTERESTS

This Agreement shall extend to and be binding upon the Parties hereto, their successors, grantees and assigns. Any party who shall succeed to the fee simple ownership interest in a Parcel shall, at the time of such transfer, be automatically deemed to have assumed all obligations of the transferring Party under this Agreement with regard to such Parcel, and the transferring Party shall be released from all obligations of such Party under this Agreement, which arise after the date of such transfer; provided, however, that a transferring Party shall retain liability for all obligations under this Agreement which arose prior to the transfer date.

ARTICLE 10. NOTICES

All notices, requests, correspondence, information, consents and other communications to either of the Parties required or permitted under this Agreement shall be in writing and shall be given by personal service or by facsimile, overnight courier service, or certified mail with postage prepaid, return receipt requested, properly addressed to such Party and shall be effective upon receipt. For purposes hereof, the proper address of the Parties will be the address stated beneath the corresponding Party's name below, or at the most recent address given to the other Party hereto by notice in accordance with this Article 10:

If to Refinery Company, to:

Coffeyville Resources Refining
& Marketing, LLC

____

____

Attention: Chief Executive Officer

If to Fertilizer Company, to:

Coffeyville Resources Nitrogen
Fertilizers, LLC

____

____

Attention: Chief Executive Officer

or such other addresses as either Party designates by registered or certified mail addressed to the other Party.

ARTICLE 11. GOVERNING LAW AND VENUE

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SAID STATE. THE PARTIES AGREE THAT ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 12. MISCELLANEOUS

12.1 **Running of Benefits and Burdens**. All provisions of this Agreement, including the benefits and burdens set forth herein on the Fertilizer Parcel and the Refinery Parcel, respectively, shall run with the land.

12.2 **No Prescriptive Rights or Adverse Possession**. Each Party agrees that its past, present, or future use of its respective Easement interests and rights of usage granted herein shall not be deemed to permit the creation or further the existence of prescriptive easement rights or the procurement of title by adverse possession with respect to all or any portion of either Party's Parcel.

12.3 **Costs of Performance**. It is the general intent and agreement of the Parties that, except as otherwise expressly provided in this Agreement, Fertilizer Company shall pay the costs of performing its obligations and exercising its rights hereunder, and Refinery Company shall pay the costs of performing its obligations and exercising its rights hereunder.

12.4 **Headings**. The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.

12.5 **No Joint Venture**. The Parties acknowledge and agree that neither Party, by reason of this Agreement, shall be an agent, employee or representative of the other with respect to any matters relating to this Agreement, unless specifically provided to the contrary in writing by the other Party. This Agreement shall not be deemed to create a partnership or joint venture of any kind between Refinery Company and Fertilizer Company.

12.6 **Attorneys’ Fees**. If suit is brought to enforce this Agreement, the prevailing Party in such action shall be, unless precluded by law, entitled to recover its litigation expenses from the other Party, including its reasonable attorneys’ fees and costs.

12.7 **Amendments**. This Agreement may not be amended, modified or waived except by a writing signed by all Parties to this Agreement that specifically references this Agreement and specifically provides for an amendment, modification or waiver of this Agreement.

12.8 **Construction and Severability**. Every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and in accordance with industry standards and not strictly for or against either Party. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

12.9 **No Waiver**. The waiver by either Party of any breach of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition contained in this Agreement. No term, covenant or condition of this Agreement will be deemed to have been waived unless such waiver is in writing.

12.10 **Third-Party Beneficiaries**. Except as expressly provided herein, none of the provisions of this Agreement are intended for the benefit of any Person except the Parties and their respective successors and permitted assigns.

12.11 **Entire Agreement**. This Agreement, including all Exhibits hereto, together with the Service Agreements, constitutes the entire, integrated agreement between the Parties regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties, whether written or oral.

12.12 **Counterparts**. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

12.13 **Exhibits**. Attached hereto and forming a part of this Agreement by this reference are the following Exhibits:

EXHIBIT A	—	Legal Description of the Fertilizer Parcel
EXHIBIT B	—	Legal Description of the Refinery Parcel
EXHIBIT C	—	Plot Plan

EXHIBIT D	—	Legal Description of Shared Operation Zone Easement Area (Fertilizer Parcel)
EXHIBIT E	—	Legal Description of Shared Operation Zone Easement Area (Refinery Parcel)
EXHIBIT F	—	Legal Description of Area for Pipe Rack Easement (service between Fertilizer Parcel Nos. 4 and 5) Area
EXHIBIT G	—	Legal Description of Coke Conveyor Belt Easement Area
EXHIBIT H	—	Legal Description of Sunflower Street Pipeline Crossing Easement (Fertilizer Parcel) Area
EXHIBIT I	—	Legal Description of Sunflower Street Pipeline Crossing Easement (Refinery Parcel) Area
EXHIBIT J	—	Legal Description of East Tank Farm Roadway (Fertilizer Parcel) Area
EXHIBIT K	—	Legal Description of East Tank Farm (Refinery Parcel) Area
EXHIBIT L	—	Legal Description of Railroad Trackage Easement (Fertilizer Parcel) Area
EXHIBIT M	—	Legal Description of Railroad Trackage Easement (Refinery Parcel) Area
EXHIBIT N	—	Legal Description of Fertilizer Company Clarifier Tract
EXHIBIT O	—	Fertilizer Water Easement Area
EXHIBIT P	—	Legal Description of Coke Haul Road
EXHIBIT Q	—	Legal Description of Refinery Shared Parking Area
EXHIBIT R-1	–	Legal Description of Buffer Zone—Fertilizer Parcel
EXHIBIT R-2	—	Legal Description of Buffer Zone—Refinery Parcel

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

COFFEYVILLE RESOURCES
REFINING & MARKETING, LLC
a Delaware limited liability company

By: ______________________
Name: ______________________
Title: ______________________

COFFEYVILLE RESOURCES NITROGEN
FERTILIZERS, LLC
a Delaware limited liability company

By: ______________________
Name: ______________________
Title: ______________________

STATE OF ______________________)
) ss:
COUNTY OF ______________________)

On this _____ day of __________, 2007, before me, a Notary Public in and for said County and State, personally appeared ____________________, ____________________ of Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company, known to me to be the person who executed the foregoing instrument in behalf of said limited liability company and acknowledged to me that he/she executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

____
Notary Public
Printed name: ______________________

(Notarial Seal)

My Commission Expires: ______________________

STATE OF	______________________	)
		) ss:
COUNTY OF	______________________	)

On this _____ day of __________, 2007, before me, a Notary Public in and for said County and State, personally appeared ____________________, ____________________ of Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company, known to me to be the person who executed the foregoing instrument in behalf of said limited liability company and acknowledged to me that he/she executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

(Notarial Seal)

____
Notary Public
Printed name: ______________________

My Commission Expires: ______________________

Consent of Mortgage Holder

Fertilizer Parcel

The undersigned, being the holder of that certain mortgage, ______________________________, dated _____ and recorded on ___________________ in Book _____ at Page _____, which mortgage covers the property described on Exhibit A, hereby consents to the foregoing Agreement and subordinates the lien of its mortgage to the terms and provisions herein.

a

By: ______________________________
Name: ______________________________
Title: ______________________________

STATE OF ______________________________)
) ss:
COUNTY OF ______________________________)

On this _____ day of __________, 2007, before me, a Notary Public in and for said County and State, personally appeared ______________________________, __________ of__________________ __________, known to me to be the person who executed the foregoing instrument in behalf of said ______________________________ and acknowledged to me that he/she executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

____
Notary Public
(Notarial Seal) Printed name: ______________________________

My Commission Expires: ______________________________

Consent of Mortgage Holder

Refinery Parcel

The undersigned, being the holder of that certain mortgage,______________________________, dated _____ and recorded on______________________________ in Book _____ at Page _____, which mortgage covers the property described on Exhibit B, hereby consents to the foregoing Agreement and subordinates the lien of its mortgage to the terms and provisions herein.

a

By: ____
Name: ____
Title: ____

STATE OF ______________________________)
) ss:
COUNTY OF ______________________________)

On this _____ day of __________, 2007, before me, a Notary Public in and for said County and State, personally appeared ______________________________, __________ of ______________________________, known to me to be the person who executed the foregoing instrument in behalf of said ______________________________ and acknowledged to me that he/she executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.

____
Notary Public
(Notarial Seal) Printed name: ______________________________

My Commission Expires: ______________________________

ENVIRONMENTAL AGREEMENT

THIS ENVIRONMENTAL AGREEMENT is entered into and effective as of the ___day of __________, 2007, by and between Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company ("***Refinery Company***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company ("***Fertilizer Company***"), referred to collectively as the "***Parties***".

RECITALS

Refinery Company owns and operates the petroleum refinery located at Coffeyville, Kansas, which refinery is more particularly described on Exhibit A hereto (including any additions or other modifications made thereto from time to time, the "***Refinery***").

Fertilizer Company owns and operates the nitrogen fertilizer complex located adjacent to the Refinery consisting of the Gasification Unit, the UAN Plant, the Ammonia Synthesis Loop, the Utility Facilities, storage and loading facilities, the Fertilizer Plant Water Clarifier and river access, the Grounds and related connecting pipes and improvements, which fertilizer manufacturing complex is connected to and associated with the BOC Facility and the Offsite Sulfur Recovery Unit, all of which are more particularly described on Exhibit A hereto (including any additions or other modifications made thereto from time to time, and which are collectively referred to herein as the "***Fertilizer Plant***").

Fertilizer Company and Refinery Company desire to enter into this Agreement for the provision of certain indemnification and access rights in connection with environmental matters affecting the Refinery and the Fertilizer Plant, and certain other related matters, all upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

The following terms shall have the meanings set forth below, unless the context otherwise dictates, both for purposes of this Agreement and all Exhibits hereto:

"***Accessed Property***" means either the Refinery Company Property or the Fertilizer Company Property that is to be accessed pursuant to Article 7 of this Agreement in connection with the performance of Environmental Activities.

"***Agreement***" means this Environmental Agreement and the Exhibits hereto, all as the same may be amended, modified or supplemented from time to time.

"***BOC***" means BOC Group, Inc., a Delaware corporation.

"BOC Agreement" means that certain Amended and Restated On-Site Project Supply Agreement between Fertilizer Company and BOC, dated June 1, 2005.

"***BOC Facility***" means the plant for the production of certain products and argon, including metering and related facilities, together with an inter-connected liquid nitrogen product storage vessel and vaporization equipment, as more particularly described and identified on Exhibit A hereto, all connected to the pipelines owned by BOC, including any additions or other modifications made thereto from time to time.

"***Claim***" means any written request by an Indemnitee relating to an indemnifiable matter (as established in Article 2 of this Agreement), demand, cause of action, proceeding, or suit for damages, injuries to person or property, damages to natural resources, fines, penalties, liability, interest, or losses or for the costs of site investigations, feasibility studies, information requests, health assessments, contribution settlement actions to correct, remove, remediate, response to, clean up, prevent, mitigate, monitor, evaluate, assess or abate the release of a Hazardous Material, or to enforce insurance contribution or indemnification agreements regarding the same.

"***Coke***" has the meaning given such term in the Coke Supply Agreement.

"***Coke Supply Agreement***" means the Coke Supply Agreement dated as of the date hereof between the Parties.

"***Commingled Environmental Liability"*** means any liability resulting from contamination associated with activities and operations of the Fertilizer Company that overlays, underlays, intersects, is juxtaposed to, or is otherwise commingled with any contamination associated with activities and operations of the Refinery Company.

"***Comprehensive Coke Management Plan***" means the Comprehensive Coke Management Plan between Refinery Company and Fertilizer Company that will be finalized within ninety (90) days following execution of this Agreement, as amended from time to time.

"***Contaminating Party***" means the Party that caused contamination on the property of the Owner Party.

"***Cross Contamination***" means contamination caused by or associated with activities and operations of the Contaminating Party that is on or affecting Owner Party's Property.

"***Dispute***" has the meaning given such term in Article 3.

"***Effective Date***" means the date first above written.

"***Environmental Activities***" means any investigation or remediation activity carried out in compliance with any Environmental Law or under any work plan or order complying with or enforcing any Environmental Law, and any activity in response to a release of a Hazardous Material.

"***Environmental Law***" means all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules, standards and regulations, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation). Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §§ 5101 et seq.) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.) the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.) the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.) the Clean Air Act (42 U.S.C. §§ 7401 et seq.) the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.) the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.) and the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.), each as from time to time amended, and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

"***Environmental Liabilities***" means with respect to any Person, all liabilities, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs, losses, damages, punitive damages, property damages, natural resource damages, consequential damages, treble damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, provided they arise under or are related to any Environmental Laws, Environmental Permits, or are connected with any Release or presence of a Hazardous Material whether on, at, in, under, from or about the Property.

"***Environmental Permits***" means all permits, licenses, authorizations, certificates, approvals or registrations required by any Government Authority under any Environmental Laws.

"***Environmental Site Information***" means existing and future documentation and investigative results relating to environmental conditions at the respective properties including, but not limited to, Phase I and Phase II Environmental Site Assessments, environmental audits, and correspondence, notices of violation, orders and determinations by any Government Authority.

"***Farmland***" means Farmland Industries, Inc., a Kansas cooperative corporation.

"***Feedstock Agreement***" means the Feedstock and Shared Services Agreement dated as of the date hereof between the Parties.

"***Fertilizer Plant***" has the meaning given such term in the Recitals.

"***Fertilizer Company***" has the meaning given such term in the introductory paragraph.

"***Fertilizer Company Property***" means all property owned or leased by the Fertilizer Company as specifically depicted on Exhibit A.

"***Fertilizer Company Representative***" means the plant manager of the Fertilizer Plant or such other person as is designated in writing by Fertilizer Company.

"***Fertilizer Plant Water Clarifier***" means the Fertilizer Company's water clarifier and associated equipment as depicted on Exhibit A.

"***Gasification Unit***" means that gasification unit depicted on Exhibit A, including any additions or other modifications made thereto from time to time.

"***Government Authority***" means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"***Grounds***" means the realty on which the Fertilizer Plant is situated, which Grounds are depicted on Exhibit A.

"***Hazardous Materials***" means any substance, material or waste which is regulated by or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance which is (a) defined as a "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," "hazardous constituent," "special waste," "toxic substance" or other similar term or phrase under any Environmental Laws, (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB's), or any radioactive substance.

"***Known Contamination Map***" means the map that has been mutually agreed upon by the Parties and is based on Environmental Site Information that documents and identifies all existing, known Cross Contamination on Refinery Company Property and Fertilizer Company Property that is or has been subject to Government Authority-mandated Environmental Activities. The Known Contamination Map may be periodically updated and amended based on currently ongoing, Government Authority-mandated Environmental Activities associated with existing, known contamination.

"***Manage***" means to generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of, or abandon Hazardous Materials.

"***Offsite Sulfur Recovery Unit***" means that sulfur processing facility owned and operated by TKI pursuant to the TKI Phase II Agreement, which Offsite Sulfur Recovery Unit is depicted on Exhibit A, including any additions or other modifications made thereto from time to time.

"***Owner Party***" means the Party that owns the property that is affected by contamination caused by the Contaminating Party or that is otherwise subject to Environmental Activities.

"***Party***" and "***Parties***" means the parties to this Agreement.

“***Person***” means and includes natural persons, corporations, limited partners, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities.

“***Planned Project Work***” means Owner Party’s work on Owner Party’s Property associated with a planned and approved capital improvement project, the purpose of which is not primarily related to Environmental Activities.

“***Refinery***” has the meaning given such term in the Recitals hereto.

“***Refinery Company***” has the meaning given such term in the introductory paragraph.

“***Refinery Company Property***” means all property owned by the Refinery Company as specifically depicted on Exhibit A.

“***Refinery Company Representative***” means the plant manager of the Refinery Company or such other person as is designated in writing by Refinery Company.

“***Refinery Water Clarifier***” means the Refinery Company’s water clarifier and associated equipment as depicted on Exhibit A.

“***Release***” or “***Released***” means any actual spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Materials into the environment, as “environment” is defined in CERCLA.

“***Response***” or “***Respond***” means action taken in compliance with Environmental Laws to correct, remove, remediate, clean-up, prevent, mitigate, monitor, evaluate, investigate, assess, or abate the Release of a Hazardous Material.

“***Specified Environmental Activities***” means any specific Environmental Activities identified in reasonable detail in a written notice given by one Party to the other Party, which specific Environmental Activities are permitted, required, or otherwise contemplated under this Agreement.

“***TKI***” means Tessenderlo Kerley, Inc.

“***TKI Phase I Agreement***” means the Sulfur Processing Agreement, dated October 2, 1996, between Farmland and TKI, as assigned by Farmland to Refinery Company, on March 2, 2004, as amended from time to time.

“***TKI Phase I Unit***” means the sulfur processing facility owned and operated by TKI pursuant to the TKI Phase I Agreement as depicted on Exhibit A.

“***TKI Phase II Agreement***” means the Phase II Sulfur Processing Agreement, dated November 13, 1998, between Farmland and TKI, as assigned by Farmland to Coffeyville Resources Nitrogen Fertilizers, LLC, on March 2, 2004, as amended from time to time.

"***Transfer***" means the sale, exchange, gift or other assignment of rights or interests, whether by specific assignment, merger, consolidation, entity conversion or other disposition, but not including any bona fide pledge or assignment for collateral purpose in connection with any financing.

"***TSDF***" means a Treatment, Storage and Disposal Facility permitted in accordance with Federal regulations.

"***UAN Plant***" means the urea ammonium nitrate plant depicted on Exhibit A, including any additions or other modifications made thereto from time to time.

"***Unplanned Work***" means Owner Party's work on Owner Party's Property that has not been authorized in the capital improvements budgetary process, but is deemed necessary to respond to an urgent situation to ensure compliance with Environmental Laws, to protect the environment or human health and safety, or to otherwise protect the integrity of the Property and related improvements.

"***Utility Facilities***" mean the utility facilities depicted on Exhibit A, including any additions or other modifications made thereto from time to time.

ARTICLE 2

INDEMNIFICATION

Section 2.1 General Indemnification Obligations. Each of the Parties (each, an ***"Indemnitor"***) shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees (each, an ***"Indemnitee"***) harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, ***"Losses"***) imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of any and all Claims associated with or in any way relating to Environmental Liabilities, including, but not limited to, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, property damages, natural resource damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any person (including third party claims) or Government Authority, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, provided they arise under or are related to any federal, state or local Environmental Laws, regulations or permits, or are connected with any release or presence of Hazardous Materials affecting the Indemnitee's Property which are a result of or are caused by the Indemnitor's actions or business operations. All costs and expenses incurred by the Indemnitee and arising from Claims associated with the environmental liabilities identified above shall be paid by the Indemnitor within thirty (30) days following receipt of a legitimate demand therefor from the Indemnitee. In the event that indemnification is provided for under any other Section of this Agreement or any other agreements between Refinery Company or any of its affiliates and Fertilizer Company or any of its affiliates, and such indemnification is for any particular Losses, then such indemnification (and any limitations thereon) as provided in such Section or other agreement shall apply as to such particular Losses and shall supersede and be in lieu of any indemnification that would otherwise apply to such particular Losses under this Section 2.1.

Section 2.2 Indemnification for Existing Known Contamination.

(a) All existing, known contamination on Refinery Company Property and Fertilizer Company Property has been documented and identified on a mutually agreed upon Known Contamination Map, which contamination is subject to Government Authority-mandated Environmental Activities that have either been completed and issued a "No Further Action" or "closure" determination, or remain incomplete and subject to further action.

(b) To the extent that existing, known contamination on Refinery Company Property has been documented and confirmed by Environmental Site Information and is depicted on the Known Contamination Map, and the contamination is associated with activities and operations of Fertilizer Company, Fertilizer Company shall implement any and all Government Authority-mandated Environmental Activities which are required to comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or about any Refinery Company Property. If the Government Authority-mandated Environmental Activities are not implemented within a reasonable timeframe, Fertilizer Company shall indemnify Refinery Company for all of the expenses, penalties and other associated costs Refinery Company incurs in achieving compliance consistent with all of the foregoing actions identified in this Section 2.2(b), except as provided in Section 2.2(g). Any invasive, on-site work that could involve impacts to subsurface soil and/or groundwater in areas of contamination depicted on the Known Contamination Map shall be subject to the procedural requirements established in either Section 2.2(e) or Section 2.2(f) for Planned Project Work or Unplanned Work, respectively.

(c) Section 2.2(b) notwithstanding, at Refinery Company's sole discretion, Refinery Company may at its cost and expense perform a Government Authority-mandated action with regard to Commingled Environmental Liabilities, provided, however, (i) if such Government Authority-mandated action requires the cooperation of the Fertilizer Company, the Refinery Company shall provide reasonable notice of such requirement, and opportunity for Fertilizer Company to comment on such Government Authority-mandated action, and the Parties shall coordinate their activities relating to such required cooperation, and (ii) to the extent that any Hazardous Materials recovered as a result of any such Government Authority-mandated action were generated solely by the Fertilizer Company, then Fertilizer Company shall bear the cost of complying with the provisions of the Government Authority-mandated action with respect to such Hazardous Materials that were generated solely by the Fertilizer Company. By electing to perform such obligation, Refinery Company does not waive any coverage under this Agreement for compensation or indemnification for third party claims, or for any compensation or indemnification by Fertilizer Company as otherwise provided in this Agreement.

(d) To the extent that existing, known contamination on Fertilizer Company Property has been documented and confirmed by Environmental Site Information and is depicted on the Known Contamination Map, and the contamination is associated with activities and operations of Refinery Company, Refinery Company shall implement any and all Government Authority-mandated Environmental Activities which are required to comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or affecting any Fertilizer Company Property. If the Government Authority-mandated Environmental Activities are not implemented within a reasonable timeframe, Refinery Company shall indemnify Fertilizer Company for all of the expenses, penalties and other associated costs Fertilizer Company incurs in achieving compliance consistent with all of the foregoing activities identified in Section 2.2(d), except as provided in Section 2.2(h). Any invasive, on-site work that could involve impacts to subsurface soil and/or groundwater in areas of contamination depicted on the Known Contamination Map shall be subject to the procedural requirements established in either Section 2.2(e) or Section 2.2(f) for Planned Project Work or Unplanned Work, respectively.

(e) For Planned Project Work, contamination that is depicted on the Known Contamination Map, but for which Government Authority-mandated Environmental Activities remain incomplete and subject to further action, remains the responsibility of Contaminating Party, provided that Owner Party shall provide notification to Contaminating Party at least ninety (90) days in advance (“Ninety Day Notice”) that Owner Party will perform work that will disturb soil and/or groundwater as part of the Planned Project Work. Upon such notice, the Parties will meet and diligently work together to develop a soil management plan; but in the event that the Parties are unable to agree within thirty (30) days after Owner Party’s Ninety Day Notice, Owner Party may unilaterally proceed to develop and implement its own commercially reasonable soil management plan in conjunction with the Planned Project Work that will, to the extent commercially reasonable, seek to minimize as practicable soil that requires off-site disposal as part of the Planned Project Work. Owner Party will be responsible for the costs of excavation and load out associated specifically with the Planned Project Work, and Contaminating Party will pay the incremental disposal costs, if any, for the Hazardous Materials. If the Hazardous Materials require manifesting as RCRA Hazardous Waste, Contaminating Party will be the “generator” for the purposes of manifesting and disposal. A licensed TSDF shall be used for disposal.

(f) For Unplanned Work, contamination that is depicted on the Known Contamination Map, but for which Government Authority-mandated Environmental Activities remain incomplete and subject to further action, remains the responsibility of the Party that caused the contamination, provided that Owner Party shall provide Contaminating Party, within twenty-four (24) hours, notice that Owner Party performed Unplanned Work and encountered contamination that it believes is the responsibility of Contaminating Party. The noticed Party will then have twenty-four (24) hours to inspect the affected area to determine if it accepts Owner Party’s claim of responsibility. If Contaminating Party accepts such responsibility, Contaminating Party shall proceed with the required Environmental Activities or, in the alternative, if Contaminating Party fails to diligently proceed and/or if Contaminating Party does not accept such responsibility, Owner Party may proceed with the required Environmental Activities and if Owner Party does proceed with the required Environmental Activities, then Contaminating Party shall indemnify and reimburse Owner Party, upon Owner Party’s demand, for costs and expenses incurred by Owner Party in proceeding with the required Environmental

Activities. Disputes will be managed in accordance with Article 3 of this Agreement. Owner Party will be responsible for the costs of excavation and load out specifically associated with the scope and extent of Unplanned Work, and Contaminating Party will pay the management and disposal costs for the Hazardous Materials associated with the contamination depicted on the Known Contamination Map. If the Hazardous Materials require manifesting as RCRA Hazardous Waste, Contaminating Party will be the "generator" for the purposes of manifesting and disposal. A licensed TSDF shall be used for disposal.

(g) In the event that a Government Authority issues a "No Further Action", "closure" or similar determination concerning Fertilizer Company contamination on or affecting Refinery Company Property, Section 2.2(b) shall become inoperative with respect to the area specifically identified and delineated in the respective Government Authority determination, and Refinery Company shall have the sole responsibility for remediation of Refinery Company Property that has existing, known contamination which is disturbed by Refinery Company's on-site development, investigation or remediation actions.

(h) In the event that a Government Authority issues a "No Further Action", "closure" or similar determination concerning Refinery Company contamination on or affecting Fertilizer Company Property, Section 2.2(d) shall become inoperative with respect to the area specifically identified and delineated in the respective Government Authority determination, and Fertilizer Company shall have the sole responsibility for remediation of Fertilizer Company Property that has existing, known contamination which is disturbed by Fertilizer Company's on-site development, investigation or remediation actions.

Section 2.3 Indemnification for Existing Unknown and Future Contamination.

(a) To the extent that operations and activities of the Refinery Company have resulted in or caused a violation of Environmental Laws, or a Release (including a Release of existing contamination) or other contamination affecting the Fertilizer Company Property that was existing and unknown as of the execution of this Agreement, or involves a latent release that occurs subsequent to the execution of this Agreement, the Refinery Company shall, upon its receipt of both a demand from the Fertilizer Company and objective evidence of such Release or other contamination, in a commercially reasonable manner: (i) conduct all investigations necessary to adequately identify and characterize the contamination; (ii) develop a corrective action proposal or work plan, if necessary; (iv) with the consent of the Fertilizer Company, coordinate with the Government Authority; and (v) implement any and all Government Authority-mandated Environmental Activities which are required to comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or affecting any Fertilizer Company Property. If the Government Authority-mandated actions are not implemented within a reasonable timeframe by Refinery Company, Fertilizer Company shall implement such actions, and Refinery Company shall indemnify the Fertilizer Company for all of the expenses, penalties and other associated costs it incurs in achieving compliance consistent with all of the foregoing activities identified in this Section 2.3(a), subject to the conditions established in Sections 2.3(c), (d) and (e).

(b) To the extent that operations and activities of the Fertilizer Company have resulted in or caused a violation of Environmental Laws, or a Release (including a Release of existing contamination) or other contamination affecting the Refinery Company Property that was existing and unknown as of the execution of this Agreement, or involves a latent release that occurs subsequent to the execution of this Agreement, the Fertilizer Company shall, upon its receipt of both a demand from the Refinery Company and adequate, objective evidence of such Release or other contamination, in a commercially reasonable manner: (i) conduct all investigations necessary to adequately identify and characterize the contamination; (ii) develop a corrective action proposal or work plan, if necessary; (iv) with the consent of the Refinery Company, coordinate with the Government Authority; and (v) implement any and all Government Authority-mandated Environmental Activities which are required to comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or affecting any Refinery Company Property. If the Government Authority-mandated actions are not implemented within a reasonable timeframe by Fertilizer Company, Refinery Company shall implement such actions, and Fertilizer Company shall indemnify the Refinery Company for all of the expenses, penalties and other associated costs it incurs in achieving compliance consistent with all of the foregoing activities identified in this Section 2.3(b), subject to the conditions established in Section 2.3(c), (d) and (e).

(c) Except as required as a part of Government Authority-mandated Environmental Activities, or in responding to an accidental or sudden environmental occurrence of Hazardous Materials contamination, or in connection with implementation of the Comprehensive Coke Management Plan, neither Party can undertake investigation of soil or groundwater conditions.

(d) If the contamination referenced in Sections 2.3(a) or (b) is subsumed or covered by, or is otherwise satisfied by, a Government Authority-mandated remediation or corrective action that was in effect prior to the execution of this Agreement, this provision shall be inapplicable.

(e) The requirements associated with existing unknown contamination referenced in Sections 2.3(a) and (b) shall apply only to existing unknown contamination that is discovered and identified in reasonable detail in a written notice by one Party to the other Party within five (5) years following the Effective Date.

Section 2.4 Indemnification for Failure to Comply with Comprehensive Coke Management Plan.

(a) The Parties shall work in conjunction with each other to develop a Comprehensive Coke Management Plan, including establishing procedures for the management of Coke and the identification of significant Coke-related contamination on the respective properties, which shall be finalized within ninety (90) days following execution of this Agreement, and which Comprehensive Coke Management Plan may be amended from time to time.

(b) Each of the Parties shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees harmless from and against all Losses imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of any and all Claims associated with or in any way relating to Environmental Liabilities, including, but not limited to, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, property damages, natural resource damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any person (including third party claims) or Government Authority, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, provided they arise under or are related to the failure to comply with and implement its respective obligations and responsibilities as established in the Comprehensive Coke Management Plan, including any Coke-related violations of applicable Environmental Laws or Environmental Permits. All costs and expenses incurred by the Indemnitee and arising from Claims associated with the liabilities identified above shall be paid by the Indemnitor within thirty (30) days following receipt of a legitimate demand therefor from the Indemnitee.

Section 2.5 Indemnification for Closure of Industrial Landfill 871

(a) Refinery Company will close the KDHE permitted Industrial Landfill 871 (***"Landfill 871"***, which is located on land previously owned by Refinery Company and now owned by Fertilizer Company) in accordance with the closure procedures specified in the Revised Closure Plan submitted to KDHE on March 3, 2004, or any KDHE required modifications to the Revised Closure Plan. Refinery Company will be responsible for the 60-day notification requirement under Kansas Administrative Regulation Section 28-19-12(a) with respect to closure of Landfill 871.

(b) Refinery Company will be responsible for all closure costs and post-closure maintenance of the final clay cap and vegetative cover for Landfill 871. Access by Refinery Company to Landfill 871 for purposes of such maintenance will be provided in accordance with Article 7 hereof.

(c) Refinery Company acknowledges, and will comply with, the Restrictive Covenant filed with the Montgomery County Register of Deeds at Book 487 Page 533, which, among other things, specifies certain post-closure property use, easement to KDHE, and disclosure requirements with respect to Landfill 871.

(d) Each of the Parties shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees harmless from and against all Losses imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of any and all Claims associated with or in any way relating to Environmental Liabilities, including, but not limited to, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, property damages, natural resource damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any person (including third party claims) or Government Authority, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, provided they arise under or are related to the failure to comply with and implement its respective obligations and responsibilities with respect to Landfill 871 under this Section 2.5(d). All costs and expenses incurred by the Indemnitee and arising from Claims associated with the liabilities identified above shall be paid by the Indemnitor within thirty (30) days following receipt of a legitimate demand therefor from the Indemnitee.

Section 2.6 Indemnification for Off-Site Disposal of Hazardous Materials. Each of the Parties shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, "Losses") imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of any and all Claims associated with or in any way relating to Environmental Liabilities, including, but not limited to, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, consequential damages related to business interruption, property damages, natural resource damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any person (including third party claims) or Government Authority, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, provided they arise under, or are caused by or related to the off-site disposal of Hazardous Materials caused or generated by Indemnitor and removed from the respective Property, and disposed at an off-site location. This indemnification shall specifically cover, but is not limited to, any Hazardous Material-related contamination caused by one Party (i.e., Indemnitor), but registered and disposed under the other Party's waste generator/manifesting identification number, including the Hazardous Materials generated by Fertilizer Company during construction of the Nitrogen Plant that was disposed off-site using Refinery Company's waste generator/manifesting identification number.

Section 2.7 Reduction of Indemnification Obligation. Any indemnification obligation pursuant to this Article 2 with respect to any particular Losses shall be reduced by all amounts actually recovered by the Indemnitee from third parties, or from applicable insurance coverage, with respect to such Losses. Upon making any payment to any Indemnitee, the Indemnitor shall be subrogated to all rights of the Indemnitee against any third party in respect of the Losses to which such payment relates, and such Indemnitee shall execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. If the Indemnitee receives any amounts from any third party or under applicable insurance coverage subsequent to an indemnification payment by the Indemnitor, then such Indemnitee shall promptly reimburse the Indemnitor for any payment made or expense incurred by such Indemnitor in connection with providing such indemnification payment up to the amount received by the Indemnitee, net of any expenses incurred by such Indemnitee in collecting such amount.

Section 2.8 Indemnification Procedures.

(a) Promptly after receipt by an Indemnitee of notice of the commencement of any action that may result in a claim for indemnification pursuant to this Article 2, the Indemnitee shall notify the Indemnitor in writing within 30 days thereafter; provided, however, that any omission to so notify the Indemnitor will not relieve it of any liability for indemnification hereunder as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice shall have been materially prejudicial to the Indemnitor) nor from any other liability that it may have to any Indemnitee. The Indemnitor shall have the right to assume sole and exclusive control of the defense of any claim for indemnification pursuant to this Article 2, including the choice and direction of any legal counsel.

(b) An Indemnitee shall have the right to engage separate legal counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the Indemnitor has agreed in writing to pay such fees and expenses, (ii) the Indemnitor has failed to assume the defense thereof and engage legal counsel within a reasonable period of time after being given the notice required above, or (iii) the Indemnitee shall have been advised by its legal counsel that representation of such Indemnitee and other parties by the same legal counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same legal counsel has been proposed) due to actual or potential conflicts of interests between them. It is understood, however, that to the extent more than one Indemnitee is entitled to engage separate legal counsel at the Indemnitor’s expense pursuant to clause (iii) above, the Indemnitor shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having the same or substantially similar claims against the Indemnitor, unless but only to the extent the Indemnitees have actual or potential conflicting interests with each other.

(c) The Indemnitor shall not be liable for any settlement of any action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

Section 2.9 Activity and Use Limitations. The Parties mutually agree that the Refinery Company Property and the Fertilizer Company Property shall only be used for industrial purposes in the future.

Section 2.10 Survival. Any environmental contamination that is specifically identified and indemnifiable hereunder prior to the termination or expiration of this Agreement shall be covered by this Agreement beyond the term of this Agreement as established in Section 10.8.

ARTICLE 3

DISPUTES

Section 3.1 Resolution of Disputes. The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "***Dispute***") pursuant to this Article 3. The Parties shall first submit the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the Refinery Company Representative and the Fertilizer Company Representative as provided above, then the Parties may exercise all available remedies.

Section 3.2 Multi-Party Disputes. The Parties acknowledge that they or their respective affiliates contemplate entering or have entered into various additional agreements with third parties that relate to the subject matter of this Agreement and that, as a consequence, Disputes may arise hereunder that involve such third parties (each a "***Multi-Party Dispute***"). Accordingly, the Parties agree, with the consent of such third parties, that any such Multi-Party Dispute, to the extent feasible, shall be resolved by and among all the interested parties consistent with the provisions of this Article 3.

ARTICLE 4

ASSIGNMENT

This Agreement shall extend to and be binding upon the Parties hereto, their successors and permitted assigns. Either Party may assign its rights and obligations hereunder solely (i) to an affiliate under common control with the assigning Party, provided that any such assignment shall require the prior written consent of the other Party hereto (such consent not to be unreasonably withheld or delayed), and provided that the applicable assignee agrees, in a written instrument delivered to (and reasonably acceptable to) such other Party, to be fully bound hereby, or (ii) to a Party's lenders for collateral security purposes, provided that in the case of any such assignment each Party agrees (x) to cooperate with the lenders in connection with the execution and delivery of a customary form of lender consent to assignment of contract rights and (y) any delay or other inability of a Party to timely perform hereunder due to a restriction imposed under the applicable credit agreement or any collateral document in connection therewith shall not constitute a breach hereunder. In addition, each Party agrees that it will assign its rights and obligations hereunder to a transferee acquiring all or substantially all of the equity in or assets of the assigning Party related to the Refinery or Fertilizer Plant (as applicable), which transferee must be approved in writing by the non-assigning Party (such approval not to be unreasonably withheld or delayed) and must agree in writing (with the non-assigning Party) to be fully bound hereby.

ARTICLE 5

GOVERNING LAW AND VENUE

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SAID STATE. THE PARTIES AGREE THAT ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 6

LIMITATION OF LIABILITY

In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall either Party, its employees, suppliers or subcontractors, be liable for loss of profits or revenue or special, incidental, consequential, punitive or exemplary damages; *provided*, however, that the foregoing limitation shall not preclude recourse to any insurance coverage maintained by the Parties pursuant to the requirements of this Agreement or otherwise.

ARTICLE 7

SITE ACCESS

Section 7.1 The Parties mutually grant to each other, and their consultants, agents, representatives, or contractors, the right and license to access and enter onto the Accessed Property, at such reasonable times and locations and along such routes as may be acceptable to the Party granting access (Owner Party), for the purpose of the performance of Specified Environmental Activities on the Accessed Property.

Section 7.2 All existing and future Environmental Site Information is highly confidential in nature and constitute proprietary and/or privileged information. Therefore, the Parties shall, as provided in Section 10.1, preserve and protect the confidentiality of the

Environmental Site Information, which shall be used for the purposes of identifying and remediating contaminated soil and groundwater, as well as to provide advice and assist in complying with Environmental Laws.

Section 7.3 Upon request by Owner Party, Contaminating Party shall submit a copy of its work plan for its Specified Environmental Activities to Owner Party.

Section 7.4 The Contaminating Party's right to access and enter the Accessed Property for purposes of conducting Specified Environmental Activities shall be subject to the following conditions and restrictions: (a) the performance of the Specified Environmental Activities will be at no cost or expense to Owner Party; (b) Contaminating Party shall notify Owner Party as soon as reasonably practicable prior to entry onto the Accessed Property to conduct Specified Environmental Activities; (c) Contaminating Party's activities under this section shall not interfere with the normal business operations of the Accessed Property unless such interference is approved by Owner Party in advance or unless such interruption is a direct result of activity implementing a Government Authority-mandated work plan, order or other Environmental Activities; (d) Contaminating Party, its consultant, agents, representatives, or contractors, shall diligently restore the Accessed Property to its condition immediately prior to the performance of the Specified Environmental Activities, to a condition that is in compliance with Environmental Laws, the requirements of the Government Authority, and in a manner that will allow for the continuation of normal business operations on the Accessed Property; (e) Contaminating Party shall indemnify Owner Party against any property damage or personal injury incurred by Owner Party or third parties as a result of the Specified Environmental Activities or the unauthorized release of Environmental Site Information under this Agreement; and (f) these provisions allowing access to the Accessed Property are intended and shall be construed only as a temporary license to enter the Accessed Property and to conduct the Specified Environmental Activities upon the Accessed Property and not as a grant of easement or any other interest in the Accessed Property.

Section 7.5 Contaminating Party, its consultants, agents, representatives, or contractors, shall be authorized to store and retain on the Accessed Property the necessary equipment, materials, tools and personal property for the Specified Environmental Activities; provided, however, that the equipment, materials, tools and personal property shall not in any way interfere with the normal business operations of Owner Party, and that all such equipment, materials, tools and personal property shall be removed promptly upon completion of the Specified Environmental Activities.

Section 7.6 The right to access the Accessed Property granted to the Contaminating Party shall terminate upon the completion of the Specified Environmental Activities. Investigative activities shall be deemed complete once all sampling and/or monitoring activities have been concluded, and all restorative work has been completed to the reasonable satisfaction of Owner Party, and remedial activities shall be deemed complete once all removal, closure, and restorative activities have been conducted and the requisite determination has been issued by the Government Authority.

ARTICLE 8

NOTICES

Any notice, request, correspondence, information, consent or other communication to any of the Parties required or permitted under this Agreement shall be in writing (including telex, telecopy, or facsimile), shall be given by personal service or by telex, telecopy, facsimile, overnight courier service, or certified mail with postage prepaid, return receipt requested, and properly addressed to such Party and shall be effective upon receipt. For purposes hereof the proper address of the Parties shall be the address stated beneath the corresponding Party’s name below, or at the most recent address given to the other Parties hereto by notice in accordance with this Article:

If to Refinery Company, to:

Coffeyville Resources
Refining & Marketing, LLC

____

____

Attention: Chief Executive Officer

If to Fertilizer Company, to:

Coffeyville Resources
Nitrogen Fertilizers, LLC

____

____

or such other address(es) as either Party designates by registered or certified mail addressed to the other Party.

ARTICLE 9

EXHIBITS

All of the Exhibits attached hereto are incorporated herein and made a part of this Agreement by reference thereto.

ARTICLE 10

MISCELLANEOUS

Section 10.1 Confidential Information. During the course of the Parties' performance hereunder, the Parties acknowledge and agree that each of them may receive or have access to confidential information of the other Party (which for the purposes of this Agreement means any Environmental Site Information, or other information, that is not generally known or that is not known in the industry or community in general). Each Party agrees not to use or disclose any such confidential information within their respective organizations (including affiliates) except as required to perform its obligations hereunder and on a need-to-know basis and will not disclose such information to others except to the extent (i) such information was known to the receiving Party prior to its receipt from the other Party, (ii) such information is required to be disclosed under applicable law or regulation, or (iii) such information was required to be disclosed or appropriate for disclosure in connection with a Transfer (or proposed Transfer) of the Refinery or Fertilizer Plant or in connection with required disclosures to a Party's financing sources and their representatives, as the case may be, provided that any disclosure under clause (iii) shall be approved in advance thereof by the other Party, which approval shall not be unreasonably withheld or delayed. If a Party is compelled in a judicial or administrative proceeding to reveal, disclose, or otherwise make available any confidential information of the other Party to any third party, such Party shall notify the other Party in writing promptly upon receipt of the request for disclosure, and such other Party shall have the opportunity to intervene to prevent or restrict the disclosure of the confidential information.

Section 10.2 Headings. The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.

Section 10.3 Amendments and Waiver. This Agreement may not be amended, modified or waived except by a writing signed by all parties to this Agreement that specifically references this Agreement and specifically provides for an amendment, modification or waiver of this Agreement. No waiver of or failure or omission to enforce any provision of this Agreement or any claim or right arising hereunder shall be deemed to be a waiver of any other provision of this Agreement or any other claim or right arising hereunder.

Section 10.4 Construction and Severability. Every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and in accordance with industry standards and not strictly for or against either Party. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

Section 10.5 Waiver. The waiver by either Party of any breach of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition contained in this Agreement. No term, covenant or condition of this Agreement will be deemed to have been waived unless such waiver is in writing.

Section 10.6 No Third Party Beneficiaries. The Parties each acknowledge and agree that there are no third party beneficiaries having rights under or with respect to this Agreement, including without limitation, under the BOC Agreement, TKI I Phase I Agreement, or TKI Phase II Agreement.

Section 10.7 Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire, integrated agreement between the Parties regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties, whether written or oral.

Section 10.8 Term. This Agreement shall continue for a minimum of twenty (20) years, or as long as the Feedstock Agreement remains in effect, whichever is longer.

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

COFFEYVILLE RESOURCES REFINING & MARKETING, LLC	COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC
By: ____________________	By: ____________________

<u>EXHIBIT A</u>

PLOT PLAN

[see attached]

FEEDSTOCK AND SHARED SERVICES AGREEMENT

THIS FEEDSTOCK AND SHARED SERVICES AGREEMENT is entered into and effective as of the ___ day of __________, 2007, by and between Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company ("***Refinery Company***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company ("***Fertilizer Company***").

RECITALS

Refinery Company owns and operates the petroleum refinery located at Coffeyville, Kansas, which refinery is more particularly described on Exhibit A hereto (including any additions or other modifications made thereto from time to time, the "***Refinery***").

Fertilizer Company owns and operates the nitrogen fertilizer complex located adjacent to the Refinery consisting of the Gasification Unit, the UAN Plant, the Ammonia Synthesis Loop, the Utility Facilities, storage and loading facilities, the Fertilizer Plant Water Clarifier and river access, the Grounds and related connecting pipes and improvements, which fertilizer manufacturing complex is connected to and associated with the BOC Facility and the Offsite Sulfur Recovery Unit, all of which are more particularly described on Exhibit A hereto (including any additions or other modifications made thereto from time to time, and which are collectively referred to herein as the "***Fertilizer Plant***").

Refinery Company requires access to certain property and structures located on the Fertilizer Plant site to conduct its business, and Fertilizer Company requires access to certain structures and property located on the Refinery site to conduct its business.

Fertilizer Company and Refinery Company desire to enter into this Agreement for the provision of certain specified Feedstocks and Services between the Parties for use in their respective production processes and certain other related matters, all upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

The following terms shall have the meanings set forth below, unless the context otherwise dictates, both for purposes of this Agreement and all Exhibits hereto:

"***Agreement***" means this Feedstock and Shared Services Agreement and the Exhibits hereto, all as the same may be amended, modified or supplemented from time to time.

“***Ammonia Price***” means the price for anhydrous ammonia determined for a particular month as follows: The price per short ton of anhydrous ammonia shall be the average of (i) the average of the price range published in each weekly issue of “Green Markets” under the heading of “Ammonia” for “Southern Plains” averaged over such weekly issues published in the applicable calendar month, and (ii) the average of the price range published in each weekly issue of “Fertilizer Week America” under the heading of “Ammonia” for FOB Southern Plains” averaged over such weekly issues published in the applicable calendar month. In the event that either of the aforesaid publications ceases to be published, then the price per short ton of anhydrous ammonia shall be determined by reference to the publication that does not cease publication, using the average price range as provided for above. In the event that both of the aforesaid publications cease to be published, then the price per short ton of anhydrous ammonia shall be determined by reference to such generally accepted industry publication as Fertilizer Company may designate with the consent of the Refinery Company, which consent shall not be unreasonably withheld or delayed.

“***Ammonia Synthesis Loop***” means that ammonia synthesis loop within the Fertilizer Plant described and identified on Exhibit A hereto, including any additions or other modifications made thereto from time to time.

“***BOC***” means BOC Group, Inc., a Delaware corporation.

“***BOC Agreement***” means that certain Amended and Restated On-Site Project Supply Agreement between Fertilizer Company and BOC, dated as of June 1, 2005.

“***BOC Facility***” means the plant for the production of certain products and argon, including metering and related facilities, together with an inter-connected liquid nitrogen product storage vessel and vaporization equipment, as more particularly described and identified on Exhibit A hereto, all connected to the pipelines owned by BOC, including any additions or other modifications made thereto from time to time.

“***Coke***” has the meaning given such term in the Coke Supply Agreement.

“***Coke Supply Agreement***” means the Coke Supply Agreement dated as of the date hereof between the Parties.

“***cscf***” means one hundred scf.

“***Dispute***” has the meaning given such term in Article 5.

“***Easement Agreement***” means that Cross-Easement Agreement dated as of the date hereof under which the Fertilizer Company and the Refinery Company grant each other certain rights to enter upon and use the real property of the other Party for the purposes described therein.

“***Effective Date***” means the date first above written.

“***Farmland***” means Farmland Industries, Inc., a Kansas cooperative corporation.

“***Feedstock***” means the materials and streams described in Exhibit B, all within the tolerances and to the specifications therein contained, that are provided by or on behalf of Refinery Company to Fertilizer Company, or by or on behalf of Fertilizer Company to Refinery Company, as the case may be and as otherwise may be agreed by the Parties.

“***Feedstock Delivery Points***” means the points at which the Feedstock is transferred from Fertilizer Company to Refinery Company, or from Refinery Company to Fertilizer Company, as the case may be and as more particularly identified on Plot Plan A and Piping Plans A-1 to A-9 constituting a part of Exhibit A.

“***Fertilizer Plant***” has the meaning given such term in the Recitals.

“***Fertilizer Company***” has the meaning given such term in the introductory paragraph.

“***Fertilizer Company Representative***” means the plant manager of the Fertilizer Plant or such other person as is designated in writing by Fertilizer Company.

“***Fertilizer Plant Water Clarifier***” means the Fertilizer Company’s water clarifier and associated equipment as depicted in Plot Plan A constituting a part of Exhibit A.

“***Fire Water***” means the water and related systems to provide water for use in fire emergencies and the like, as such Fire Water is described in Exhibit B, all within the tolerances and in compliance with the specifications therein.

“***Force Majeure***” means war (whether declared or undeclared); fire, flood, lightning, earthquake, storm, tornado, or any other act of God; strikes, lockouts or other labor difficulties; unplanned plant outages; civil disturbances, riot, sabotage, terrorist act, accident, any official order or directive, including with respect to condemnation, or industry-wide requirement by any governmental authority or instrumentality thereof, which, in the reasonable judgment of the Party affected, interferes with such Party’s performance under this Agreement; any inability to secure necessary materials and/or services to perform under this Agreement, including, but not limited to, inability to secure materials and/or services by reason of allocations promulgated by governmental agencies; or any other contingency beyond the reasonable control of the affected Party, which interferes with such Party’s performance under this Agreement.

“***Gasification Unit***” means that gasification unit described on Plot Plan A constituting a part of Exhibit A hereto, including any additions or other modifications made thereto from time to time.

“***Grounds***” means the realty on which the Fertilizer Plant is situated, which Grounds are more particularly described on Plot Plan A constituting a part of Exhibit A.

“***High Pressure Steam***” means steam described in Exhibit B under the heading “High Pressure Steam,” all within the tolerances and in compliance with the specifications therein contained.

“***Hydrogen***” means hydrogen in its gaseous form, as described in Exhibit B hereto, all within the tolerances and in compliance with the specifications therein contained.

"***Hydrogen Reduction Date***" means the date after which the obligation of Fertilizer Company to provide Hydrogen to Refinery Company shall be reduced. The Hydrogen Reduction Date shall be that date selected by Fertilizer Company in its sole discretion and provided to Refinery Company upon ninety (90) days prior written notice, provided, however, that the Hydrogen Reduction Date shall not be earlier than December 1, 2007.

"***Instrument Air***" means air produced by mechanical compression as described in Exhibit B, all within the tolerances and in compliance with the specifications therein contained.

"***Laws***" means all applicable laws, regulations, permits, orders and decrees, including, without limitation, laws, regulations, permits, orders and decrees respecting health, safety and the environment.

"***Lease Agreement***" means the real property lease dated as of the date hereof between the Parties relating to the lease of certain Refinery Company premises to Fertilizer Company.

"***mlbs***" means one thousand pounds.

"***MMBtu***" means one million British thermal units.

"***mmscf***" means one million scf.

"***mscf***" means one thousand scf.

"***Nitrogen***" means nitrogen in its gaseous form, as described in Exhibit B hereto, all within the tolerances and in compliance with the specifications therein contained.

"***Offsite Sulfur Recovery Unit***" means that sulfur processing facility owned and operated by TKI pursuant to the TKI Phase II Agreement, which Offsite Sulfur Recovery Unit is more particularly described on Plot Plan A constituting a part of Exhibit A hereto, including any additions or other modifications made thereto from time to time.

"***Owner***" means Fertilizer Company or Refinery Company, as the context requires.

"***Oxygen***" means oxygen in its gaseous form, as described in Exhibit B hereto, all within the tolerances and in compliance with the specifications therein contained.

"***Party***" and "***Parties***" means the parties to this Agreement.

"***Person***" means and includes natural persons, corporations, limited partners, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities.

"***PPM***" means parts per million.

"***Prime Rate***" means the prime interest rate as published from time to time in The Wall Street Journal as the base lending rate on corporate loans posted by at least seventy-five percent (75%) of the thirty (30) largest United States banks.

"***psi***" means pounds per square inch.

"***psig***" means pounds per square inch gauge.

"***Raw Water and Facilities Sharing Agreement***" means the Raw Water and Facilities Sharing Agreement dated as of the date hereof between the Parties.

"***Refinery***" has the meaning given such term in the Recitals hereto.

"***Refinery Company***" has the meaning given such term in the introductory paragraph.

"***Refinery Water Clarifier***" means the Refinery Company's water clarifier and associated equipment.

"***Refinery Company Representative***" means the plant manager of the Refinery Company or such other person as is designated in writing by Refinery Company.

"***scf***" means standard cubic feet at 60°F and at atmospheric pressure equal to 29.92 inches of mercury absolute, measured by standard sharp edge orifice plate and differential pressure transmitters located at the Fertilizer Plant. The measured flow shall be pressure and temperature compensated and totalized by the Fertilizer Plant's Honeywell process control computer (TDC 3000) or any replacement computer. All transmitter signals and computer calculations are available to the Refinery through the existing communications bus for verification. Calibration of the transmitters shall be done at least annually and may be done more frequently at Refinery Company's request.

"***Security Contract***" means any agreement for security services to which Refinery Company is a party pursuant to which security services are provided on the Refinery premises and environs and on the Fertilizer Plant premises and environs.

"***Services***" means the services described as such on Exhibit B.

"***Sour Water***" means the process stream described on Exhibit B that meets the tolerances and specifications therein contained.

"***ST***" means short tons.

"***STPD***" means short tons per day.

"***TKI***" means Tessenderlo Kerley, Inc.

"***TKI General Plant and Labor Costs***" means (i) the costs incurred and appropriately billed to Refinery Company pursuant to the TKI Phase I Agreement and (ii) the costs incurred and appropriately billed to Fertilizer Company pursuant to the TKI Phase II Agreement.

“***TKI Phase I Agreement***” means the Sulfur Processing Agreement, dated October 2, 1996, between Farmland and TKI, as assigned by Farmland to Refinery Company, on March 2, 2004, as amended from time to time.

“***TKI Phase I Unit***” means the sulfur processing facility owned and operated by TKI pursuant to the TKI Phase I Agreement.

“***TKI Phase II Agreement***” means the Phase II Sulfur Processing Agreement, dated November 13, 1998, between Farmland and TKI, as assigned by Farmland to Coffeyville Resources Nitrogen Fertilizers, LLC, on March 2, 2004, as amended from time to time.

“***Transfer***” means the sale, exchange, gift or other assignment of rights or interests, whether by specific assignment, merger, consolidation, entity conversion or other disposition, but not including any bona fide pledge or assignment for collateral purpose in connection with any financing.

“***UAN Plant***” means the urea ammonium nitrate plant described and identified on Exhibit A hereto, including any additions or other modifications made thereto from time to time.

“***UAN Price***” means the price for 32% urea ammonium nitrate determined for a particular month as follows: The price per short ton of 32% urea ammonium nitrate shall be the average of (i) the average of the price range published in each weekly issue of “Green Markets” under the heading of “UAN” for “Mid Cornbelt” averaged over such weekly issues published in the applicable calendar month and then multiplied by thirty-two (32), and (ii) the average of the price range published in each weekly issue of “Fertilizer Week America” under the heading of “UAN” for “FOB Midwest” averaged over such weekly issues published in the applicable calendar month. In the event that either of the aforesaid publications ceases to be published, then the price per short ton of 32% urea ammonium nitrate shall be determined by reference to the publication that does not cease publication, using the average price range as provided for above. In the event that both of the aforesaid publications cease to be published, then the price per short ton of 32% urea ammonium nitrate shall be determined by reference to such generally accepted industry publication as Fertilizer Company may designate with the consent of the Refinery Company, which consent shall not be unreasonably withheld or delayed.

“***Utility Facilities***” mean the utility facilities described and identified on Exhibit A hereto, including any additions or other modifications made thereto from time to time.

ARTICLE 2

FEEDSTOCK AND SHARED SERVICES

Section 2.1 Steam.

2.1.1 Refinery Steam Obligations

(a) Start-up Steam. Refinery Company shall, upon reasonable request by the Fertilizer Company, make available to Fertilizer Company High Pressure Steam at a cost to Fertilizer Company as designated on Exhibit B hereto, at sufficient pressure and in sufficient amounts, to allow Fertilizer Company to commence and recommence operation of the Fertilizer Plant from time to time at Fertilizer Company's request. The parties anticipate that commencement and/or recommencement of Fertilizer Plant operations will require approximately 75,000 pounds per hour of High Pressure Steam. For purposes of this Subsection 2.1.1(a), such High Pressure Steam shall be referred to as "***Start-Up Steam.***" Refinery Company shall use commercially reasonable efforts to make available Start-Up Steam when requested by Fertilizer Company; provided that Refinery Company shall not be obligated to make available Start-Up Steam hereunder if doing so would have a material adverse effect on Refinery operations. Fertilizer Company shall provide reasonable notice to Refinery Company of the approximate time and date of each of its requirements for Start-Up Steam.

(b) BOC Steam. Refinery Company, shall make commercially reasonable efforts as its operations permit, at a cost to Fertilizer Company as set forth in Exhibit B, to make available High Pressure Steam produced at the Refinery to the Fertilizer Company, solely for use at the BOC Facility. Fertilizer Company shall provide reasonable notice to Refinery Company of the approximate time and date of each of its requirements for High Pressure Steam under this subsection 2.1.1(b); provided that Refinery Company shall not be obligated to make available High Pressure Steam hereunder if doing so would have a material adverse effect on Refinery operations.

2.1.2 Fertilizer Plant Steam Obligations

Fertilizer Company shall make available at a cost to Refinery Company as set forth in Exhibit B, solely for use at the Refinery, any High Pressure Steam produced by the Fertilizer Plant that is not required for the operation of the Fertilizer Plant, following reasonable notice from Refinery Company requesting such steam.

2.1.3 Mutual Steam Obligations

(a) Low Pressure Steam. Refinery Company and Fertilizer Company may supply each other any steam (other than High Pressure Steam) produced by either of their respective operations, which is not required by such operation and is required for the other Party's operation, at no cost; provided, however, there shall be no obligation by either Party to supply any such steam and the Party requiring such steam shall give reasonable notice to the other Party of any request.

(b) Steam Condensate. Refinery Company shall retain all steam condensate for steam delivered to Refinery Company hereunder and Fertilizer Company shall retain all steam condensate for all steam delivered to Fertilizer Company hereunder.

Section 2.2 Nitrogen. Fertilizer Company shall make available to Refinery Company, solely for use at the Refinery, any Nitrogen produced by the BOC Facility and available to Fertilizer Company that is not required, as determined in a commercially reasonable manner by the Fertilizer Company based on its then current or anticipated operational requirements, for the operation of the Fertilizer Plant, following reasonable notice from Refinery Company requesting such Nitrogen, at a cost to Refinery Company as designated on Exhibit B hereto.

Section 2.3 Instrument Air.

(a) Fertilizer Company shall make available for purchase by Refinery Company, for use solely at the Refinery, Instrument Air at a flow rate of not less than 3mscf/minute to the extent produced by the BOC Facility and available to Fertilizer Company, at a cost to Refinery Company as designated on Exhibit B hereto and following reasonable request and notice from Refinery Company.

(b) Refinery Company shall make available for purchase by Fertilizer Company for use solely at the Fertilizer Plant, Instrument Air to the extent that Instrument Air is not available from the BOC Facility and is available from Refinery Company at a flow rate of not less than 3 mscf/minute and at a cost to Fertilizer Company as designated on Exhibit B and following reasonable request and notice from the Fertilizer Company.

(c) Either Fertilizer Company or Refinery Company may terminate its obligation to make Instrument Air available for purchase by the other party hereunder upon not less than twelve (12) months prior written notice to the other party.

Section 2.4 Oxygen Supply to Refinery. Fertilizer Company shall provide to Refinery Company, solely for use at the Refinery, any Oxygen produced by the BOC Facility and made available to Fertilizer Company, as determined in a commercially reasonable manner by the Fertilizer Company not to exceed 29.8 STPD, based on its then current or anticipated operational requirements for the operation of the Fertilizer Plant, which Oxygen is not required for the operation of the Fertilizer Plant, following reasonable notice from Refinery Company requesting such Oxygen, at a cost to Refinery Company as designated on Exhibit B hereto.

Section 2.5 Coke Supply to Fertilizer Plant. The terms and conditions governing Refinery Company's sales of Coke to Fertilizer Company shall be set forth in the Coke Supply Agreement.

Section 2.6 Sulfur; TKI Agreements.

(a) TKI Phase II Agreement. Refinery Company shall provide to TKI the utilities described in Section 2.6 of the TKI Phase II Agreement. Fertilizer Company shall reimburse Refinery Company for such utilities provided. Without limiting the foregoing, Fertilizer Company shall reimburse Refinery Company for electricity used by the Offsite Sulfur Recovery Unit as determined by the estimated electrical load of the Offsite Sulfur Recovery Unit, which estimated electrical load is 1,051 kilowatts. The number of kilowatts provided for in the immediately preceding sentence will be multiplied by the average rate per kilowatt hour that the Refinery Company pays for electricity times the hours the Offsite Sulfur Recovery Unit is in operation in the calendar month for which such electricity reimbursement is being calculated. Refinery Company shall send a monthly invoice for such electricity cost as calculated in this Subsection along with Fertilizer Company's allocated share (as such allocation is reasonably agreed to by the Parties) of such other utilities provided by Refinery Company to TKI as required by the TKI Phase II Agreement. Fertilizer Company shall pay each such invoice within 15 days after receipt. Refinery Company shall receive, at no cost to either Owner, all return utility streams consisting primarily of low pressure steam (but excluding sulfur from the Offsite Sulfur

Recovery Unit) and steam condensate under the TKI Phase II Agreement. Fertilizer Company shall not amend or terminate the TKI Phase II Agreement without the prior written consent of Refinery Company, which consent shall not be unreasonably withheld or delayed. Refinery Company shall not amend or terminate the TKI Phase I Agreement without the prior written consent of Fertilizer Company, which consent shall not be unreasonably withheld or delayed.

(b) Cost Sharing. The TKI General Plant and Labor Costs shall be shared equally by the Parties; provided, however, that in those instances where a particular cost can be reasonably determined to be associated with a particular Party, such Party shall bear such cost.

Section 2.7 Water.

(a) Raw Water. The allocation of raw water rights and obligations between the Fertilizer Company and the Refinery Company is provided in the Raw Water and Facilities Sharing Agreement.

(b) Sour Water. Refinery Company shall receive and process, at no cost to Fertilizer Company, all of the Sour Water produced at the Fertilizer Plant which does not exceed the volume parameters set forth on Exhibit B hereto.

(c) Refinery Supply of Fire Water. Refinery Company shall, at no cost or expense to Fertilizer Company, use reasonable efforts to keep and maintain its Fire Water systems, tanks, water inventory and equipment in such condition, repair and state of readiness so as to allow uninterrupted service to Fertilizer Company for use at the Fertilizer Plant and shall grant Fertilizer Company access to the Fire Water system for use of such system in conjunction with the Fire Water system of the Fertilizer Plant, for use in connection with Fertilizer Company's street sweeper and for use in washing down the Fertilizer Plant coke pad. The Refinery's Fire Water system and the points of access by Fertilizer Company to the Fire Water system are designated on Plot Plan A which constitutes part of Exhibit A hereto. Notwithstanding the foregoing, Fertilizer Company acknowledges and agrees that Refinery Company shall not be liable for any damages incurred resulting from its failure or inability to provide Fire Water hereunder. If the Refinery Company should cease operations of the Refinery (including the Refinery Fire Water system), Refinery Company shall provide advance notice of such cessation of operations to Fertilizer Company and Fertilizer Company may, upon notice to Refinery Company, operate such Refinery Fire Water System, at the cost and expense of the Fertilizer Company and for the benefit of the Fertilizer Company for a period of up to two years.

Section 2.8 Security. Fertilizer Company agrees to pay its pro rata share (determined as provided in Exhibit B) of security services provided under the Security Contract upon receipt of an invoice from Refinery Company for such pro rata share, as provided in Exhibit B. Refinery Company and Fertilizer Company shall also cooperate in developing and administering a mutual security plan. Refinery Company may, upon six (6) months prior written notice to Fertilizer Company, require Fertilizer Company to enter into a separate agreement for security services and adopt and administer a security plan covering solely its premises. Fertilizer Company may, upon six (6) months prior written notice to Refinery Company, terminate taking security services from Refinery Company, whereupon at the end of such six (6) month period, Fertilizer Company may cease paying Refinery Company for such security services and will adopt and administer its own security plan. Fertilizer Company acknowledges and agrees that Refinery Company shall not be liable to Fertilizer Company for any damages, losses or other liability arising, directly or indirectly, out of the services performed by any service provider engaged by Refinery Company to perform security services, or arising, directly or indirectly, out of any mutual security plan.

Section 2.9 Hydrogen Supply to Refinery.

(a) Until the Hydrogen Reduction Date, Fertilizer Company agrees to provide to Refinery Company all of Refinery Company's net Hydrogen requirements at the Refinery (ie. Refinery Company's Hydrogen requirements at the Refinery in excess of its own Hydrogen production at the Refinery) from time to time at the flow rate and specifications, and at the price, set forth on Exhibit B. Refinery Company shall provide Fertilizer Company no later than each August 1 prior to the Hydrogen Reduction Date a good faith forecast setting forth Refinery Company's estimated monthly Hydrogen usage for the annual period starting August 1. Refinery Company shall also provide not later than the last day of each calendar month a request to Fertilizer Company setting forth Refinery Company's good faith estimate of the daily quantity of Hydrogen it requires for the succeeding calendar month. If Refinery Company decides not to take Hydrogen from Fertilizer Company in any calendar month then Refinery Company shall so notify Fertilizer Company no later than the fifteenth (15^{th}) day of the calendar month immediately preceding the calendar month for which Refinery Company does not require Hydrogen. To the extent Refinery Company requires Hydrogen in excess of the amount set forth in any monthly notice to Fertilizer Company, Fertilizer Company shall use commercially reasonable efforts to promptly fulfill such supplemental request, provided that Fertilizer Company shall not be required to incur any additional costs in fulfilling any such supplemental request. Refinery Company shall only be invoiced for Hydrogen actually requested by and provided to Refinery Company (and shall not be liable in the event the amount requested is less than Refinery Company's good faith estimate).

(b) Commencing on the Hydrogen Reduction Date and continuing during the term of this Agreement (the "***Hydrogen Reduction Period***"):

(i) Fertilizer Company agrees to provide to Refinery Company, upon reasonable request, up to 30 mmscfd of Hydrogen (the "***Initial Requirement***") during any ten (10) consecutive day period (an "***Initial Requirement Period***"), provided that:

(A) If Fertilizer Company provides any Initial Requirement to Refinery Company during an Initial Requirement Period, then Fertilizer Company shall have no obligation to provide any further Initial Requirement to Refinery Company for a period (the "***Replenishment Period***") of thirty (30) days following the last day of the most recent Initial Requirement Period during which any Initial Requirement was provided; and

(B) Refinery Company shall pay to Fertilizer Company (in addition to the applicable price set forth on Exhibit B for Hydrogen purchased by Refinery Company from Fertilizer Company during the Hydrogen Reduction Period) a Monthly Demand Charge for each month during the Hydrogen Reduction Period as provided in Exhibit B. Such Monthly Demand Charge shall be due and payable in advance on the first day of each calendar month during the Hydrogen Reduction Period (prorated with respect to any partial month occurring at the beginning or end of the Hydrogen Reduction Period).

(ii) To the extent that Fertilizer Company has for any Initial Requirement Period provided to Refinery Company all of the Initial Requirement that Fertilizer is required to provide pursuant to Section 2.9(b)(i), then, in addition to such Initial Requirement, Fertilizer Company agrees to provide, upon reasonable request, to Refinery Company during such Initial Requirement Period and related Replenishment Period up to an additional 30 mmscfd of Hydrogen (the "***Additional Requirement***"), provided that Refinery Company compensates Fertilizer Company through one of the following methods, as elected by the Refinery Company at the time of requesting any Hydrogen that constitutes an Additional Requirement:

(A) Refinery Company will be entitled to 67,000 scf of Hydrogen for every ST of Ammonia purchased by Refinery Company from other sources and delivered by Refinery Company to Fertilizer Company, via truck or rail, during the Hydrogen Reduction Period; or

(B) Refinery Company may purchase Hydrogen from Fertilizer Plant at the Additional Requirement Price as provided in Exhibit B.

(c) Notwithstanding the provisions of subsections (a) and (b) above, Refinery Company may also purchase Hydrogen from Fertilizer Company upon such terms and conditions as Refinery Company and Fertilizer Company may mutually agree upon in writing from time to time with respect to any single purchase, any series of purchases, or otherwise.

Section 2.10 Natural Gas. Refinery Company is a party to a "Sales and Transportation Service Agreement" dated August 27, 1992 with United Cities Gas Company (now Atmos Energy), and the City of Coffeyville ("***Gas Contract***") pursuant to which natural gas is transported to the Refinery and the Fertilizer Plant. Refinery Company will nominate and purchase natural gas transportation and natural gas supplies for the Fertilizer Company and Fertilizer Company agrees to coordinate with Refinery Company with respect to such nominations and to provide Refinery Company timely information regarding Fertilizer Company's requirements for natural gas transportation and natural gas supplies. Refinery Company shall provide Fertilizer Company with an invoice for natural gas supply and transportation services received by Fertilizer Company promptly following Refinery Company's receipt of invoices from Atmos Energy (or Refinery Company's then-current natural gas transportation provider(s)), any relevant interstate natural gas pipeline and the then current natural gas supplier(s).

At the request of either Fertilizer Company or Refinery Company, the Parties agree to use their commercially reasonable efforts to (i) add Fertilizer Company as a party to the Gas Contract or to reach some other mutually acceptable accommodation with Atmos (including, but not limited to separate natural gas transportation agreements) whereby both Refinery Company and Fertilizer Company would each be able to receive, on an individual basis, natural gas transportation service from Atmos on similar terms and conditions as are currently set forth in the Gas Contract; and (ii) separate natural gas purchasing so that the Refinery Company and Fertilizer Company would each purchase for their own account the natural gas supplies to be delivered to the Refinery and Fertilizer Plant respectively.

Section 2.11 Railroad Tracks. Refinery Company and Fertilizer Company currently share rail services on railroad tracks that traverse the Refinery premises in part and the Fertilizer Plant premises in part, some of which railroad tracks are owned by Union Pacific and operated by South Kansas & Oklahoma Railroad, Inc., or their successors (“***Main Tracks***”), some of which railroad tracks are owned and operated by Refinery Company (“***Refinery Tracks***”), and some of which railroad tracks are owned and operated by Fertilizer Company (“***Fertilizer Tracks***”). The Parties agree to coordinate and cooperate to ensure that each Party has access to the Main Tracks, the Refinery Tracks, and the Fertilizer Tracks for the receipt of Feedstocks and delivery out of products, and to pay a mutually agreed prorated share of the costs and expense of maintaining such railroad tracks based upon an approximation of actual use. Each Party shall use its best commercially reasonable efforts to move railroad cars from the Main Tracks to the Refinery Tracks or the Fertilizer Tracks as soon as possible following arrival of such railroad cars. Each Party shall utilize such Party’s own railroad sidings for the loading and unloading of any products or other items by such Party. Railroad track sharing between the Parties shall also be subject to and in accordance with the railroad trackage easements provided for in the Easement Agreement.

Section 2.12 South Administration Building, Laboratory Building, and Oil Storage Building Use and Occupancy. The Refinery Company will allow the Fertilizer Company to occupy a portion of the buildings known on the date hereof as the “South Administration Building,” the “Laboratory Building,” and the Oil Storage Building for, without limitation, purposes of office space, maintenance space, storage and laboratory space therein, as more specifically provided in the Lease Agreement.

ARTICLE 3

TERM

Section 3.1 Term. This Agreement shall be for an initial term of twenty (20) years. The term of this Agreement shall be automatically extended following the initial term for additional successive five (5) year renewal periods, unless either party gives notice to the other party, not less than three (3) years prior to the date that any such renewal period would commence, that such party does not desire to extend and renew the term of this Agreement, in which event this Agreement shall terminate upon the expiration of the term in which the notice of nonrenewal is given.

Section 3.2 Termination. Notwithstanding Section 3.1, this Agreement may be terminated by mutual agreement of the Parties. This Agreement may also be terminated as follows:

(a) This Agreement may be terminated by one Party (the “***Terminating Party***”) upon notice to the other Party (the “***Breaching Party***”), following the occurrence of an Event of

Breach with respect to the Breaching Party. For purposes hereof, an "Event of Breach" shall occur when both of the following exist: (i) a breach of this Agreement by the Breaching Party has not been cured by such Breaching Party within thirty (30) days after receipt of written notice thereof from the Terminating Party or, in the case of a breach that is not reasonably feasible to effect a cure within said 30-day period, within ninety (90) days after such receipt provided that the Breaching Party diligently prosecutes the cure of such breach; and (ii) the breach materially and adversely affects the ability of the Terminating Party to operate its Refinery or its Fertilizer Plant, as the case may be.

(b) This Agreement may be terminated by the Refinery Company effective as of the permanent termination of substantially all of the operations at the Refinery (with no intent by Refinery Company or its successor to recommence operations at the Refinery); provided, however, that notice of such permanent termination of operations shall be provided by the Refinery Company to Fertilizer Company at least twelve (12) months prior to such permanent termination.

(c) This Agreement may be terminated by the Fertilizer Company effective as of the permanent termination of substantially all of the fertilizer production operations at the Fertilizer Plant (with no intent by Fertilizer Company or its successor to recommence operations at the Fertilizer Plant); provided, however, that notice of such permanent termination of operations shall be provided by the Fertilizer Company to Refinery Company at least twelve (12) months prior to such permanent termination.

(d) This Agreement may be terminated by one Party upon notice to the other Party following (i) the appointment of a receiver for such other Party or any part of its property, (ii) a general assignment by such other Party for the benefit of creditors of such other Party, or (iii) the commencement of a proceeding under any bankruptcy, insolvency, reorganization, arrangement or other law relating to the relief of debtors by or against such other Party; provided, however, that if any such appointment or proceeding is initiated without the consent or application of such other Party, such appointment or proceeding shall not constitute a termination event under this Agreement until the same shall have remained in effect for sixty (60) days.

Section 3.3 Effects of Expiration or Termination. Refinery Company and Fertilizer Company agree that upon and after expiration or termination of this Agreement:

(a) Each Party will remain obligated to make any payment due to the other Party hereunder for any Feedstock or Service delivered to or purchased by such Party prior to termination.

(b) Liabilities of any Party arising from any act, breach or occurrence prior to termination will remain with such Party.

(c) The Parties' rights and obligations under Section 10.6 and ARTICLES 5, 6, 7, 8, 9, 11, 12 and 15 will survive the expiration or termination of this Agreement

ARTICLE 4

PAYMENT

Section 4.1 Payment. Any amount payable hereunder shall be represented by an invoice therefor provided by the Party to receive said payment to the other Party. All such invoices shall be submitted weekly (or on such other periodic basis as the Parties may agree to in writing from time to time with respect to any particular Feedstock or Service) and set forth sufficient detail to reflect the determination of the amount payable hereunder. Unless otherwise indicated, all such invoices will be due net fifteen (15) days. The Parties shall make payment in full of the amount due under each invoice in strict compliance with the payment terms as set forth in this Agreement without any deduction for any discount or credits, contra or setoffs of any kind or amount whatsoever unless expressly authorized in writing by each Party prior to the payment date relating to such invoice(s), and except that each Party shall be entitled to offset, against any amount payable by such Party to the other Party for Feedstocks or Services hereunder or for Coke under the Coke Supply Agreement, any amounts payable from such other Party for Feedstocks or Services hereunder.

Section 4.2 Delinquencies. To the extent any amount payable under this Agreement is not paid when due, then in addition to the amount payable and in addition to all other available rights and remedies, the applicable Party also shall be obligated to pay interest on such amount payable from and after the due date for such payment until such payment is made at a rate of interest per annum equal to three percent (3%) above the Prime Rate (the "***Late Payment Rate***").

ARTICLE 5

DISPUTES

Section 5.1 Resolution of Disputes. The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "***Dispute***") pursuant to this Article 5. The Parties shall first submit the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the Refinery Company Representative and the Fertilizer Company Representative as provided above, then the Parties may exercise all available remedies.

Section 5.2 Multi-Party Disputes. The Parties acknowledge that they or their respective affiliates contemplate entering or have entered into various additional agreements with third parties that relate to the subject matter of this Agreement and that, as a consequence, Disputes may arise hereunder that involve such third parties (each a "***Multi-Party Dispute***"). Accordingly, the Parties agree, with the consent of such third parties, that any such Multi-Party

Dispute, to the extent feasible, shall be resolved by and among all the interested parties consistent with the provisions of this Article 5.

ARTICLE 6

INDEMNIFICATION

Section 6.1 Indemnification Obligations. Each of the Parties (each, an ***"Indemnitor"***) shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees (each, an ***"Indemnitee"***) harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, ***"Losses"***) imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of the breach of this Agreement by the Indemnitor or the negligence or willful misconduct of the Indemnitor, or of any officers, directors, members, managers, employees, agents, contractors and/or subcontractors acting for or on behalf of the Indemnitor. Any indemnification obligation pursuant to this Article 6 with respect to any particular Losses shall be reduced by all amounts actually recovered by the Indemnitee from third parties, or from applicable insurance coverage, with respect to such Losses. Upon making any payment to any Indemnitee, the Indemnitor shall be subrogated to all rights of the Indemnitee against any third party in respect of the Losses to which such payment relates, and such Indemnitee shall execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. If the Indemnitee receives any amounts from any third party or under applicable insurance coverage subsequent to an indemnification payment by the Indemnitor, then such Indemnitee shall promptly reimburse the Indemnitor for any payment made or expense incurred by such Indemnitor in connection with providing such indemnification payment up to the amount received by the Indemnitee, net of any expenses incurred by such Indemnitee in collecting such amount.

Section 6.2 Indemnification Procedures.

(a) Promptly after receipt by an Indemnitee of notice of the commencement of any action that may result in a claim for indemnification pursuant to this Article 6, the Indemnitee shall notify the Indemnitor in writing within 30 days thereafter; provided, however, that any omission to so notify the Indemnitor will not relieve it of any liability for indemnification hereunder as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice shall have been materially prejudicial to the Indemnitor) nor from any other liability that it may have to any Indemnitee. The Indemnitor shall have the right to assume sole and exclusive control of the defense of any claim for indemnification pursuant to this Article 6, including the choice and direction of any legal counsel.

(b) An Indemnitee shall have the right to engage separate legal counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the Indemnitor has agreed in writing to pay such fees and expenses, (ii) the Indemnitor has failed to assume the defense thereof and engage legal counsel within a reasonable period of time after being given the notice required above, or (iii) the

Indemnitee shall have been advised by its legal counsel that representation of such Indemnitee and other parties by the same legal counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same legal counsel has been proposed) due to actual or potential conflicts of interests between them. It is understood, however, that to the extent more than one Indemnitee is entitled to engage separate legal counsel at the Indemnitor's expense pursuant to clause (iii) above, the Indemnitor shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having the same or substantially similar claims against the Indemnitor, unless but only to the extent the Indemnitees have actual or potential conflicting interests with each other.

(c) The Indemnitor shall not be liable for any settlement of any action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

ARTICLE 7

ASSIGNMENT

This Agreement shall extend to and be binding upon the Parties hereto, their successors and permitted assigns. Either Party may assign its rights and obligations hereunder solely (i) to an affiliate under common control with the assigning Party, provided that any such assignment shall require the prior written consent of the other Party hereto (such consent not to be unreasonably withheld or delayed), and provided that the applicable assignee agrees, in a written instrument delivered to (and reasonably acceptable to) such other Party, to be fully bound hereby, or (ii) to a Party's lenders for collateral security purposes, provided that in the case of any such assignment each Party agrees (x) to cooperate with the lenders in connection with the execution and delivery of a customary form of lender consent to assignment of contract rights and (y) any delay or other inability of a Party to timely perform hereunder due to a restriction imposed under the applicable credit agreement or any collateral document in connection therewith shall not constitute a breach hereunder. In addition, each Party agrees that it will assign its rights and obligations hereunder to a transferee acquiring all or substantially all of the equity in or assets of the assigning Party related to the Refinery or Fertilizer Plant (as applicable), which transferee must be approved in writing by the non-assigning Party (such approval not to be unreasonably withheld or delayed) and must agree in writing (with the non-assigning Party) to be fully bound hereby.

ARTICLE 8

GOVERNING LAW AND VENUE

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SAID STATE. THE PARTIES AGREE THAT

ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 9

LIMITATION OF LIABILITY

In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall either Party, its employees, suppliers or subcontractors, be liable for loss of profits or revenue or special, incidental, exemplary, punitive or consequential damages; provided, however, that the foregoing limitation shall not preclude recourse to any insurance coverage maintained by the Parties pursuant to the requirements of this Agreement or otherwise.

ARTICLE 10

OPERATION OF FERTILIZER PLANT AND REFINERY

Section 10.1 Cooperation. Refinery Company and Fertilizer Company shall cause their respective personnel located at the Refinery and the Fertilizer Plant to fully cooperate with, and comply with the reasonable requests of, the other Party and its employees, agents and contractors to support such other Party’s operations in a safe and efficient manner; provided, however, that nothing in this Section 10.1 shall require the expenditure of any monies other than may otherwise be required elsewhere in this Agreement. In addition, the Parties agree to (i) meet promptly following the request by either Party to develop a long term plan for the bifurcation of those properties and services that one Party or the other deems appropriate to bifurcate and (ii) cooperate fully with each other to implement such plan in an expeditious and cost effective manner. The costs of implementing any such program, such as costs and expense of negotiating with contract counterparties and legal fees, shall be borne equally unless otherwise agreed.

Section 10.2 Fertilizer Plant Operations. Subject to the express obligations of the Parties under this Agreement, no provision of this Agreement is intended as, or shall be construed to be, any agreement on the part of Fertilizer Company to operate the Fertilizer Plant in any particular manner or to continue operations at the Fertilizer Plant, all in its sole discretion; provided, however, that prior notice of any permanent termination of operations shall be provided by Fertilizer Company to the Refinery Company pursuant to Section 3.2(c).

Section 10.3 Refinery Operations. Subject to the express obligations of the Parties under this Agreement, no provision of this Agreement is intended as, or shall be construed to be, any agreement on the part of Refinery Company to operate the Refinery in any particular manner or to continue operations at the Refinery, all in its sole discretion; provided, however, that prior notice of any permanent termination of operations shall be provided by Refinery Company to the Fertilizer Company pursuant to Section 3.2(b).

Section 10.4 Suspension of Services.

(a) Temporary Suspension of Feedstock or Services for Repairs/Maintenance. The provision of one or more of the Feedstocks or Services by the Parties may be temporarily suspended for such periods of time as are necessary to carry out scheduled or unscheduled maintenance or necessary repairs or improvements to the Refinery or the Fertilizer Plant, as the case may be (each, a ***"Temporary Service Suspension"***). In connection with any such Temporary Service Suspension, Refinery Company or Fertilizer Company (as applicable) may elect to reduce, interrupt, allocate, alter or change the Feedstock or Services that it is required to provide hereunder, provided that, except in the case of emergencies, the applicable Party shall deliver not less than thirty (30) days prior written notice to the other Party of any planned Temporary Service Suspension, including relevant details relating to the proposed reduction, interruption, allocation, alteration or change in the Feedstock or Services as a result of the Temporary Service Suspension. Upon the occurrence and during the continuation of Temporary Service Suspension, the parties shall cooperate to attempt to arrange for Feedstock or Services to be furnished to the other Party in an alternate manner or by a third party acceptable to affected Party, to minimize or reduce the effect of such Temporary Service Suspension on the applicable Party's operations.

(b) Emergency Repairs. The Parties shall provide notice to the other as soon as reasonably possible (and in any event within twenty-four (24) hours) in the event of any emergency repair or unplanned required maintenance that is affecting or will affect provision of the Services. Each Party shall use commercially reasonable efforts to complete any such emergency repairs in a timely manner and to resume the provision of such Service as soon as practicable.

Section 10.5 Priority Supply. Refinery Company and Fertilizer Company shall each have priority over third parties with respect to any Feedstocks and Services to be made available to such Party (the "***Receiving Party***") by the other Party (the "***Supplying Party***") under this Agreement**,** provided that, to the extent that purchase of any particular Feedstock or Service by a Receiving Party is discretionary on the part of the Receiving Party and the Receiving Party has not purchased from the Supplying Party the quantity of the Feedstock or Service that is presently available from the Supplying Party, then the Supplying Party may offer and sell such available Feedstock or Service to a third party so long as the Supplying Party first gives to the Receiving Party written notice of such prospective offer and sale and the option to purchase such Feedstock or Service on the terms provided in this Agreement with respect to such available Feedstock or Service, provided that the Receiving Party exercises such option by written notice to the Supplying Party within five (5) days following the date Supplying Party gives its written notice to Receiving Party with respect to the available Feedstock or Service.

Section 10.6 Audit and Inspection Rights. Refinery Company and Fertilizer Company shall each ("***Requesting Party***") have the right, upon reasonable written notice to the other Party ("***Other Party***"), to audit, examine and inspect, at reasonable times and locations, all documentation, records, equipment, facilities, and other items owned or under the control of the Other Party that are reasonably related to the Feedstocks and Services provided for under this Agreement, solely for the purpose of confirming the measurement or pricing of, or tolerances or specifications of, any Feedstocks or Services, confirming compliance and performance by the Other Party, or exercising any rights of the Requesting Party, under this Agreement.

Section 10.7 Upgrade Costs. In the event that either Refinery Company or Fertilizer Company ("***Requiring Company***") requires that any capital or other upgrades be made by the other Party ("***Upgrading Party***") to any of the Upgrading Party's equipment or other facilities in connection with the provision of any Feedstock or Services under this Agreement, the Upgrading Party shall cooperate in implementing any such upgrades, provided that: (a) such upgrade does not adversely affect in a material respect the Upgrading Party's facilities or operations, and (b) the Requiring Party pays (on terms and conditions acceptable to the Upgrading Party) any and all costs of implementing such upgrade, and any increase in ongoing costs to the Upgrading Party (including without limitation the costs of insurance, licenses, maintenance, permits, repairs, replacements, and taxes).

Section 10.8 Successor Third Party Agreements. In the event that any of the BOC Agreement, TKI Phase I Agreement, TKI Phase II Agreement, Gas Contract, or any other agreement with or between any third parties that relates to any Feedstock or Services referred to in this Agreement, terminates prior to the termination of this Agreement, the parties shall in good faith cooperate to replace any such agreements with successor agreements with commercially similar terms, in which case reference herein to the terminated third party agreement shall be deemed a reference to the applicable successor agreement. In the event that such a successor agreement is not entered into or is entered into on terms that are not commercially similar, then the parties will negotiate in good faith to determine the terms and conditions, if any, that are commercially practicable for the applicable Feedstock or Services to be furnished by one party to the other.

ARTICLE 11

NOTICES

Any notice, request, correspondence, information, consent or other communication to any of the Parties required or permitted under this Agreement shall be in writing (including telex, telecopy, or facsimile), shall be given by personal service or by telex, telecopy, facsimile, overnight courier service, or certified mail with postage prepaid, return receipt requested, and properly addressed to such Party and shall be effective upon receipt. For purposes hereof the proper address of the Parties shall be the address stated beneath the corresponding Party's name below, or at the most recent address given to the other Parties hereto by notice in accordance with this Article:

If to Refinery Company, to:

Coffeyville Resources
Refining & Marketing, LLC

____

____

Attention: Chief Executive Officer

If to Fertilizer Company, to:

Coffeyville Resources
Nitrogen Fertilizers, LLC

____

____

or such other address(es) as either Party designates by registered or certified mail addressed to the other Party.

ARTICLE 12

EXHIBITS

All of the Exhibits attached hereto are incorporated herein and made a part of this Agreement by reference thereto.

ARTICLE 13

FORCE MAJEURE

Neither Party shall be liable to the other for failure of or delay in performance hereunder (except for the payment of amounts due for Feedstocks or Services hereunder) to the extent that the failure or delay is due to Force Majeure. Performance under this Agreement shall be suspended (except for the payment of amounts due for Feedstocks or Services hereunder) during the period of Force Majeure to the extent made necessary by the Force Majeure. No failure of or delay in performance pursuant to this Article 13 shall operate to extend the term of this Agreement. Performance under this Agreement shall resume to the extent made possible by the end or amelioration of the Force Majeure event.

Upon the occurrence of any event of Force Majeure, the Party claiming Force Majeure shall notify the other Party promptly in writing of such event and, to the extent possible, inform the other Party of the expected duration of the Force Majeure event and the performance to be affected by the event of Force Majeure under this Agreement. Each Party shall designate a person with the power to represent such Party with respect to the event of Force Majeure. The Party claiming Force Majeure shall use commercially reasonable efforts, in cooperation with the other Party and such Party’s designee, to diligently and expeditiously end or ameliorate the Force Majeure event. In this regard, the Parties shall confer and cooperate with one another in determining the most cost-effective and appropriate action to be taken. If the Parties are unable to agree upon such determination, the matter shall be determined by dispute resolution in accordance with Article 5.

ARTICLE 14

INSURANCE

Section 14.1 <u>Minimum Insurance</u>. During the term of this Agreement, Refinery Company and Fertilizer Company shall each carry the minimum insurance described below.

(a) Workers' compensation with no less than the minimum limits as required by applicable law.

(b) Employer's liability insurance with not less than the following minimum limits:

(i) Bodily injury by accident — $1,000,000 each accident;

(ii) Bodily injury by disease — $1,000,000 each employee; and

(iii) Bodily injury by disease — $1,000,000 policy limit.

(c) Commercial general liability insurance on ISO form CG 00 01 10 93 or an equivalent form covering liability from premises, operations, independent contractor, property damage, bodily injury, personal injury, products, completed operations and liability assumed under an insured contract, all on an occurrence basis, with limits of liability of not less than $1,000,000 combined single limits.

(d) Automobile liability insurance, on each and every unit of automobile equipment, whether owned, non-owned, hired, operated, or used by Refinery Company or Fertilizer Company or their employees, agents, contractors and/or their subcontractors covering injury, including death, and property damage, in an amount of not less than $1,000,000 per accident.

(e) Excess liability insurance in the amount of $10,000,000 covering the risks and in excess of the limits set for in subsections 14(b), (c) and (d) above.

Section 14.2 Additional Insurance Requirements. Refinery Company and Fertilizer Company shall each abide by the following additional insurance requirements with respect to all insurance policies required by Section 14.1, as follows:

(a) All insurance policies purchased and maintained in compliance with subsection 14.1(c), (d) and (e) above by one party (the "***Insuring Party***"), as well as any other excess and/or umbrella insurance policies maintained by the Insuring Party, shall name the other party and their collective directors, officers, partners, members, managers, general partners, agents, and employees as additional insureds, with respect to any claims related to losses caused by the Insuring Party's business activities or premises. Those policies referred to in subsection 14.1(c) shall be endorsed to provide that the coverage provided by the Insuring Party's insurance carriers shall always be primary coverage and non-contributing with respect to any insurance carried by the other Party with respect to any claims related to liability or losses caused by the Insuring Party's business activities or premises.

(b) Those policies referred to in Section 14.1, and in subsection 14.2(e), shall be endorsed to provide that underwriters and insurance companies of each of Refinery Company and Fertilizer Company shall not have any right of subrogation against the other Party or any of such other Party's directors, officers, members, managers, general partners, agents, employees, contractors, subcontractors, or insurers.

(c) Those policies referred to in subsection 14.1 shall be endorsed to provide that 30 days prior written notice shall be given to the other Party in the event of cancellation, no-payment of premium, or material change in the policies.

(d) Each of Refinery Company and Fertilizer Company shall furnish the other, prior to the commencement of any operations under this Agreement, with a certificate or certificates, properly executed by its insurance carrier(s), showing all the insurance described in subsection 14.1 to be in full force and effect.

(e) The Refinery Company and Fertilizer Company shall each be responsible for its own property and business interruption insurance.

ARTICLE 15

MISCELLANEOUS

Section 15.1 Confidentiality.

(a) During the course of the Parties' performance hereunder, the Parties acknowledge and agree that each of them may receive or have access to confidential information of the other Party ("***Confidential Information***"). "Confidential Information" of a Party ("***First Party***") shall include any and all information relating to its business, including, but not limited to, inventions, concepts, designs, processes, specifications, schematics, equipment, reaction mechanisms, processing techniques, formulations, chemical compositions, technical information, drawings, diagrams, software (including source code), hardware, control systems, research, test results, plant layout, feasibility studies, procedures or standards, know-how, manuals, patent information, the identity of or information concerning current and prospective customers, suppliers, consultants, licensors, licensees, contractors, subcontractors and/or other agents, financial and sales information, current or planned commercial activities, business strategies, records, marketing plans, or other information relating to its business activities or operations and those of its affiliates, customers, suppliers, consultants, licensors, contractors, subcontractors, agents and/or any others to whom such First Party owes a duty of confidentiality, which (i) is identified in writing as "Confidential," "Restricted," "Proprietary Information" or other similar marking, or (ii) is known by the other Party (the "***Second Party***") to be considered confidential or proprietary, or (iii) should be known or understood to be confidential or proprietary by an individual exercising reasonable commercial judgment in the circumstances.

(b) Confidential Information of a First Party does not include information to the extent such information: (i) is or becomes generally available to and/or known by the public through no fault of the Second Party, or (ii) is or becomes generally available to the Second Party on a non-confidential basis from a source other than the First Party or its representatives, provided that such source was not known to the Second Party to be bound by a confidentiality agreement with the First Party, or (iii) was previously known to the Second Party or its affiliates as evidenced by written records, or (iv) is or was independently developed, as evidenced by written records, by or on behalf of the Second Party or its affiliates by individuals who did not directly or indirectly receive relevant Confidential Information of the First Party. Specific disclosures shall not be deemed to be within the foregoing exceptions merely because they are embraced by more general information within the exceptions. In addition, any combination of features disclosed shall not be deemed to be within the foregoing exceptions merely because individual features may be within the exceptions.

(c) The Parties agree that: (i) as between the Parties, a First Party's Confidential Information shall remain the exclusive property of such First Party, and (ii) the Second Party shall use the First Party's Confidential Information solely for purposes of performing such Second Party's obligations under this Agreement (the "***Purpose***"), and for no other reason, and (iii) the Second Party shall limit its disclosure of the First Party's Confidential Information to those of its affiliates, employees, agents and other third parties with a "need-to-know" such information for the Purpose and shall not disclose the Confidential Information (in whole or in part) to any other party, and (iv) the Second Party shall ensure that any affiliates, employees, agents or other third parties to whom the First Party's Confidential Information is disclosed are obligated in writing to abide by confidentiality and non-use restrictions at least as stringent as those set forth in this Agreement, and (v) the Second Party shall protect the Confidential Information of the First Party to the same extent the Second Party protects its own like trade secrets and confidential information, but in no event less than commercially reasonable care.

(d) In the event a Second Party receives a request or is required by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process or legal requirement to disclose all or any part of the First Party's Confidential Information, the Second Party agrees to (i) immediately notify the First Party in writing of the existence, terms and circumstances surrounding such a request or requirement, and (ii) assist the First Party in seeking a protective order or other appropriate remedy satisfactory to the First Party (at the expense of the First Party). In the event that such protective order or other remedy is not obtained (or the First Party waives compliance with the provisions hereof), (x) the Second Party may disclose that portion of the First Party's Confidential Information which it is legally required to disclose, and (y) the Second Party shall exercise reasonable efforts to obtain assurance that confidential treatment will be accorded the Confidential Information to be disclosed, and (z) the Second Party shall give written notice to First Party of the information to be so disclosed as far in advance of its disclosure as practicable. In addition, a Second Party may disclose all or any part of the First Party's Confidential Information to the Second Party's funding sources and their representatives, provided that Second Party shall exercise reasonable efforts to obtain assurance that confidential treatment will be accorded the Confidential Information to be disclosed, and the Second Party shall give written notice to First Party of the information to be so disclosed as far in advance of its disclosure as practicable.

(e) The parties agree that any violation of this Section 15.1 by a Second Party or any affiliates, employees, agents or other third parties to whom the Confidential Information of First Party is disclosed may be enforced by the First Party by obtaining injunctive or specific relief from a court of competent jurisdiction. Such relief shall be cumulative and not exclusive of any other remedies available to the First Party at law or in equity, including, but not limited to, damages and reasonable attorneys' fees.

Section 15.2 Headings. The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.

Section 15.3 Independent Contractors. The Parties acknowledge and agree that neither Party, by reason of this Agreement, shall be an agent, employee or representative of the other with respect to any matters relating to this Agreement, unless specifically provided to the contrary in writing by the other Party. This Agreement shall not be deemed to create a partnership or joint venture of any kind between Refinery Company and Fertilizer Company.

Section 15.4 Ancillary Documentation, Amendments and Waiver. The Parties may, from time to time, use purchase orders, acknowledgments or other instruments to order, acknowledge or specify delivery times, suspensions, quantities or other similar specific matters concerning the Feedstocks or relating to performance hereunder, but the same are intended for convenience and record purposes only and any provisions which may be contained therein are not intended to (nor shall they serve to) add to or otherwise amend or modify any provision of this Agreement, even if signed or accepted on behalf of either Party with or without qualification. This Agreement may not be amended, modified or waived except by a writing signed by all parties to this Agreement that specifically references this Agreement and specifically provides for an amendment, modification or waiver of this Agreement. No waiver of or failure or omission to enforce any provision of this Agreement or any claim or right arising hereunder shall be deemed to be a waiver of any other provision of this Agreement or any other claim or right arising hereunder.

Section 15.5 Construction and Severability. Every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and in accordance with industry standards and not strictly for or against either Party. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

Section 15.6 Waiver. The waiver by either Party of any breach of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition contained in this Agreement. No term, covenant or condition of this Agreement will be deemed to have been waived unless such waiver is in writing.

Section 15.7 No Third Party Beneficiaries. The Parties each acknowledge and agree that there are no third party beneficiaries having rights under or with respect to this Agreement, including without limitation, under the BOC Agreement, TKI I Phase I Agreement, TKI Phase II Agreement, or Gas Contract.

Section 15.8 Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire, integrated agreement between the Parties regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties, whether written or oral.

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

COFFEYVILLE RESOURCES REFINING & MARKETING, LLC	COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC
By: ______________________	By: ______________________
______________________	______________________

EXHIBIT A

FACILITIES DESCRIPTION

The Fertilizer Plant is identified as such on Plot Plan A attached hereto.

The Gasification Unit is identified as such on Plot Plan A attached hereto.

The Ammonia Synthesis Loop is identified as such on Plot Plan A attached hereto.

The UAN Plant is identified as such on Plot Plan A attached hereto.

The BOC Facility is identified as such on Plot Plan A attached hereto.

The Administrative and Warehouse Building is identified as such on Plot Plan A attached hereto.

The Feedstock Delivery Points are identified as such on Plot Plan A and Piping Plans A-I to A-9 attached hereto. The coke Feedstock Delivery Point is the south side of the Refinery's coke pit.

The Utility Facilities are identified as such on Plot Plan A attached hereto.

The Grounds are identified as such on Plot Plan A attached hereto.

The Offsite Sulfur Recovery Unit is identified as such on Plot Plan A attached hereto.

The Refinery is identified as such on Plot Plan A attached hereto.

EXHIBIT B

ANALYSIS, SPECIFICATIONS AND PRICING FOR FEEDSTOCK AND SERVICES

FEEDSTOCKS:

Hydrogen

- Gaseous	
- Purity	not less than 99.9 mol.%
- Flow	21 mmscf/day maximum
- Pressure	450 psig ± 30 psi
- Carbon Monoxide	less than 50 ppm
- Carbon Dioxide	less than 10 ppm
- Price	The Hydrogen price shall be $0.46 per 100scf based on an Ammonia Price of $300.00 per short ton. The Hydrogen price per 100scf shall adjust as of the first day of each calendar month up or down in the same percentage as the Ammonia Price for the immediately preceding calendar month adjusts up or down from $300.00 per short ton. Until the Hydrogen Reduction Date, the Hydrogen price shall be discounted to seventy percent (70%) of the Hydrogen price otherwise calculated pursuant to the foregoing provisions.
- Monthly Demand Charge	(4,478) X (Ammonia Price adjusted as of each monthly due date for the Monthly Demand Charge) X (1/12 of the Prime Rate as of such monthly due date)
- Additional Requirement Price	The Hydrogen price for any Additional Requirement shall be $0.55 per 100scf based on an UAN Price of $150.00 per short ton. The Hydrogen price per 100scf of any Additional Requirement shall adjust as of the first day of each calendar month up or down in the same percentage as the UAN Price for the immediately preceding calendar month adjusts up or down from $150.00 per short ton.
- Flow measurement	All Hydrogen flows shall be measured by a standard sharp edge orifice plate and differential pressure transmitter located at the Fertilizer Plant. The measured flow shall be pressure and temperature compensated and totalized by the Fertilizer Plant's Honeywell process control computer (TDC 3000) or any replacement computer. All transmitter signals and computer calculations are available to the Refinery through the existing communications bus for verification. Calibration of the transmitter shall be done at least annually and may be done more frequently at Refinery Company's request.

Nitrogen

- Gaseous	
- Purity	99.99 mol. % (minimum) (5 ppm oxygen maximum)
- Pressure	180 psig (+ 10 psig)
- Flow	20,000 scfh (normal); 40,000 scfh (maximum)
- Temperature	Ambient
- Price	$0.25 per cscf based on a total electric energy cost of $0.035 per KWH; provided, however, that this price will increase or decrease in the same percentage as the Fertilizer Company's electric bill from the City of Coffeyville (or from such other electric utility provider as the Fertilizer Company may have from time to time in the future) increases or decreases on a per/KWH basis and each such price adjustment shall apply to any gaseous nitrogen sold by Fertilizer Company after the date of such adjustment to the date of the next adjustment.
- Flow measurement	All Nitrogen flows shall be measured by a standard sharp edge orifice plate and differential pressure transmitter located at the Fertilizer Plant. The measured flow shall be pressure and temperature compensated and totalized by the Fertilizer Plant's Honeywell process control computer (TDC 3000) or any replacement computer. All transmitter signals and computer calculations are available to the Refinery through the existing communications bus for verification. Calibration of the transmitter shall be done at least annually and may be done more frequently at Refinery Company's request.

Oxygen

-Gaseous	
-Purity	99.6 mol. % (minimum)
-Pressure	65 psig (± 5 psig)
-Flow	29.8 STPD (maximum)
-Temperature	Ambient
- Price	$0 per short ton for daily tons up to 10 STPD $70 per short ton for daily tons from 10 STPD to 29.8 STPD Such prices per short ton are based on a total electric cost of $0.035 per KWH; provided, however, that these prices per short ton will increase or decrease in the same percentage as the Fertilizer Company's electric bill from the City of Coffeyville (or from such other electric utility provider as the Fertilizer Company may have from time to time in the future) increases or decreases on a per/KWH basis and each such price adjustment shall apply to any gaseous Oxygen sold by Fertilizer Company after the date of such adjustment to the date of the next adjustment.

- Flow measurement	All Oxygen flows shall be measured by a standard sharp edge orifice plate and differential pressure transmitter located at the Fertilizer Plant. The measured flow shall be pressure and temperature compensated and totalized by the Fertilizer Plant's Honeywell process control computer (TDC 3000) or any replacement computer. All transmitter signals and computer calculations are available to the Refinery through the existing communications bus for verification. Calibration of the transmitter shall be done at least annually and may be done more frequently at Refinery Company's request.

Sour water

- Composition	.80% ammonia (maximum) 0.05 mol. % H_2S (maximum)
-Pressure	90 psig (maximum) 35 psig (minimum)
-Temperature	125°F (normal)
-Flow	20 gpm (maximum) 12 gpm (normal)
-Price	zero dollars ($0)

High Pressure Steam

- Pressure	600 psig ± 10 psi (normal)
- Flow (Gasifier Startup)	As available, up to 75,000 pounds per hour (to Fertilizer Company)
(normal)	As available, 50,000 + 20,000 pounds per hour (to Refinery Company)
-Price	The price is dependent upon the natural gas price (symbolized by "NGP" in the formulae below) and "steam flow" in the formulae below is determined by the Fertilizer Plant's process control computer:
To Fertilizer Company:	Price = (1.22)(NGP)(steam flow)/1000
To Refinery Company:	Price = (1.10)(NGP)(steam flow)/1000

For purposes of determining the price of High Pressure Steam hereunder, NGP means the price for natural gas measured in dollars per MMBtu ($/MMBtu) determined for a particular calendar month as follows: The price per MMBtu (dry) of natural gas shall be the index posting published in "Inside F.E.R.C.'s Gas Market Report," (the "***Report***") under the heading "Prices of Spot Gas delivered to Pipelines," for the applicable calendar month, for Southern Star Central Gas Pipeline, Inc. (formerly known as Williams Gas Pipelines Central, Inc.) for Texas, Oklahoma, Kansas (the "***Southern Star Index Price***"). In the event the Report ceases to be published or, for a particular month, the Report does not list the Southern Star Index Price, the Parties agree that the applicable NGP shall be the price published in the monthly edition of "Gas Daily Price Guide," in the table labeled "Monthly Contract Index" under Southern Star Central Gas Pipeline, Inc. (Texas, Oklahoma, Kansas) ("***Gas Daily Index Price***") for the applicable calendar month. In the event Gas Daily ceases to publish the Gas Daily Index Price, the applicable NGP shall be the monthly bidweek price published in the first issue of "Natural Gas Week," in the table labeled "Gas Price Report," under the heading "Delivered to Pipeline," for the applicable calendar month for Southern Star Central Gas Pipeline, Inc. The NGP shall also include the price of pipeline transportation of natural gas to the Refinery. Notwithstanding anything to the contrary set forth herein, Refinery Company shall have no obligation to pay for High Pressure Steam during periods when Refinery Company is flaring fuel gas.

- Flow measurement	All High Pressure Steam flows shall be measured by a standard sharp edge orifice plate and differential pressure transmitter located at the Fertilizer Plant. The measured flow shall be totalized by the Fertilizer Plant's Honeywell process control computer (TDC 3000) or any replacement computer. All transmitter signals and computer calculations are available to the Refinery through the existing communications bus for verification. Calibration of the transmitter shall be done at least annually and may be done more frequently at Refinery Company's request.

Low Pressure Steam

-Flow	Variable
-Pressure	Approximately 120-170 psi
-Price	zero dollars ($0)

<u>SERVICES:</u>

Firewater

- Pressure	185 psig (maximum) 100 psig (minimum)

- Temperature	70°F (normal)
- Flow	2,000 gpm (maximum)
	0 gpm (normal)
-Price	zero dollars ($0)

Instrument Air

- Purity	-40°F dew point (normal operating)
- Pressure	125 psig + 10 psi (normal operating)
- Flow	4000 scfm maximum (normal operating)
- Temperature	ambient
- Price	
To the Refinery Company:	$18,000 per month (prorated on a per diem basis to reflect the number of days, including partial days, in the applicable month that Instrument Air is provided) based on $.035 total laid in cost per KWH; provided, that this price will increase or decrease in the same percentage as the Fertilizer Company's total laid in cost for electricity from the City of Coffeyville (or from such other electric utility provider as the Fertilizer Company may have from time to time in the future) increases or decreases on a per/KWH basis and each such price adjustment shall apply to any Instrument Air sold by Fertilizer Company after the date of such adjustment until the date of the next adjustment; provided, however, that such cost shall be reduced on a pro-rata basis for each day that such Instrument Air is not available from the BOC Facility.
To the Fertilizer Company:	$18,000 per month (prorated on a per diem basis to reflect the number of days, including partial days, in the applicable month that Instrument Air is provided) based on $.039 total laid in cost per KWH; provided, that this price will increase or decrease in the same percentage as the Refinery Company's total cost for electricity from Kansas Gas and Electric Company (or from such other electric utility provider as the Refinery Company may have from time to time in the future) increases or decreases on a per/KWH basis and each such price adjustment shall apply to any Instrument Air sold by Refinery Company after the date of such adjustment until the date of the next adjustment.

- Flow measurement	All Instrument Air flows shall be measured by a standard sharp edge orifice plate and differential pressure transmitter located at the Fertilizer Plant. The measured flow shall be totalized by the Fertilizer Plant's Honeywell process control computer (TDC 3000) or any replacement computer. All transmitter signals and computer calculations are available to the Refinery through the existing communications bus for verification. Calibration of the transmitter shall be done at least annually and may be done more frequently at Refinery Company's request.

Security

Fertilizer Company shall pay Refinery Company a pro rata share of Refinery Company's direct costs of providing security services for the entire Fertilizer Plant/Refinery complex, which pro rata share shall be mutually agreed upon by the Parties based upon a commercially reasonable allocation of such costs in relation to the security services as provided to the Fertilizer Plant and the Refinery.

Exhibit 10.29

RAW WATER AND FACILITIES SHARING AGREEMENT

THIS RAW WATER AND FACILITIES SHARING AGREEMENT is made and entered into as of ___, 2007, by and between Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company ("***Refinery Company***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company ("***Fertilizer Company***").

RECITALS

Refinery Company owns and operates a petroleum refinery located at Coffeyville, Kansas (the "***Refinery***"). Fertilizer Company owns and operates a nitrogen fertilizer complex (the "***Fertilizer Plant***") located adjacent to the Refinery.

Refinery Company and Fertilizer Company are each owners of an undivided one-half interest in and to the following water rights (collectively, the "***Water Rights***"):

1. Kansas Vested Right File No. MG011, which authorizes the diversion of surface water from the Verdigris River at the rate and quantity set forth in such File No;

2. Kansas Approved Application for Permit to Appropriate Water, Application No. 43,782 with a priority date of May 14, 1999; and

3. Contract for Industrial Water Supply, Water Purchase Contract No. 99-5 dated December 3, 1999, originally between Farmland and the Kansas Water Office and subsequently assigned by Farmland on March 3, 2004 jointly to Refinery Company and Fertilizer Company ("***Water Contract***").

Refinery Company owns and operates certain equipment used to withdraw and transport raw water from the Verdigris River pursuant to the Water Rights, including the "***River Intake Structure***", the "***River Water Pumps***" and the "***Y Intersection***", and other raw water meters, piping and related facilities shown in the diagram set forth in Exhibit A hereto (collectively the "***Water Facilities***").

Fertilizer Company and Refinery Company desire to share the benefits and the costs of the Water Rights and Water Facilities as set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

The following terms shall have the meanings set forth below, unless the context otherwise dictates, both for purposes of this Agreement and all Exhibits hereto:

"***Agreement***" means this Raw Water and Facilities Sharing Agreement and the Exhibit hereto, all as the same may be amended, modified or supplemented from time to time.

"***Available Raw Water***" is defined in Section 3.3.

"***Calendar Month Percentage***" is defined in Section 3.2.

"***Calendar Year Percentage***" is defined in Section 3.2.

"***Dispute***" is defined in Section 5.1.

"***Electricity Estimate***" is defined in Section 3.5(b).

"***Fertilizer Company***" is defined in the preamble.

"***Fertilizer Company Representative***" shall mean the plant manager of the Fertilizer Complex or such other person as is designated in writing by Fertilizer Company.

"***Fertilizer Plant***" is defined in the first recital, and includes any additions or other modifications made thereto from time to time.

"***Indemnitee***" is defined in Section 4.1.

"***Indemnitor***" is defined in Section 4.1.

"***Losses***" is defined in Section 4.1.

"***Multi-Party Dispute***" is defined in Section 5.2.

"***Party***" and "***Parties***" mean the parties to this Agreement.

"***Person***" means and includes natural persons, corporations, limited partners, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities.

"***Raw Water***" means water withdrawn from the Verdigris River pursuant to the Water Rights.

"***Raw Water Insufficiency***" is defined in Section 3.3.

"***Refinery***" is defined in the first recital, and includes any additions or other modifications made thereto from time to time.

"***Refinery Company***" is defined in the preamble.

"***Refinery Company Representative***" means the Plant Manager of Refinery Company or such other person as is designated in writing by Refinery Company.

"***Representative***" each of Fertilizer Company Representative and Refinery Company Representative.

"***River Intake Structure***" means the structure (including the diversion damn) in the Verdigris River upon which the River Water Pumps are situated, including any additions or other modifications made thereto from time to time.

"***River Water Pumps***" means the three river water pumps situated on the River Intake Structure and which are used to withdraw water from the Verdigris River and pump it into the Y Intersection, including any additions or other modifications made thereto from time to time.

"***Water Contract***" is defined in paragraph 3 of the second recital.

"***Water Facilities***" is defined in the third recital, and includes any additions or other modifications made thereto from time to time..

"***Water Management Team***" is defined in Article 2.

"***Water Rights***" is defined in the second recital.

"***Y Intersection***" means that portion of the Raw Water piping near the River Water Pumps, as shown in the diagram set forth in Exhibit A hereto, where the water piping splits, with one pipe leading to the Fertilizer Plant and the other pipe leading to the Refinery, including any additions or other modifications made thereto from time to time.

ARTICLE 2

COMPANY REPRESENTATIVES

Fertilizer Company and Refinery Company hereby respectively designate Fertilizer Company Representative and Refinery Company Representative for purposes of making determinations on behalf of Fertilizer Company and Refinery Company relating to the management, supervision and control of the Water Facilities and the Water Rights. Fertilizer Company Representative and Refinery Company Representative shall constitute the "***Water Management Team***".

ARTICLE 3

RAW WATER AND FACILITIES SHARING

3.1 Operational Responsibility. Refinery Company shall have day-to-day operational responsibility for the Water Facilities and the Water Rights but shall conduct such operations at the direction of the Water Management Team. The Water Management Team shall meet on a regular basis and at any time a Representative reasonably requests a meeting to implement the provisions of this Agreement and/or to ensure compliance by the Water Facilities with applicable laws and regulations.

3.2 Measurements of Usage. The total amount of Raw Water withdrawn from the Verdigris River will be measured by a meter included as a part of the Water Facilities, and the total amount of such Raw Water supplied by the Water Facilities to the Fertilizer Plant and the Refinery, respectively, will be measured by meters on the pipes that transport the Raw Water from the Water Facilities to the Fertilizer Plant and the Refinery. Readings from such meters will be communicated to each Party electronically. For purposes of this Agreement, Raw Water will be deemed used by a Party based upon the supply of Raw Water as measured by such meters. A percentage of usage of Raw Water supplied by the Water Facilities to the Fertilizer Plant and the Refinery will be determined for each calendar month (a "***Calendar Month Percentage***") and for each calendar year (a "***Calendar Year Percentage***"), which percentages will be determined for each applicable period by dividing the amount of Raw Water supplied to a Party during such period by the total Raw Water quantity withdrawn from the Verdigris River by the Water Facilities during such period. In the event that a Party had any complete (or substantially complete) operational outage due to a planned turnaround, mechanical difficulties, or for any other reason, during any period included for purposes of computing a Calendar Month Percentage or a Calendar Year Percentage for such Party, then, notwithstanding such outage, such Party shall be deemed to have used the same amount of Raw Water during each calendar month in which such outage occurs as the Party used during the most recent full calendar month ending prior to the commencement of such outage, prorated for any partial calendar month of outage.

3.3 Allocating Water. The Fertilizer Plant and the Refinery will each be entitled to receive sufficient amounts of Raw Water each day to enable the Fertilizer Plant and the Refinery to conduct their operations at the operational levels determined to be appropriate by Fertilizer Company and Refinery Company, respectively. Each Representative shall advise the other Representative, and the Refinery Company personnel operating the Water Facilities, of the amount of Raw Water required by its respective company for its operational level. If the amount of Raw Water that the Water Facilities are capable of providing ("***Available Raw Water***") is insufficient at any time to provide the aggregate amount of Raw Water required to operate the Fertilizer Plant and the Refinery at their respective operational levels ("***Raw Water Insufficiency***"), then the Available Raw Water shall be allocated between the Fertilizer Plant and the Refinery on a prorated basis, which prorated basis shall be determined by reference to the average of the Calendar Year Percentages for the Fertilizer Plant and the Refinery, respectively, for the two full calendar year periods most recently ending prior to the date of the applicable Raw Water Insufficiency. Fertilizer Company and Refinery Company shall reasonably cooperate in good faith to obtain sufficient Raw Water for their respective operational levels, including (without limitation) enforcement of all rights which may exist under the Water Rights.

3.4 Modifications to Facilities and Amendments to Contracts. No material modification or alterations to, or replacements of, the Water Facilities or their operations and no amendments or supplements to, or waivers of enforcement of, the provisions of the Water Rights shall be made without the written consent of each Party, which consent shall not be unreasonably withheld or delayed.

3.5 Allocation of Costs.

(a) Fertilizer Company and Refinery Company shall each pay their prorated share of all costs related to the operation, maintenance, repair, modification, alteration, or replacement of the Water Facilities and administration of the Water Rights, which costs shall include the cost of labor, materials and other costs reasonably allocable to the operation, maintenance, repair or replacement of the Water Facilities, and any charges pursuant to the Water Contract, except that payment of the cost of electricity shall be made as provided in Section 3.5(b) below. Each Party's prorated share of such costs shall be determined by reference to such Party's Calendar Year Percentage for the calendar year in which such costs are incurred. Refinery Company shall determine each Party's prorated share of costs and send an annual invoice to Fertilizer Company for Fertilizer Company's prorated share of such costs, which invoice will be due and payable within 15 days after receipt. Notwithstanding the foregoing and subject to Section 3.4, in the event that any operation, maintenance, repair, modification, alteration, or replacement of any of the Water Facilities is required solely by reason of the requirements of one Party's operations, obligations to third parties, or mandates of any governmental authority, or is caused by any acts or omissions of such Party or anyone acting for or on behalf of such Party, then such Party shall bear all costs related to such operation, maintenance, repair, modification, alteration, or replacement. Notwithstanding any payment of costs by Fertilizer Company under this Section 3.5(a), the Water Facilities shall remain the property of Refinery Company, except as otherwise provided in Section 3.6.

(b) Fertilizer Company shall reimburse Refinery Company for electricity required to operate the River Water Pumps. Such reimbursement shall be determined on a monthly basis as follows: (i) an estimate (the "***Electricity Estimate***") will be made of the amount of electricity used by the River Water Pumps for each calendar month based on the horsepower of the pumps; (ii) the Fertilizer's Calendar Month Percentage for such calendar month will be multiplied by the Electricity Estimate in order to determine the number of kilowatt hours of electricity to be allocated to the Fertilizer Plant; and (iii) the number of kilowatt hours will be multiplied by the rate per kilowatt hour the Refinery pays for electricity. Refinery Company shall send a monthly invoice for such electricity cost as calculated above to Fertilizer Company, which invoice will be due and payable within 15 days after receipt.

3.6 Termination of Sharing. Either Party (the "***Terminating Party***") may elect to terminate the sharing of the Water Facilities and Water Rights as provided in this Agreement, which termination of sharing shall be effective as of the termination date (the "***Termination***

Date”) specified in written notice of such election by the Terminating Party to the other Party (the “***Non-Terminating Party***”), provided that such notice shall be given at least three (3) years prior to the specified Termination Date. In the event a Terminating Party gives such a notice of termination to a Non-Terminating Party, the Parties shall proceed in good faith to do the following prior to the Termination Date:

(a) The Parties will allocate and divide the Water Rights on a commercially reasonable basis consistent with and in proportion to the average of the Calendar Year Percentages for the Fertilizer Plant and the Refinery, respectively, for the two full calendar year periods most recently ending prior to the Termination Date.

(b) The Refinery Company will grant Fertilizer Company such easements and access over the Refinery premises as Fertilizer Company may reasonably require in order to establish separate usage of the Water Rights as determined pursuant to Section 3.6(a) above, including easements and access over Refinery premises to the Verdigris River for the creation, operation, maintenance, repair and replacement, as reasonably necessary, of a separate Raw Water intake and distribution system for the Fertilizer Plant, provided that no such easements or access over the Refinery premises shall have a material adverse effect on the Refinery Company’s business or operations at the Refinery.

(c) In the event that the Fertilizer Company is the Terminating Party, then the Fertilizer Company shall at its cost and expense purchase and install the additional pumps, piping, and other equipment and structures (collectively, “***New Water Facilities***”) necessary for the Fertilizer Company to have a separate Raw Water intake and distribution system for the Fertilizer Plant. In the event that the Refinery Company is the Terminating Party, then the Fertilizer Company shall have the option, exercisable upon written notice to the Refinery Company at least thirty (30) months prior to the Termination Date, to either (i) purchase and install at its cost and expense New Water Facilities necessary for the Fertilizer Company to have a separate Raw Water intake and distribution system for the Fertilizer Plant, or (ii) require the Refinery Company to transfer the Water Facilities to the Fertilizer Company, as of the Termination Date, for use by the Fertilizer Company as a separate Raw Water intake and distribution system for the Fertilizer Plant, in which event the Fertilizer Company shall pay to the Refinery Company an amount equal to the depreciated value of the Water Facilities at and as of the date of transfer, as determined from the books and records of the Refinery Company, and the Refinery Company shall purchase and install at its cost and expense New Water Facilities necessary for the Refinery Company to have a separate Raw Water intake and distribution system for the Refinery. To the extent any costs and expenses are incurred by mutual agreement of the Parties for the mutual benefit of both the Water Facilities and the New Water Facilities, then any such costs and expenses shall be allocated as mutually agreed upon by the Parties.

(d) Fertilizer Company and Refinery Company shall work with, and obtain all necessary approvals from, applicable governmental agencies and authorities to the extent required to effectuate the separation of Water Rights, installation of any New Water Facilities, and other actions as contemplated in this Section 3.6.

ARTICLE 4

INDEMNIFICATION

4.1 Indemnification Obligations. Each of the Parties (each, an "***Indemnitor***") shall indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees (each, an "***Indemnitee***") harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, "***Losses***") imposed upon, incurred by or asserted against the Person seeking indemnification that are caused by, are attributable to, result from or arise out of the breach of this Agreement by the Indemnitor or the negligence or willful misconduct of the Indemnitor, or of any officers, directors, members, managers, employees, agents, contractors and/or subcontractors acting for or on behalf of the Indemnitor. Any indemnification obligation pursuant to this Article 4 with respect to any particular Losses shall be reduced by all amounts actually recovered by the Indemnitee from third parties, or from applicable insurance coverage, with respect to such Losses. Upon making any payment to any Indemnitee, the Indemnitor shall be subrogated to all rights of the Indemnitee against any third party in respect of the Losses to which such payment relates, and such Indemnitee shall execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. If the Indemnitee receives any amounts from any third party or under applicable insurance coverage subsequent to an indemnification payment by the Indemnitor, then such Indemnitee shall promptly reimburse the Indemnitor for any payment made or expense incurred by such Indemnitor in connection with providing such indemnification payment up to the amount received by the Indemnitee, net of any expenses incurred by such Indemnitee in collecting such amount.

4.2 Indemnification Procedures.

(a) Promptly after receipt by an Indemnitee of notice of the commencement of any action that may result in a claim for indemnification pursuant to this Article 4, the Indemnitee shall notify the Indemnitor in writing within 30 days thereafter; provided, however, that any omission to so notify the Indemnitor will not relieve it of any liability for indemnification hereunder as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice shall have been materially prejudicial to the Indemnitor) nor from any other liability that it may have to any Indemnitee. The Indemnitor shall have the right to assume sole and exclusive control of the defense of any claim for indemnification pursuant to this Article 4, including the choice and direction of any legal counsel.

(b) An Indemnitee shall have the right to engage separate legal counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the Indemnitor has agreed in writing to pay such fees and expenses, (ii) the Indemnitor has failed to assume the defense thereof and engage legal counsel within a reasonable period of time after being given the notice required above, or (iii) the Indemnitee shall have been advised by its legal counsel that representation of such Indemnitee and other parties by the same legal counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same legal counsel has been proposed) due to actual or potential conflicts of interests between them. It is understood, however, that to the extent more than one Indemnitee is entitled to engage separate legal counsel at the Indemnitor's expense pursuant to clause (iii) above, the Indemnitor shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having the same or substantially similar claims against the Indemnitor, unless but only to the extent the Indemnitees have actual or potential conflicting interests with each other.

(c) The Indemnitor shall not be liable for any settlement of any action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

ARTICLE 5

DISPUTES

5.1 Resolution of Disputes. The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "***Dispute***") pursuant to this Article 5. The Parties shall first submit the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to the Fertilizer Company Representative and the Refinery Company Representative, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the Refinery Company Representative and the Fertilizer Company Representative as provided above, then the Parties may exercise all available remedies. The foregoing procedure shall not prohibit a Party from seeking injunctive relief to enforce use of the Water Rights or the supply of Raw Water as contemplated herein while any such Dispute or any such proceedings are pending.

5.2 Multi-Party Disputes. The Parties acknowledge that they or their respective affiliates contemplate entering or have entered into various additional agreements with third parties that relate to the subject matter of this Agreement and that, as a consequence, Disputes may arise hereunder that involve such third parties (each a "***Multi-Party Dispute***"). Accordingly, the Parties agree, with the consent of such third parties, that any such Multi-Party Dispute, to the extent feasible, shall be resolved by and among all the interested parties consistent with the provisions of this Article 5.

ARTICLE 6

COOPERATION AND SUSPENSIONS

6.1 Cooperation. Fertilizer Company and Refinery Company each hereby agree reasonably to cooperate with the other in good faith in implementing and administering this Agreement. Refinery Company and Fertilizer Company shall cause their respective personnel located at the Refinery and the Fertilizer Plant to fully cooperate with, and comply with the reasonable requests of, the other Party and its employees, agents and contractors to support such other Party's operations in a safe and efficient manner; provided, however, that nothing in this Article 6 shall require the expenditure of any monies other than may otherwise be required elsewhere in this Agreement.

6.2 Suspension of Supply.

(a) Temporary Suspension for Repairs/Maintenance. The supply of Raw Water by the Water Facilities may be temporarily suspended by the Refinery Company for such periods of time as are necessary to carry out scheduled maintenance or necessary repairs or improvements to the Water Facilities. In connection with any such temporary suspension, Refinery Company may elect to reduce, interrupt, allocate, alter or change the supply of Raw Water required to be provided hereunder, provided that, except in the case of emergencies, the Refinery Company shall deliver not less than thirty (30) days prior written notice to the Fertilizer Company of any planned temporary suspension, including relevant details relating to the proposed reduction, interruption, allocation, alteration or change in the supply of Raw Water as a result of such temporary suspension. Upon the occurrence and during the continuation of such a temporary suspension, the parties shall cooperate to attempt to minimize or reduce the effect of such temporary suspension on each Party's operations.

(b) Emergency Repairs. Refinery Company shall provide notice to the Fertilizer Company as soon as reasonably possible (and in any event within twenty-four (24) hours) in the event of any emergency repair or unplanned required maintenance that is affecting or will affect provision of the Raw Water hereunder. Refinery Company shall use commercially reasonable efforts to complete any such emergency repairs in a timely manner and to resume the provision of Raw Water hereunder as soon as reasonably practicable.

(c) Operation by Fertilizer Company. In the event that the provision of Raw Water hereunder is suspended due to any inability or failure of Refinery Company (other than in connection with any suspensions contemplated in Sections 6.2(a) or (b) above) to provide Raw Water in accordance with the terms of this Agreement, then Fertilizer Company shall, during the period of such suspension, have the right to access the Water Facilities for the purpose of operating the Water Facilities in a manner consistent with the operation thereof as otherwise contemplated in this Agreement.

ARTICLE 7

LIMITATION OF LIABILITY

In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall either Party, its employees, suppliers or subcontractors, be liable for loss of profits or revenue or special, incidental, exemplary, punitive or consequential damages; provided, however, that the foregoing limitation shall not preclude recourse to any insurance coverage maintained by the Parties.

ARTICLE 8

AUDIT AND INSPECTION RIGHTS

Refinery Company and Fertilizer Company shall each ("***Requesting Party***") have the right, upon reasonable written notice to the other Party ("***Other Party***"), to audit, examine and inspect, at reasonable times and locations, all documentation, records, equipment, facilities, and other items owned or under the control of the Other Party that are reasonably related to the Water Rights or Water Facilities, solely for the purpose of confirming the measurement or pricing of, or tolerances or specifications of, any Feedstocks or Services, confirming compliance and performance by the Other Party, or exercising any rights of the Requesting Party, under this Agreement.

ARTICLE 9

TERM

The term of this Agreement shall continue until the earlier of: (a) the separation of the Water Facilities and the Water Rights into two independent sets of facilities and contractual arrangements for the benefit of Fertilizer Company and Refinery Company as provided in Section 3.6, or (b) the written agreement of Refinery Company and Fertilizer Company to terminate this Agreement. The Parties agree that upon and after any such termination of this Agreement, any liabilities of any Party arising from any act, breach or occurrence prior to termination will remain with such Party, and the Parties' rights and obligations under ARTICLES 4, 5, 7, 8, 10, 11, 12, and 14 will survive such termination of this Agreement.

ARTICLE 10

ASSIGNMENT

This Agreement shall extend to and be binding upon the Parties hereto, their successors and permitted assigns. Either Party may assign its rights and obligations hereunder solely (i) to an affiliate under common control with the assigning Party, provided that any such assignment shall require the prior written consent of the other Party hereto (such consent not to be unreasonably withheld or delayed), and provided that the applicable assignee agrees, in a written instrument delivered to (and reasonably acceptable to) such other Party, to be fully bound hereby, or (ii) to a Party's lenders for collateral security purposes, provided that in the case of any such assignment each Party agrees (x) to cooperate with the lenders in connection with the execution and delivery of a customary form of lender consent to assignment of contract rights and (y) any delay or other inability of a Party to timely perform hereunder due to a restriction imposed under the applicable credit agreement or any collateral document in connection therewith shall not constitute a breach hereunder. In addition, each Party agrees that it will assign its rights and obligations hereunder to a transferee acquiring all or substantially all of the equity in or assets of the assigning Party related to the Refinery or Fertilizer Plant (as applicable), which transferee must be approved in writing by the non-assigning Party (such approval not to be unreasonably withheld or delayed) and must agree in writing (with the non-assigning Party) to be fully bound hereby.

ARTICLE 11

GOVERNING LAW AND VENUE

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SAID STATE. THE PARTIES AGREE THAT ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 12

NOTICE

Any notice, request, correspondence, information, consent or other communication to any of the Parties required or permitted under this Agreement will be in writing (including telex, telecopy, or facsimile) and will be given by personal service or by telex, telecopy, facsimile, overnight courier service, or certified mail with postage prepaid, return receipt requested, and properly addressed to such Party and shall be effective upon receipt. For purposes hereof the proper address of the Parties will be the address stated beneath the corresponding Party’s name below, or at the most recent address given to the other Parties hereto by notice in accordance with this Article:

If to Refinery Company, to:

Coffeyville Resources Refining & Marketing, LLC

____

____

Attention: Chief Executive Officer

If to Fertilizer Company, to:

Coffeyville Resources Nitrogen Fertilizers, LLC

____

____

Attention: Chief Executive Officer

or such other addresses as either Party designates by registered or certified mail addressed to the other Party.

ARTICLE 13

EXHIBITS

Exhibit A attached hereto is incorporated herein and made a part of this Agreement by reference thereto.

ARTICLE 14

MISCELLANEOUS

14.1 Headings. The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.

14.2 Independent Contractors. The Parties acknowledge and agree that neither Party, by reason of this Agreement, shall be an agent, employee or representative of the other with respect to any matters relating to this Agreement, unless specifically provided to the contrary in writing by the other Party. This Agreement shall not be deemed to create a partnership or joint venture of any kind between Refinery Company and Fertilizer Company.

14.3 Amendments and Waiver. This Agreement may not be amended, modified or waived except by a writing signed by all Parties to this Agreement that specifically references this Agreement and specifically provides for an amendment, modification or waiver of this Agreement. No waiver of or failure or omission to enforce any provision of this Agreement or any claim or right arising hereunder shall be deemed to be a waiver of any other provision of this Agreement or any other claim or right arising hereunder.

14.4 Construction and Severability. Every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and in accordance with industry standards and not strictly for or against either Party. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

14.5 Waiver. The waiver by either Party of any breach of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition contained in this Agreement. No term, covenant or condition of this Agreement will be deemed to have been waived unless such waiver is in writing.

14.6 Governing Principles. It is the general intent and agreement of the Parties that, except as otherwise expressly provided in this Agreement, Fertilizer Company shall pay the cost of performing its obligations and exercising its rights hereunder, and Refinery Company shall pay the cost of performing its obligations and exercising its rights hereunder.

14.7 Third-Party Beneficiaries. Except as expressly provided herein, none of the provisions of this Agreement are intended for the benefit of any Person except the Parties and their respective successors and permitted assigns.

14.8 Specific Performance. Recognizing that remedies at law, for any breach or threatened breach by a Party hereunder that adversely affects use of the Water Rights or the supply of Raw Water as contemplated herein, will be inadequate and each Party, in addition to such other remedies that may be available to it at law or in equity, will be entitled to injunctive relief, including a mandatory injunction, to be issued by any court of competent jurisdiction ordering compliance with this Agreement or enjoining and restraining a Party, and each and every person and entity acting in concert or participation with such Party, from such breach or continuation of such breach and, in addition thereto, such Party will, subject to Article 7, be liable to the other Party for all ascertainable damages, including costs and reasonable attorneys' fees, sustained by such other Party by reason of such breach or threatened breach.

14.9 Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire, integrated agreement between the Parties regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties, whether written or oral.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

COFFEYVILLE RESOURCES REFINING & MARKETING, LLC	COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC
By: ______________________ ______________________	By: ______________________ ______________________

EXHIBIT A

[see attached diagrams of the Verdigris River, the River Intake Structure,
the River Water Pumps, the Y Intersection, and other Raw Water piping and
facilities included in the "Water Facilities"]

SERVICES AGREEMENT

This Services Agreement (this "***Agreement***") is entered into as of the ___day of ___, 2007 (the "***Effective Date***"), among CVR Partners, LP, a Delaware limited partnership ("***MLP***"), CVR GP, LLC, a Delaware limited liability company ("***GP***"), and CVR Energy, Inc., a Delaware corporation ("***CVR***", and collectively with MLP and GP, the "***Parties***" and each, a "***Party***").

RECITALS

WHEREAS, MLP is the owner, directly or indirectly, of Coffeyville Resources Nitrogen Fertilizers LLC, a Delaware limited liability company ("***Fertilizer***");

WHEREAS, CVR is the owner, directly or indirectly, of Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company ("***Refinery***");

WHEREAS, GP, in its capacity as the general partner of MLP, desires to engage CVR, on its own behalf and for the benefit of Fertilizer and MLP, to provide certain services necessary to operate the business conducted by Fertilizer, MLP and GP (the "***Services Recipients***"); and

WHEREAS, CVR is willing to undertake such engagement, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, MLP, GP (for itself and in its capacity as the general partner of MLP), and CVR agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Terms. The following defined terms will have the meanings given below:

"***Administrative Personnel***" means individuals who are employed by CVR or any of its Affiliates and assist in providing, as part of the Services, any of the administrative services referred to in Exhibit 1 hereto.

"***Affiliate***" shall mean with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, through the ownership of voting securities, by contract or otherwise (provided that, solely for purposes of this Agreement, the Services Recipients shall not be deemed Affiliates of CVR).

"***Bankrupt***" with respect to any Person shall mean such Person shall generally be unable to pay its debts as such debts become due, or shall so admit in writing or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Person seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), shall remain undismissed or unstayed for a period of 30 days; or such Person shall take any action to authorize any of the actions set forth above.

"***CVR Representative***" means such person as is designated in writing by CVR to serve in such capacity.

"***Default Rate***" shall mean an interest rate (which shall in no event be higher than the rate permitted by applicable law) equal to 300 basis points over LIBOR.

"***Fertilizer***" has the meaning set forth in the first Recital hereinabove.

"***Fertilizer Payroll Percentage***" means, for any applicable period, the percentage represented by a fraction, the numerator of which is the total payroll amount of Fertilizer for such period, and the denominator of which is the total payroll amount of Fertilizer plus the total payroll amount of Refinery for such period, as such payroll amounts are calculated on a consistent basis for purposes of determining the Fertilizer Payroll Percentage.

"***Governmental Approval***" shall mean any material consent, authorization, certificate, permit, right of way grant or approval of any Governmental Authority that is necessary for the construction, ownership and operation of the assets used in the business of the Services Recipients in accordance with applicable Laws.

"***Governmental Authority***" shall mean any court or tribunal in any jurisdiction or any federal, state, tribal, municipal or local government or other governmental body, agency, authority, department, commission, board, bureau, instrumentality, arbitrator or arbitral body or any quasi-governmental or private body lawfully exercising any regulatory or taxing authority.

"***GP/MLP Representative***" means such person as is designated in writing by GP to serve in such capacity.

"***Laws***" shall mean any applicable statute, environmental law, common law, rule, regulation, judgment, order, ordinance, writ, injunction or decree issued or promulgated by any Governmental Authority.

"***Person***" means an individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or other entity.

"***Personnel Costs***" means all costs incurred by an employer in connection with the employment by such employer of applicable personnel, including all payroll and benefits but excluding any Share-Based Compensation.

"***Refinery***" has the meaning set forth in the second Recital hereinabove.

“***Seconded Personnel***” means individuals, other than Administrative Personnel, who are employed by CVR or any of its Affiliates and provided on a full-time basis to the Services Recipients in connection with provision of the Services.

“***Services***” shall consist of those services performed for the Services Recipients as described on Exhibit 1 hereto.

“***Services Recipients***” has the meaning set forth in the third Recital hereinabove.

“***Share-Based Compensation***” means any compensation accruing or payable under any incentive or other compensation plan or program of an employer based upon changes in the equity value of such employer or any of its Affiliates.

“***Shared Personnel***” means individuals, other than Administrative Personnel, who are employed by CVR or any of its Affiliates and provided on a part-time basis to the Services Recipients in connection with provision of the Services.

ARTICLE II

RETENTION OF CVR; SCOPE OF SERVICES

Section 2.01 Retention of CVR. GP, on its own behalf and for the benefit of the Services Recipients, hereby engages CVR to perform the Services and CVR hereby accepts such engagement and agrees to perform the Services and to provide all Administrative Personnel, Seconded Personnel, and Shared Personnel necessary to perform the Services.

Section 2.02 Scope of Services. The Services shall be provided in accordance with (i) applicable material Governmental Approvals and Laws, and (ii) applicable industry standards.

Section 2.03 Exclusion of Services. At any time, either GP or CVR may temporarily or permanently exclude any particular service from the scope of the Services upon 90 days notice.

Section 2.04 Performance of Services by Affiliates or Other Persons. The Parties hereby agree that in discharging its obligations hereunder, CVR may engage any of its Affiliates or other Persons to perform the Services (or any part of the Services) on its behalf and that the performance of the Services (or any part of the Services) by any such Affiliate or Person shall be treated as if CVR performed such Services itself. No such delegation by CVR to Affiliates or other Persons shall relieve CVR of its obligations hereunder.

ARTICLE III

PAYMENT AMOUNT

Section 3.01 Payment Amount. GP shall pay or cause MLP or Fertilizer to pay, to CVR (or its Affiliates as CVR may direct) the amount of any direct or indirect expenses incurred by CVR or its Affiliates in connection with the provision of Services by CVR or its Affiliates (the “***Payment Amount***”), in accordance with the following:

(a) Seconded Personnel. The Payment Amount will include all Personnel Costs of Seconded Personnel, to the extent attributable to the periods during which such Seconded Personnel are provided to the Services Recipients.

(b) Shared Personnel. The Payment Amount will include a prorata share of all Personnel Costs of Shared Personnel, as determined by CVR on a commercially reasonable basis, based on the percent of total working time that such Shared Personnel are engaged in performing any of the Services.

(c) Administrative Costs. The Payment Amount will include following:

(i) Payroll. A prorata share of all Personnel Costs of Administrative Personnel engaged in performing payroll services as part of the Services, based on the Fertilizer Payroll Percentage, will be included in the Payment Amount.

(ii) Travel. Travel expenses by Seconded Personnel, Shared Personnel or Administrative Personnel will be direct charged if applicable and a prorata share of all other travel expenses by Seconded Personnel, Shared Personnel or Administrative Personnel, based on the Fertilizer Payroll Percentage, will be included in the Payment Amount.

(iii) Office Costs. A prorata share of all office costs (including, without limitation, all costs relating to office leases, equipment leases, supplies, property taxes and utilities) for all locations of Administrative Personnel, based on the Fertilizer Payroll Percentage, will be included in the Payment Amount.

(iv) Insurance. Insurance premiums will be direct charged to the applicable insured, provided, however, all insurance premiums for adequate directors and officers (or equivalent) insurance for any Seconded Personnel or Shared Personnel, with liability coverage of no less than $15 million, will be included in the Payment Amount.

(v) Outside Services. Services provided by outside vendors (including audit services, legal services, and other services) will first be direct charged where applicable, and a prorata share of charges for all services that are provided by outside vendors and not direct charged will be included in the Payment Amount based upon the following percentages of such charges: audit services — 25%; legal services — 20%; and all other services – Fertilizer Payroll Percentage.

(vi) Other SGA Costs. A prorata share of all other sales, general and administrative costs relating to the Services Recipients, based on the Fertilizer Payroll Percentage, will be included in the Payment Amount.

(vii) Depreciation and Amortization. A prorata share of depreciation and amortization relating to all locations of Administrative Personnel, based on the Fertilizer Payroll Percentage, will be included in the Payment Amount following recognition of such depreciation or amortization as an expense on the books and records of CVR or its Affiliates.

(viii) Government and Public Relations. A monthly retainer of $1,000 will be included in the Payment Amount to cover routine ordinary activities of Administrative Personnel in furtherance of government and public relations for the benefit of the Services Recipients, with related activities of Administrative Personnel being charged against such retainer at the rate of $100 per hour.

(ix) Bank Charges and Interest Expense. Bank charges and interest expense will be direct charged as applicable.

(x) Other Costs. Other costs as reasonably incurred by CVR or its Affiliates in the provision of Services will be direct charged as applicable.

Section 3.02 Payment of Payment Amount. CVR shall submit monthly invoices to GP for the Services, which invoices shall be due and payable net 15 days. GP shall pay or cause MLP or Fertilizer to pay, to CVR in immediately available funds, the full Payment Amount due under Section 3.01. Past due amounts shall bear interest at the Default Rate. Allocation percentages referred to in this Article III will be calculated and determined for calendar year or calendar quarter periods, as CVR may determine, based upon CVR's annual audited financials, or quarterly unaudited financials, for the immediately preceding calendar year or calendar quarter, as applicable.

Section 3.03 Disputed Charges. GP MAY, WITHIN 90 DAYS AFTER RECEIPT OF A CHARGE FROM CVR, TAKE WRITTEN EXCEPTION TO SUCH CHARGE, ON THE GROUND THAT THE SAME WAS NOT A REASONABLE COST INCURRED BY CVR OR ITS AFFILIATES IN CONNECTION WITH THE SERVICES. GP SHALL NEVERTHELESS PAY OR CAUSE MLP OR FERTILIZER TO PAY IN FULL WHEN DUE THE FULL PAYMENT AMOUNT OWED TO CVR. SUCH PAYMENT SHALL NOT BE DEEMED A WAIVER OF THE RIGHT OF THE SERVICES RECIPIENT TO RECOUP ANY CONTESTED PORTION OF ANY AMOUNT SO PAID. HOWEVER, IF THE AMOUNT AS TO WHICH SUCH WRITTEN EXCEPTION IS TAKEN, OR ANY PART THEREOF, IS ULTIMATELY DETERMINED NOT TO BE A REASONABLE COST INCURRED BY CVR OR ITS AFFILIATES IN CONNECTION WITH ITS PROVIDING THE SERVICES HEREUNDER, SUCH AMOUNT OR PORTION THEREOF (AS THE CASE MAY BE) SHALL BE REFUNDED BY CVR TO THE SERVICES RECIPIENTS TOGETHER WITH INTEREST THEREON AT THE DEFAULT RATE DURING THE PERIOD FROM THE DATE OF PAYMENT BY THE SERVICES RECIPIENTS TO THE DATE OF REFUND BY CVR.

Section 3.04 CVR's Employees. The Services Recipients shall not be obligated to pay directly to Seconded Personnel or Shared Personnel any compensation, salaries, wages, bonuses, benefits, social security taxes, workers' compensation insurance, retirement and insurance benefits, training or other expenses; provided, however, that if CVR fails to pay any employee within 30 days of the date such employee's payment is due:

(a) The Services Recipients may (i) pay such employee directly, (ii) employ such employee directly, or (iii) notify CVR that this Agreement is terminated and employ such employees directly; and

(b) CVR shall reimburse GP, MLP or Fertilizer, as the case may be, for the amount GP, MLP or Fertilizer, as applicable, paid to CVR with respect to employee services for which CVR did not pay any such employee.

ARTICLE IV

BOOKS, RECORDS AND REPORTING

Section 4.01 Books and Records. CVR and its Affiliates and the Services Recipients shall each maintain accurate books and records regarding the performance of the Services and calculation of the Payment Amount, and shall maintain such books and records for the period required by applicable accounting practices or law, or five (5) years, whichever is longer.

Section 4.02 Audits. CVR and its Affiliates and the Services Recipients shall have the right, upon reasonable notice, and at all reasonable times during usual business hours, to audit, examine and make copies of the books and records referred to in Section 4.01. Such right may be exercised through any agent or employee of the Person exercising such right if designated in writing by such Person or by an independent public accountant, engineer, attorney or other agent so designated. Each Person exercising such right shall bear all costs and expenses incurred by it in any inspection, examination or audit. Each Party shall review and respond in a timely manner to any claims or inquiries made by the other Party regarding matters revealed by any such inspection, examination or audit.

Section 4.03 Reports. CVR shall prepare and deliver to GP any reports provided for in this Agreement and such other reports as GP may reasonably request from time to time regarding the performance of the Services.

ARTICLE V

INTELLECTUAL PROPERTY

Section 5.01 Ownership by CVR and License to MLP. Any (i) inventions, whether patentable or not, developed or invented, or (ii) copyrightable material (and the intangible rights of copyright therein) developed, by CVR, its Affiliates or its or their employees in connection with the performance of the Services shall be the property of CVR; provided, however, that MLP shall be granted an irrevocable, royalty-free, non-exclusive and non-transferable right and license to use such inventions or material; and further provided, however, that MLP shall only be granted such a right and license to the extent such grant does not conflict with, or result in a breach, default, or violation of a right or license to use such inventions or material granted to CVR by any Person other than an Affiliate of CVR. Notwithstanding the foregoing, CVR will use all commercially reasonable efforts to grant such right and license to MLP.

Section 5.02 License to CVR and its Affiliates. MLP hereby grants, and will cause its Affiliates to grant, to CVR and its Affiliates an irrevocable, royalty-free, non-exclusive and non-transferable right and license to use, during the term of this Agreement, any intellectual property provided by MLP or its Affiliates to CVR or its Affiliates, but only to the extent such use is necessary for the performance of the Services. CVR agrees that CVR and its Affiliates will utilize such intellectual property solely in connection with the performance of the Services.

ARTICLE VI

TERMINATION

Section 6.01 Termination By GP.

(a) Upon the occurrence of any of the following events, GP may terminate this Agreement by giving written notice of such termination to CVR:

(i) CVR becomes Bankrupt; or

(ii) CVR dissolves and commences liquidation or winding-up.

Any termination under this Section 6.01(a) shall become effective immediately upon delivery of the notice first described in this Section 6.01(a), or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by GP.

(b) In addition to its rights under Section 6.01(b), GP may terminate this Agreement at any time by giving notice of such termination to CVR. Any termination under this Section 6.01(b) shall become effective 90 days after delivery of such notice, or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by GP.

Section 6.02 Termination By CVR. CVR may terminate this Agreement at any time by giving notice of such termination to GP. Any termination under this Section 6.02 shall become effective 90 days after delivery of such notice, or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by CVR.

Section 6.03 Effect of Termination. If this Agreement is terminated in accordance with Section 6.01 or Section 6.02, all rights and obligations under this Agreement shall cease except for (a) obligations that expressly survive termination of this Agreement; (b) liabilities and obligations that have accrued prior to such termination, including the obligation to pay any amounts that have become due and payable prior to such termination, and (c) the obligation to pay any portion of any Payment Amount that has accrued prior to such termination, even if such portion has not become due and payable at that time.

ARTICLE VII

ADDITIONAL REPRESENTATIONS AND WARRANTIES

Section 7.01 Representations and Warranties of CVR. CVR hereby represents, warrants and covenants to MLP and to GP that as of the date hereof:

(a) CVR is duly organized, validly existing, and in good standing under the laws of the State of Delaware; CVR is duly qualified and in good standing in the States required in order to perform the Services except where failure to be so qualified or in good standing could not reasonably be expected to have a material adverse impact on GP or MLP; and CVR has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder

(b) CVR has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of CVR, enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) The authorization, execution, delivery, and performance of this Agreement by CVR does not and will not (i) conflict with, or result in a breach, default or violation of, (A) its limited certificate of formation or limited liability company agreement, (B) any contract or agreement to which it is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which it is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clauses (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on CVR or on its ability to perform its obligations hereunder, and except, in the case of clause (ii), for such consents, approvals, authorizations, filings, registrations or notices, the failure of which to obtain or make would not have a material adverse effect on CVR or on its ability to perform its obligations hereunder.

Section 7.02 Representations and Warranties of GP and MLP. Each of GP and MLP hereby represents, warrants and covenants to CVR that as of the date hereof:

(a) Each of GP and MLP is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation; each of GP and MLP has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

(b) Each of GP and MLP has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of each such Person enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) The authorization, execution, delivery, and performance of this Agreement by each of GP and MLP does not and will not (i) conflict with, or result in a breach, default or violation of, (A) the limited liability company agreement of GP or the partnership agreement of MLP, (B) any contract or agreement to which such Person is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which such Person is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clause (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on GP or MLP or on their ability to perform their obligations hereunder, and except, in the case of clause (ii), for such consents, approvals, authorizations, filings, registrations or notices, the failure of which to obtain or make would not have a material adverse effect on GP or MLP or on their ability to perform their respective obligations hereunder.

ARTICLE VIII

ADDITIONAL REQUIREMENTS

Section 8.01 Indemnity. The Services Recipients shall indemnify, reimburse, defend and hold harmless CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives (collectively the "Indemnified Parties"), from and against all losses (including lost profits), costs, damages, injuries, taxes, penalties, interests, expenses, obligations, claims and liabilities (joint or severable) of any kind or nature whatsoever (collectively "Losses") that are incurred by such Indemnified Parties in connection with, relating to or arising out of (i) the breach of any term or condition of this Agreement, or (ii) the performance of any Services hereunder; *provided*, *however*, that the Services Recipients shall not be obligated to indemnify, reimburse, defend or hold harmless any Indemnified Party for any Losses Incurred, by such Indemnified Party in connection with, relating to or arising out of:

(a) a breach by such Indemnified Party of this Agreement;

(b) the gross negligence, willful misconduct, bad faith or reckless disregard of such Indemnified Party in the performance of any Services hereunder; or

(c) fraudulent or dishonest acts of such Indemnified Party with respect to the Services Recipients.

The rights of any Indemnified Party referred to above shall be in addition to any rights that such Indemnified Party shall otherwise have at law or in equity. Without the prior written consent of the Services Recipients, no Indemnified Party shall settle, compromise or consent to the entry of any judgment in, or otherwise seek to terminate any, claim, action, proceeding or investigation in respect of which indemnification could be sought hereunder unless (a) such Indemnified Party indemnifies the Services Recipients from any liabilities arising out of such claim, action, proceeding or investigation, (b) such settlement, compromise or consent includes an unconditional release of the Services Recipients and Indemnified Party from all liability arising out of such claim, action, proceeding or investigation and (c) the parties involved agree that the terms of such settlement, compromise or consent shall remain confidential. In the event that indemnification is provided for under any other agreements between CVR or any of its Affiliates and any of the Services Recipients or any of their Affiliates, and such indemnification is for any particular Losses, then such indemnification (and any limitations thereon) as provided in such other agreement shall apply as to such particular Losses and shall supersede and be in lieu of any indemnification that would otherwise apply to such particular Losses under this Agreement.

Section 8.02 Limitation of Duties and Liability. The relationship of CVR to the Services Recipients is as an independent contractor and nothing in this Agreement shall be construed to impose on CVR, or on any of its Affiliates, or on any of their respective successors and permitted assigns, or on their respective employees, officers, members, managers, directors, agents and representatives, an express or implied fiduciary duty. CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives, shall not be liable for, and the Services Recipients shall not take, or permit to be taken, any action against any of such Persons to hold such Persons liable for, (a) any error of judgment or mistake of law or for any liability or loss suffered by the Services Recipients in connection with the performance of any Services under this Agreement, except for a liability or loss resulting from gross negligence, willful misconduct, bad faith or reckless disregard in the performance of the Services, or (b) any fraudulent or dishonest acts with respect to the Services Recipients. In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall CVR or its Affiliates, their respective successors and permitted assigns, or their respective employees, officers, members, managers, directors, agents and representatives, be liable for loss of profits or revenue or special, incidental, exemplary, punitive or consequential damages.

Section 8.03 Reliance. CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives, may take and may act and rely upon:

(a) the opinion or advice of legal counsel, which may be in-house counsel to the Services Recipients or to CVR or its Affiliates, any U.S.-based law firm, or other legal counsel reasonably acceptable to the Boards of Directors of the Services Recipients, in relation to the interpretation of this Agreement or any other document (whether statutory or otherwise) or generally in connection with the Services Recipients;

(b) advice, opinions, statements or information from bankers, accountants, auditors, valuation consultants and other consulted Persons who are in each case believed by the relying Person in good faith to be expert in relation to the matters upon which they are consulted; or

(c) any other document provided in connection with the Services Recipients upon which it is reasonable for the applicable Person to rely.

A Person shall not be liable for anything done, suffered or omitted by it in good faith in reliance upon such opinion, advice, statement, information or document.

Section 8.04 Services to Others. While CVR is providing the Services under this Agreement, CVR shall also be permitted to provide services, including services similar to the Services covered hereby, to others, including Affiliates of CVR.

Section 8.05 Transactions With Affiliates. CVR may recommend to the Services Recipients, and may engage in, transactions with any of CVR’s Affiliates; *provided*, that any such transactions shall be subject to the authorization and approval of the Services Recipients’ Boards of Directors, as applicable.

Section 8.06 Sharing of Information. CVR, and its Affiliates and other agents or representatives, shall be permitted to share Services Recipients’ information with its Affiliates and other Persons as reasonably necessary to perform the Services, subject to appropriate and reasonable confidentiality arrangements.

Section 8.07 Disclosure of Remuneration. CVR shall disclose the amount of remuneration of the Chief Financial Officer and any other officer or employee shared with or seconded to the Services Recipients, including the Chief Executive Officer, to the Boards of Directors of the Services Recipients to the extent required for the Services Recipients to comply with the requirements of applicable law, including applicable Federal securities laws.

Section 8.08 Additional Seconded Personnel or Shared Personnel. CVR and the Services Recipients' Boards of Directors may agree from time to time that CVR shall provide additional Seconded Personnel or Shared Personnel, upon such terms as the Manager and the Services Recipients' Board of Directors may mutually agree. Any such individuals shall have such titles and fulfill such functions as CVR and the Services Recipients may mutually agree.

Section 8.09 Plant Personnel. Personnel performing the actual day-to-day business and operations of Fertilizer at the plant level will be employed by Fertilizer and Fertilizer will bear all Personnel Costs or other costs relating to such personnel.

Section 8.10 Election. The Services Recipients shall cause the election of any Seconded Personnel or Shared Personnel to the extent required by the organizational documents of the Services Recipients. The Services Recipients' Board of Directors, after due consultation with CVR, may at any time request that CVR replace any Seconded Personnel and CVR shall, as promptly as practicable, replace any individual with respect to whom such Board of Directors shall have made its request, subject to the requirements for the election of officers under the organizational documents of the Services Recipients.

ARTICLE IX

DISPUTES

Section 9.01 Resolution of Disputes. The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "Dispute") pursuant to this Article IX. The Parties shall first submit the Dispute to the CVR Representative and the GP/MLP Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to the CVR Representative and the GP/MLP Representative, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the CVR Representative and the GP/MLP Representative as provided above, then the Parties may exercise all available remedies.

Section 9.02 Multi-Party Disputes. The Parties acknowledge that they or their respective affiliates contemplate entering or have entered into various additional agreements with third parties that relate to the subject matter of this Agreement and that, as a consequence, Disputes may arise hereunder that involve such third parties (each a "Multi-Party Dispute").

Accordingly, the Parties agree, with the consent of such third parties, that any such Multi-Party Dispute, to the extent feasible, shall be resolved by and among all the interested parties consistent with the provisions of this Article IX.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be delivered to the recipient in person, by courier or mail or by facsimile, telegram, telex, cablegram or similar transmission; and a notice, request or consent given under this Agreement is effective on receipt by the Party to receive it; provided, however, that a facsimile or other electronic transmission that is transmitted after the normal business hours of the recipient shall be deemed effective on the next business day. All notices, requests and consents to be sent to MLP must be sent to GP. All notices, requests and consents (including copies thereof) to be sent to GP must be sent to or made at the address given below for GP.

If to GP or MLP: ____________________
____

If to CVR: ____________________
____

Section 10.02 Effect of Waiver or Consent. Except as otherwise provided in this Agreement, a waiver or consent, express or implied, to or of any breach or default by any Party in the performance by that Party of its obligations under this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Party of the same or any other obligations of that Party under this Agreement. Except as otherwise provided in this Agreement, failure on the part of a Party to complain of any act of another Party or to declare another Party in default under this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Party of its rights with respect to that default until the applicable statute-of-limitations period has run.

Section 10.03 Headings; References; Interpretation. All Article and Section headings in this Agreement are for convenience only and will not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, will refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles and Sections will, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement, respectively. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, will include all other genders, and the singular will include the plural and vice versa. The terms "include," "includes," "including" or words of like import will be deemed to be followed by the words "without limitation."

Section 10.04 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 10.05 No Third Party Rights. The provisions of this Agreement are intended to bind the parties signatory hereto as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies, and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 10.06 Counterparts. This Agreement may be executed in any number of counterparts, all of which together will constitute one agreement binding on the Parties.

Section 10.07 Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS.

Section 10.08 Submission to Jurisdiction; Waiver of Jury Trial. Subject to the provisions of Article IX, each of the Parties hereby irrevocably acknowledges and consents that any legal action or proceeding brought with respect to any of the obligations arising under or relating to this Agreement may be brought in the courts of the State of Kansas, or in the United States District Court for the District of Kansas and each of the Parties hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Each Party hereby further irrevocably waives any claim that any such courts lack jurisdiction over such Party, and agrees not to plead or claim, in any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby brought in any of the aforesaid courts, that any such court lacks jurisdiction over such Party. Each Party irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party, at its address for notices set forth in this Agreement, such service to become effective ten (10) days after such mailing. Each Party hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other documents contemplated hereby that service of process was in any way invalid or ineffective. The foregoing shall not limit the rights of any Party to serve process in any other manner permitted by applicable law. The foregoing consents to jurisdiction shall not constitute general consents to service of process in the State of Kansas for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective Parties. Each of the Parties hereby waives any right it may have under the laws of any jurisdiction to commence by publication any legal action or proceeding with respect this Agreement. To the fullest extent permitted by applicable law, each of the Parties hereby irrevocably waives the objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement in any of the courts referred to in this Section 10.08 and hereby further irrevocably waives and agrees not to plead or claim that any such court is not a convenient forum for any such suit, action or proceeding. The Parties agree that any judgment obtained by any Party or its successors or assigns in any action, suit or proceeding referred to above may, in the discretion of such Party (or its successors or assigns), be enforced in any jurisdiction, to the extent permitted by applicable law. The Parties agree that the remedy at law for any breach of this Agreement may be inadequate and that should any dispute arise concerning any matter hereunder, this Agreement shall be enforceable in a court of equity by an injunction or a decree of specific performance. Such remedies shall, however, be cumulative and nonexclusive, and shall be in addition to any other remedies which the Parties may have. Each Party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation as between the Parties directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby or disputes relating hereto. Each Party (i) certifies that no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Parties have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 10.08.

Section 10.09 Remedies to Prevailing Party. If any action at law or equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

Section 10.10 Severability. If any provision of this Agreement or the application thereof to any Person or any circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 10.11 Amendment or Modification. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties.

Section 10.12 Integration. This Agreement and the instruments referenced herein supersede all previous understandings or agreements among the Parties, whether oral or written, with respect to its subject matter. This document and such instruments contain the entire understanding of the Parties. No understanding, representation, promise or agreement, whether oral or written, is intended to be or will be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties after the date of this Agreement.

Section 10.13 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Party shall execute and deliver any additional documents and instruments and perform any additional acts that may be reasonably necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties as of the date first written above.

CVR PARTNERS, LP

By: CVR GP, LLC
its Managing General Partner

By: ______________________________
Name:
Title:

CVR GP, LLC

By: ______________________________
Name:
Title:

CVR ENERGY, INC.

By: ______________________________
Name:
Title:

Exhibit 1

The Services shall include the following:

- services in capacities equivalent to the capacities of corporate executive officers, except that the persons serving in such capacities shall serve in such capacities as Shared Personnel on a shared, part-time basis only, unless and to the extent otherwise agreed by CVR;
- safety and environmental advice;
- administrative and professional services, including legal, accounting, human resources, insurance, tax, credit, finance, government affairs, and regulatory affairs;
- manage the Services Recipients' day-to-day business and operations, including managing its liquidity and capital resources and compliance with applicable law;
- establishing and maintaining books and records of the Services Recipients in accordance with customary practice and GAAP;
- recommend to the Services Recipients' Board of Directors (x) capital raising activities, including the issuance of debt or equity securities of the Services Recipients, the entry into credit facilities or other credit arrangements, structured financings or other capital market transactions, (y) changes or other modifications in the capital structure of the Services Recipients, including repurchases;
- recommend to the Services Recipients' Board of Directors the engagement of or, if approval is not otherwise required hereunder, engage agents, consultants or other third party service providers to the Services Recipients, including accountants, lawyers or experts, in each case, as may be necessary by the Services Recipients from time to time;
- manage the Services Recipients' property and assets in the ordinary course of business;
- manage or oversee litigation, administrative or regulatory proceedings, investigations or any other reviews of the Services Recipients' business or operations that may arise in the ordinary course of business or otherwise, subject to the approval of the Services Recipients' Board of Directors to the extent necessary in connection with the settlement, compromise, consent to the entry of an order or judgment or other agreement resolving any of the foregoing;
- establish and maintain appropriate insurance policies with respect to the Services Recipients' business and operations;

- recommend to the Services Recipients’ Board of Directors the payment of dividends or other distributions on the equity interests of the Services Recipients;
- attend to the timely calculation and payment of taxes payable, and the filing of all taxes return due, by the Services Recipients; and
- manage or provide advice or recommendations for other projects of the Services Recipients, as may be agreed to between the GP and CVR from time to time.

Exhibit 10.31

[Form of Omnibus Agreement]

OMNIBUS AGREEMENT

among

CVR ENERGY, INC.

CVR GP, LLC

CVR PARTNERS, LP

and

CVR SPECIAL GP, LLC

OMNIBUS AGREEMENT

THIS OMNIBUS AGREEMENT (this "*Agreement*") is entered into on, and effective as of, the Closing Date (as defined herein), and is by and among CVR Energy, Inc., a Delaware corporation ("*CVR*"), CVR GP, LLC, a Delaware limited liability company (the "*Managing General Partner*"), CVR Partners, LP, a Delaware limited partnership (the "*Partnership*") and CVR Special GP, LLC, a Delaware limited liability company ("*Special General Partner*"). The above-named entities are sometimes referred to in this Agreement each as a "Party" and collectively as the "Parties."

R E C I T A L S:

The Parties desire by their execution of this Agreement to evidence their agreement, as more fully set forth in Article II, with respect to those business opportunities that the CVR Entities (as defined herein) will not engage in during the term of this Agreement unless the Partnership Entities have declined to engage in any such business opportunities for their own account.

The Parties desire by their execution of this Agreement to evidence their agreement, as more fully set forth in Article II, with respect to those business opportunities that the Partnership Entities (as defined herein) will not engage in during the term of this Agreement unless the CVR Entities have declined to engage in any such business opportunities for their own account.

In consideration of the premises and the covenants, conditions, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 *Definitions.*

Capitalized terms used herein but not defined shall have the meanings given them in the Partnership Agreement. As used in this Agreement, the following terms shall have the respective meanings set forth below:

"*Acquiring Party*" is defined in Section 2.5(a).

"*Affiliate*" is defined in the Partnership Agreement.

"*Break-up Costs*" means the aggregate amount of any and all additional taxes and other similar costs to (a) the CVR Entities that would be required to transfer Fertilizer Assets acquired by the CVR Entities as part of a larger transaction to a Partnership Group Member pursuant to Section 2.2(b) or (b) the Partnership Group that would be required to transfer Refinery Assets acquired by the Partnership Group as part of a larger transaction to a CVR Entity pursuant to Section 2.4(a).

"*Closing Date*" is defined in the Partnership Agreement.

"*Code*" means Internal Revenue Code of 1986, as amended.

"*Contribution Agreement*" means that certain Contribution, Conveyance and Assumption Agreement, dated as of the date hereof, among the Managing General Partner, the Partnership, the Special General Partner, CVR, LLC and certain other parties, together with the additional conveyance documents and instruments contemplated or referenced thereunder.

"*control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise.

"*CVR*" is defined in the introduction to this Agreement.

"*CVR Entities*" means CVR and any Person controlled, directly or indirectly, by CVR other than the Partnership Entities.

"*CVR Entity*" means any of the CVR Entities.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Fertilizer Restricted Businesses"* is defined in Section 2.1.

"*Fertilizer Asset*" any asset or group of related assets used in any Fertilizer Restricted Business.

"*Limited Partner*" is defined in the Partnership Agreement.

"*Managing General Partner*" is defined in the introduction to this Agreement.

"*Offer Period*" is defined in Section 2.5(e).

"*Offered Assets*" is defined in Section 2.5(a).

"*Offeree*" is defined in Section 2.5(a).

"*Other Business Opportunity*" means a business opportunity with respect to any assets other than Fertilizer Assets or Refinery Assets.

"*Other Business Opportunity Information*" is defined in Section 2.6.

"*Partnership Agreement*" means the Agreement of Limited Partnership of CVR Partners, LP, dated as of the Closing Date, as such agreement is in effect on the Closing Date, to which reference is hereby made for all purposes of this Agreement. No amendment or modification to the Partnership Agreement subsequent to the Closing Date shall be given effect for the purposes of this Agreement unless consented to in writing by each of the Parties to this Agreement.

"*Partnership Entities*" means the Managing General Partner and each member of the Partnership Group.

"*Partnership Entity*" means any of the Partnership Entities.

"*Partnership Group*" means the Partnership and its Subsidiaries treated as a single entity.

"*Partnership Group Member*" means any member of the Partnership Group.

"*Party*" and "*Parties*" are defined in the introduction to this Agreement.

"*Person*" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"*Refinery Restricted Businesses*" is defined in Section 2.3.

"*Refinery Asset*" means any asset or group of related assets used in any Refinery Restricted Business.

"*Restricted Business"* means, as applicable, the Refinery Restricted Business or the Fertilizer Restricted Business.

"*Retained Assets*" means any assets and investments owned or operated by any of the CVR Entities as of the Closing Date that were not conveyed, contributed or otherwise transferred to the Partnership Group prior to or on the Closing Date pursuant to the Contribution Agreement or otherwise.

"*Special General Partner*" is defined in the introduction to this Agreement.

"*Special General Partner Interes*t" is defined in the Partnership Agreement.

"*Subsidiary*" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"*transfer*" including the correlative terms "*transferring*" or "*transferred*" means any direct or indirect transfer, assignment, sale, gift, pledge, hypothecation or other encumbrance, or any other disposition (whether voluntary, involuntary or by operation of law) of any assets, properties or rights.

ARTICLE II
BUSINESS OPPORTUNITIES

Section 2.1 *Fertilizer Restricted Businesses*

. For so long as any CVR Entity continues to own at least 50% of the Outstanding Units of the Partnership, and except as permitted by Section 2.2, each of the CVR Entities shall be prohibited from engaging in, whether by acquisition, construction, investment in debt or equity securities of any Person or otherwise, any business having assets engaged in the following businesses (the "*Fertilizer Restricted Businesses*"): the production, transportation or distribution, on a wholesale basis, of fertilizer in the contiguous United States.

Section 2.2 *Fertilizer Permitted Exceptions*

. Notwithstanding any provision of Section 2.1 to the contrary, the CVR Entities may engage in the following activities under the following circumstances:

(a) the ownership and/or operation of any of the Retained Assets (including replacements and natural extensions of the Retained Assets);

(b) engaging in any Fertilizer Restricted Business acquired by a CVR Entity as part of a business or package of assets after the Closing Date if the fair market value of the Fertilizer Assets represents less than a majority of the fair market value of the total assets or business acquired (fair market value as determined in good faith by the board of directors of CVR); provided the Partnership Group will be offered the opportunity to acquire such Fertilizer Assets in accordance with Section 2.5;

(c) engaging in any Fertilizer Restricted Business subject to the offer to the Partnership Group set forth in Section 2.5 pending the Managing General Partner's determination whether to cause any Partnership Group Member to accept such offer and pending the closing of any offers any Partnership Group Member accepts;

(d) engaging in any Fertilizer Restricted Business with respect to which the Managing General Partner has advised CVR that the Managing General Partner's board of directors has elected not to cause a Partnership Group Member to acquire (or seek to acquire); and

(e) the purchase and ownership of up to 9.9% of any class of securities of any publicly-traded entity engaged in any Fertilizer Restricted Business.

Section 2.3 *Refinery Restricted Businesses*

. For so long as any CVR Entity continues to own at least 50% of the Outstanding Units of the Partnership and except as permitted by Section 2.4, each of the Partnership Entities shall be prohibited from, whether by acquisition, construction, investment in debt or equity securities of any Person or otherwise, engaging in the following businesses (the "*Refinery Restricted Businesses*"):

(a) the ownership or operation within the United States of any refinery with processing capacity greater than 20,000 barrels per day whose primary business is producing transportation fuels; or

(b) the ownership or operation outside the United States of any refinery.

Section 2.4 *Refinery Permitted Exceptions*

. Notwithstanding any provision of Section 2.3 to the contrary, the Partnership Entities may engage in the following activities under the following circumstances:

(a) engaging in any Refinery Restricted Business acquired by a Partnership Entity as part of a business or package of assets after the Closing Date if the fair market value of the Refinery Assets represents less than a majority of the fair market value of the total assets or business acquired (fair market value as determined in good faith by the board of directors of the Managing General Partner); provided the CVR Entities will be offered the opportunity to acquire such Refinery Assets in accordance with Section 2.5;

(b) engaging in any Refinery Restricted Business subject to the offer to the CVR Entities set forth in Section 2.5 pending CVR's determination whether to cause any CVR Entity to accept such offer and pending the closing of any offers any Partnership Entity accepts;

(c) engaging in any Refinery Restricted Business with respect to which CVR has advised the Managing General Partner that CVR's board of directors has elected not to cause a CVR Entity to acquire (or seek to acquire); and

(d) the purchase and ownership of up to 9.9% of any class of securities of any publicly-traded entity engaged in any Refinery Restricted Business.

Section 2.5 *Procedures.*

(a) In the event that (i) a CVR Entity acquires Fertilizer Assets described in Section 2.2(b), or (ii) a Partnership Group Member acquires any Refinery Assets described in Section 2.4(a), then as soon as reasonably practicable, but in any event within 365 days of the closing of the acquisition, such acquiring Party (the "*Acquiring Party*") shall notify (A) the Managing General Partner, in the case of an acquisition by a CVR Entity or (B) CVR, in the case of an acquisition by a Partnership Group Member, in writing of such acquisition and offer such party to be notified (each an "*Offeree*") the opportunity for the Offeree (or, in the case of the Managing General Partner, any Partnership Group Member and, in the case of CVR, any other CVR Entity) to purchase such Fertilizer Assets or Refinery Assets, as applicable (the "*Offered Assets*").

(b) The purchase price for any Offered Assets shall be the Offered Assets' fair market value (plus any Break-up Costs).

(c) The Offer shall set forth the Acquiring Party's proposed terms relating to the purchase of the Offered Assets by the Offeree (or, in the case of the Managing General Partner, any Partnership Group Member and, in the case of CVR, any other CVR Entity), including any liabilities to be assumed by the Offeree as part of the Offer.

(d) As soon as practicable after the Offer is made, the Acquiring Party will deliver to the Offeree all information prepared by or on behalf of or in the possession of such Acquiring Party relating to the Offered Assets and reasonably requested by the Offeree. As soon as practicable, but in any event, within 90 days after receipt of such notification, the Offeree shall notify the Acquiring Party in writing that either

(i) the Offeree has elected not to purchase (or not to cause any of its permitted Affiliates to purchase) the Offered Assets, in which event the Acquiring Party and its Affiliates shall, subject to the other terms of this Agreement, be forever free to continue to own or operate such Offered Assets; or

(ii) the Offeree has elected to purchase (or to cause any of its permitted Affiliates to purchase) the Offered Assets, in which event the procedures set forth in Section 2.5(e) shall be followed.

(e) In the event of a proposed purchase pursuant to Section 2.5(d)(ii):

(i) After the receipt of the Offer by the Offeree, the Acquiring Party and the Offeree shall negotiate in good faith to agree upon the fair market value (and any Break-up Costs) of the Offered Assets that are subject to the Offer and the other terms of the Offer on which the Offered Assets will be sold to the Offeree. If the Acquiring Party and the Offeree agree on the fair market value of the Offered Assets that are subject to the Offer and the other terms of the Offer during the 30-day period after receipt by the Acquiring Party of the Offeree's election to purchase (or to cause any permitted Affiliate of the Offeree to purchase) the Offered Assets (the "*Offer Period*"), the Offeree shall purchase (or cause any of its permitted Affiliates to purchase) the Offered Assets on such terms as soon as commercially practicable after such agreement has been reached.

(ii) If the Acquiring Party and the Offeree are unable to agree on the fair market value (and any Break-up Costs) of the Offered Assets that are subject to the Offer or on any other terms of the Offer during the Offer Period, the Acquiring Party and the Offeree will engage an independent investment banking firm or other appraisal firm to determine the fair market value (and any Break-up Costs) of the Offered Assets and/or the other terms on which the Acquiring Party and the Offeree are unable to agree. In determining the fair market value of the Offered Assets and other terms on which the Offered Assets are to be sold, the investment banking firm or other appraisal firm will have access to the proposed sale and purchase values and terms for the Offer submitted by the Acquiring Party and the Offeree, respectively, and to all information prepared by or on behalf of the Acquiring Party relating to the Offered Assets and reasonably requested by such investment banking firm or other appraisal firm and shall be permitted to consider the purchase price paid by the Acquiring Party for the Offered Assets. Such investment banking firm or other appraisal firm will determine the fair market value (and any Break-up Costs) of the Offered Assets and/or the other terms on which the Acquiring Party and the Offeree are unable to agree within 60 days of its engagement and furnish the Acquiring Party and the Offeree its determination. The fees and expenses of the investment banking firm will be divided equally between the Acquiring Party and the Offeree. Upon receipt of such determination, the Offeree will have the option, but not the obligation, to purchase the Offered Assets for the fair market value (and any Break-up Costs) and on the other terms determined by the investment banking firm or other appraisal firm, as soon as commercially practicable after determinations have been made. The Offeree will provide written notice of its decision to the Acquiring Party within 30 days after the investment banking firm or other appraisal firm has submitted its determination and if the Offerree. Failure to provide such notice within such 30-day period shall be deemed to constitute a decision not to purchase the Offered Assets. If the Offeree decides to purchase the Offered Assets the Offeree shall purchase (or cause any of its permitted Affiliates to purchase) the Offered Asset as soon as commercially practicable after it has provided such notice.

Section 2.6 *Other Business Opportunities.*

. For so long as any CVR Entity continues to own at least 50% of the Outstanding Units of the Partnership and except as permitted by Section 2.4, if any CVR Entity is presented with an opportunity to pursue, purchase or invest in any Other Business Opportunity, such CVR Entity shall give prompt written notice to the Managing General Partner, of the Other Business Opportunity. Such notice shall set forth all information available to any CVR Entity including, but not limited to, the identity of the Other Business Opportunity and its seller, the proposed price, all written information about the Other Business Opportunity provided to any CVR Entity by and on behalf of the seller as well as any information or analyses compiled by any CVR Entity from other sources (such information referred to collectively herein as "*Other Business Opportunity Information*"). The CVR Entities shall continue to provide to the Managing General Partner, promptly any and all Other Business Opportunity Information subsequently received. The Parties shall maintain the confidentiality of all such Other Business Opportunity Information, subject to compliance with applicable law. As soon as practicable but in any event within thirty (30) days after receipt of such initial notification and information, the Managing General Partner, on behalf of the Partnership Group, shall notify CVR that either (a) the Managing General Partner has elected to cause a member of the Partnership Group to pursue the opportunity to acquire or invest in the Other Business Opportunity or (b) the Managing General Partner has elected not to cause a member of the Partnership Group to pursue the opportunity to acquire or invest in the Other Business Opportunity. If, at any time, the Managing General Partner or the Partnership Group Member abandons such opportunity (as evidenced in writing by the Managing General Partner following the request of any CVR Entity), any CVR Entity may pursue such opportunity without time limit. In no event shall any provision of this Agreement require the Managing General Partner to approve any expansion of the purpose of the Partnership, other than in its sole discretion, as set forth in Section 2.4 of the Partnership Agreement.

Section 2.7 *Scope of Prohibition*.

. If any CVR Entity or Partnership Entity engages in a Restricted Business pursuant to any of the exceptions described in Section 2.2 or Section 2.4, as applicable, such CVR Entity or Partnership Entity may not subsequently expand that portion of their business except (i) pursuant to the exceptions contained in such Sections Section 2.2 or Section 2.4 or (ii) to maintain or improve their facilities comprising the Restricted Business or to expand their facilities with additional facilities or assets that are physically connected, in a material manner, with the existing facilities comprising the Restricted Business. Except as otherwise provided in this Agreement and the Partnership Agreement, each CVR Entity and Each Partnership Entity shall be free to engage in any business activity whatsoever, including those that may be in direct competition with the CVR Entities or the Partnership Group

Section 2.8 *Enforcement*

. Each Party agrees and acknowledges that the other Parties do not have an adequate remedy at law for the breach by any Party of its covenants and agreements set forth in this Article II, and that any breach by any Party of its covenants and agreements set forth in this Article II would result in irreparable injury to the other Parties. Each Party further agrees and acknowledges that any other Party may, in addition to the other remedies which may be available to such other Party, file a suit in equity to enjoin the breaching Party from such breach, and consent to the issuance of injunctive relief relating to this Agreement. No Person, directly or indirectly controlled thereby shall be liable for the failure of any other Person, directly or indirectly, controlled thereby to comply with this Article II.

ARTICLE III

ARTICLE IVMISCELLANEOUS

Section 4.1 *Choice of Law; Submission to Jurisdiction*

. This Agreement shall be subject to and governed by the laws of the State of New York. THE PARTIES AGREE THAT ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS AGREEMENT.

Section 4.2 *Notice*

. All notices or other communications required or permitted under, or otherwise in connection with, this Agreement must be in writing and must be given by depositing same in the U.S. mail, addressed to the Person to be notified, postpaid and registered or certified with return receipt requested or by transmitting by national overnight courier or by delivering such notice in person or by facsimile to such Party. Notice given by mail, national overnight courier or personal delivery shall be effective upon actual receipt. Notice given by facsimile shall be effective upon confirmation of receipt when transmitted by facsimile if transmitted during the recipient's normal business hours or at the beginning of the recipient's next business day after receipt if not transmitted during the recipient's normal business hours. All notices to be sent to a Party pursuant to this Agreement shall be sent to or made at the address set forth below or at such other address as such Party may stipulate to all other Parties in the manner provided in this Section 3.2.

if to the CVR Entities:

CVR Energy, Inc.
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

if to the Partnership Entities

CVR GP, LLC
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

Section 4.3 *Entire Agreement*

. This Agreement constitutes the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

Section 4.4 *Amendment or Modification*

. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties hereto. Each such instrument shall be reduced to writing and shall be designated on its face an "Amendment" or an "Addendum" to this Agreement.

Section 4.5 *Assignment*

. No Party shall have the right to assign any of its rights or obligations under this Agreement without the consent of the other Parties hereto.

Section 4.6 *Counterparts*

. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

Section 4.7 *Severability*

. If any provision of this Agreement shall be held invalid or unenforceable by a court or regulatory body of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

Section 4.8 *Further Assurances*

. In connection with this Agreement and all transactions contemplated by this Agreement, each signatory party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

Section 4.9 *Rights of Limited Partners; Third Party Beneficiaries*

. The provisions of this Agreement are enforceable solely by the Parties to this Agreement, and no Limited Partner of the Partnership shall have the right, separate and apart from the Partnership, to cause the Partnership to enforce any provision of this Agreement or to compel any Party to this Agreement to comply with the terms of this Agreement. Goldman, Sachs & Co., Kelso & Company, L.P. and their respective Affiliates and successors and assigns as owners of interests in the CVR Entities or Partnership Entities shall be entitled to assert rights and remedies hereunder as a third-party beneficiary hereto with respect to Section 4.10.

Section 4.10 *No Restrictions on Owners of Managing General Partner or CVR*

. Notwithstanding anything herein to the contrary, nothing herein shall be deemed to restrict Goldman, Sachs & Co., Kelso & Company, L.P. or their respective Affiliates (other than the CVR Entities and the Partnership Entities), or their respective successors and assigns as owners of interests in the CVR Entities or Partnership Entities, from engaging in any banking, brokerage, trading, market making, hedging, arbitrage, investment advisory, financial advisory, anti-raid advisory, merger advisory, financing, lending, underwriting, asset management, principal investing, mergers & acquisitions or other activities conducted in the ordinary course of their or their Affiliates' business in compliance with applicable law, including without limitation buying and selling securities of any CVR Entity or Partnership Entity, entering into derivatives transactions regarding or shorting securities of any CVR Entity or Partnership Entity, serving as a lender, underwriter or market maker or issuing research with respect to securities of any CVR Entity or Partnership Entity or acquiring, selling, making investments in or entering into other transactions with companies or businesses in the same or similar lines of business as any CVR Entity or Partnership Entity whether or not such investments or transactions are or may be competitive with any business of any CVR Entity or Partnership Entity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement on, and effective as of, the Closing Date.

CVR ENERGY, INC.

By: ______________________________
[Name]
[Title]

CVR GP, LLC

By: ______________________________
[Name]
[Title]

CVR PARTNERS, LP

By: CVR GP, LLC, its Managing General Partner

By: ______________________________
[Name]
[Title]

CVR SPECIAL GP, LLC

By: ______________________________
[Name]
[Title]

Exhibit 10.32

COFFEYVILLE RESOURCES, LLC
PHANTOM UNIT APPRECIATION PLAN (PLAN II)

1. Purpose; Operation. The purpose of the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II) (the "Plan") is to provide an incentive to employees of the Company and its Affiliates who contribute to the Company's success to increase their efforts on behalf of the Company and to promote the success of the Company's business. Participants in the Plan have the opportunity to receive cash payments in respect of Phantom Points they hold in the event of certain distributions pursuant to the Parent II LLC Agreement to "Members" (as defined in the Parent II LLC Agreement) in Coffeyville Acquisition II LLC, an indirect equity owner of the Company. Whether payments will be made will depend on the amount of net proceeds realized in connection with the event that gives rise to such distributions. Defined terms are defined in Exhibit A hereto.

2. Administration. The Plan shall be administered by the Committee. The Committee shall have the authority in its discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation:

   - the authority to grant Phantom Points;
   - to determine the persons to whom and the time or times at which Phantom Points shall be granted;
   - to determine the number and type of Phantom Points to be granted and the terms, conditions and restrictions relating thereto;
   - to determine whether, to what extent, and under what circumstances Phantom Points may be settled, cancelled, forfeited, exchanged, or surrendered;
   - to make adjustments in the terms and conditions applicable to Phantom Points;
   - to construe and interpret the Plan and Award Agreements;
   - to prescribe, amend and rescind rules and regulations relating to the Plan;
   - to determine the terms and provisions of the Award Agreements;
   - to determine the Baseline Primary Phantom Percentage, the Total Phantom Percentages and the Final Phantom Percentages;
   - to determine the amounts allocable for payment pursuant to this Plan;
   - to assign Phantom Benchmark Amounts; and

- to make all other determinations deemed necessary or advisable for the administration of the Plan.

All determinations made by the Committee in respect of the Plan shall be final and binding on all Participants and their beneficiaries. No manager or member of the Company or member of the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Phantom Points granted hereunder. The Committee, with the consent of Parent II LLC, shall make determinations with respect to percentages (including the Total Phantom Percentages and the Final Phantom Percentages) and cash amounts allocated, if any, to the Plan with reference to the applicable definitions set forth in Exhibit A; provided that any and all determinations with respect to applicable percentages and cash amounts allocated to the Plan shall be made in the Committee's discretion and may vary from such definitions. The Committee may make adjustments in the operation of provisions of the Plan if the Committee determines in its sole discretion that such adjustments will further the intent of such provisions.

3. Eligibility. Phantom Points may be granted at any time to directors, employees (including officers) and service providers of an Employer, in the discretion of the Committee.

4. Phantom Service Points; Payment.

(a) Phantom Service Point Pool. A pool of points shall exist consisting of "Phantom Service Points". Phantom Service Points shall represent the right to receive a cash payment from the Employer within thirty (30) days following the date on which a distribution is made pursuant to the Parent II LLC Agreement. The pool of Phantom Service Points shall initially be 10,000,000 but may be increased in the discretion of the Committee at any time. The total number of Phantom Service Points outstanding (after taking into account any adjustments made pursuant to Section 7) shall be referred to as the "Total Phantom Service Point Pool".

(b) Phantom Service Percentage. The "Phantom Plan Service Percentage" for each Participant shall be the Final Phantom Service Percentage multiplied by the quotient obtained by dividing (x) the number of Phantom Service Points allocated to such Participant by (y) 10,000,000, or, if the Total Phantom Service Point Pool is greater than 10,000,000, the Total Phantom Service Point Pool.

(c) Phantom Service Point Payments. The cash amount payable to a Participant in respect of his or her Phantom Service Points at any time that a distribution is made pursuant to the Parent II LLC Agreement in respect of Operating Units shall be determined by multiplying (x) such Participant's Phantom Plan Service Percentage and (y) the amount of Exit Proceeds. For the avoidance of doubt, the foregoing is simply a calculation of amount of the cash payment payable to a Participant holding Phantom Service Points, and in no event shall such

Participant, in its capacity as such, have any rights to receive a payment or distribution from Parent II LLC.[1]

5. Phantom Performance Points; Payment.

(a) Phantom Performance Point Pool. A pool of points shall exist consisting of "Phantom Performance Points". Phantom Performance Points shall represent the right to receive a cash payment within thirty (30) days following the date on which a distribution is made pursuant to the Parent II LLC Agreement in respect of Value Units. The pool of Phantom Performance Points shall initially be 10,000,000, but may be increased in the discretion of the Committee at any time. The total number of Phantom Performance Points outstanding (after taking into account any adjustment made pursuant to Section 7) shall be referred to as the "Total Phantom Performance Point Pool".

(b) Phantom Performance Percentage. The "Phantom Plan Performance Percentage" for each Participant shall initially be the Final Phantom Performance Percentage multiplied by the quotient obtained by dividing (x) the number of Phantom Performance Points allocated to such Participant by (y) 10,000,000, or, if the Total Phantom Performance Point Pool is greater than 10,000,000, the Total Phantom Performance Point Pool, and shall be further subject to reduction pursuant to Section 5(c) below.

(c) Performance Factor; Investment Multiple. As provided in the definition of Final Phantom Performance Percentage, each Participant's Phantom Plan Performance Percentage reflects the Performance Factor, which operates to adjust Participants' performance percentages based on the performance of the investment in the Parent II LLC by the Investor Members. For purposes of this Plan:

(1) The "Performance Factor" equals a number (between zero and one) equal to the quotient obtained by dividing (i) the excess, if positive, of the Final Investment Multiple (as defined below) over the Minimum Investment Multiple by (ii) two (2); provided that if such quotient is greater than one, the Performance Factor will equal one.

(2) The Final Investment Multiple is computed, after giving effect to any payments to be made pursuant to this Plan, by dividing (x) the total fair market value of all net distributions received, or to be received upon the applicable distribution, by the Investor Members from the Company in respect of their aggregate investment in the Company divided by (y) the aggregate of such investment of the Investor Members in the Company (it being understood that all

1 Schedule A provides an illustration of how a calculation of a Phantom Service Point payment would be made under the Plan. It is not intended to be an indication of actual payments under the Plan.

such amounts are themselves simultaneously being calculated by reference to amounts that may be payable pursuant to the Plan).

(d) Phantom Performance Point Payments. The cash amount payable to a Participant in respect of his or her Phantom Performance Points at any time that a distribution is made pursuant to the Parent II LLC Agreement in respect of Value Units shall be determined by adding (x) the product of (i) such Participant's Phantom Plan Performance Percentage and (ii) the amount of Exit Proceeds plus (y) an additional amount to provide a 'catch-up' similar to that provided in respect of Value Units pursuant to Section 9.1(d) of the Parent II LLC Agreement. For the avoidance of doubt, the foregoing is simply a calculation of the amount of the cash payment payable to a Participant holding Phantom Performance Points, and in no event shall such Participant, in its capacity as such, have any rights to receive a payment or distribution from Parent II LLC.[2]

6. Additional Awards; Adjustments.

(a) Additional Awards. An Employer may determine that a Participant's performance warrants an award of additional Phantom Points, in which case the Employer may recommend to the Committee that an additional award be made.

(b) Prior Appreciation Adjustments. Each Participant will be assigned a "Phantom Benchmark Amount", which shall be an amount determined by the Committee with respect to the Participant each time the Committee awards any Phantom Points to the Participant and relates to the valuation of Parent II LLC at such time. Notwithstanding anything to the contrary set forth in the Plan, for purposes of the calculations under Section 4(c) and Section 5(d), the Committee shall make such adjustments to the amounts otherwise determined thereunder to account for the Phantom Benchmark Amount assigned in respect of a Participant's Phantom Points.

(c) In the event of any material acquisition, disposition, merger, recapitalization, capital contribution or other similar event, the Committee may make such adjustment(s) to the terms of the Plan or any awards granted under the Plan as the Committee shall determine appropriate in its sole discretion.

7. Termination of Employment. If a Participant ceases to be employed by an Employer (other than in connection with a transfer to another Employer) prior to an Exit Event, such Participant shall forfeit all Phantom Points granted to the Participant.

8. General Provisions.

(a) Nontransferability. Unless otherwise provided in an Award Agreement, Phantom Points shall not be transferable by a Participant under any circumstances, except by will or the laws of descent and distribution.

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2 Schedule A provides an illustration of how a calculation of a Phantom Performance Point payment would be made under the Plan. It is not intended to be an indication of actual payments under the Plan.

(b) No Right to Continued Employment, etc. Nothing in the Plan or in any Award Agreement entered into pursuant the Plan shall confer upon any Participant the right to continue in the employ of or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement, or to interfere with or limit in any way the right of an Employer to terminate such Participant's employment.

(c) Taxes. The Company or any Affiliate is authorized to withhold from any payment relating to Phantom Points under the Plan amounts of withholding and other taxes due to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations.

(d) Excise Tax. To the extent that, in the Committee's determination, payment to a Participant in respect of his or her Phantom Points would result in application of an excise tax to the Participant pursuant to Section 4999 of the Code, then the payment shall be reduced to such extent to avoid the application of such excise tax; provided that the Company shall use its reasonable best efforts to obtain shareholder approval of the payment in respect of Phantom Points in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Participant in respect of his or her Phantom Points without the application of the excise tax.

(e) Amendment and Termination. The Plan shall take effect on the date of its adoption by the Board of Directors of the Company (the "Board"). The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part, including but not limited to, amending the Plan and awards to alter the structure of the Plan if the Board determines that the Plan is not meeting its objectives.

(f) No Rights to Awards; No Stockholder or Member Rights. No Participant shall have any claim to be granted any Phantom Points under the Plan, and there is no obligation for uniformity of treatment of Participants. A Participant or a transferee of Phantom Points shall have no rights as a stockholder or member of the Company or any Affiliate.

(g) Unfunded Status of Awards. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Phantom Points shall give any such Participant any rights that are greater than those of a general creditor of the Company.

(h) Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

(i) Beneficiary. Upon the death of a Participant, all of his of her rights under the Plan shall inure to his or her designated beneficiary or, if no beneficiary has been designated, to his or her estate.

(j) No Guarantee or Assurances. There can be no guarantee that any distributions in respect of Operating Units or Value Units will occur under the Parent II LLC Agreement or that any payment to any Participant will result under the Plan.

(k) Expiration of Plan. Unless otherwise determined by the Board, the Plan shall expire on July 25, 2015 and all outstanding Phantom Points shall then expire and be forfeited with no consideration paid in respect of such forfeiture.

EXHIBIT A

Plan Definitions

For purposes of the Plan, the following terms shall be defined as set forth below.

"Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Securities Exchange Act of 1934.

"Award Agreement" means any written agreement, contract, or other instrument or document evidencing a grant of Phantom Points.

"Baseline Primary Phantom Percentage" means a notional profits interest percentage in Parent II LLC, determined by the Committee with the consent of Parent II LLC in its sole discretion, attributable to all Phantom Points available for award under the Plan; provided that in no event shall the Baseline Primary Phantom Percentage plus the percentage interest represented by all profits interests in the Parent II LLC be greater than 15% of the combined notional and aggregate equity interests of the Parent II LLC, assuming all profits interests are outstanding and entitled to share in distributions. Such deemed profits interest percentage, as adjusted pursuant to the terms of the Plan, is generally intended to provide, as a function of Exit Proceeds, the maximum attainable cash payment payable to holders of Phantom Points under the Plan. The Committee shall have the discretion (with the consent of Parent II LLC) to change the Baseline Primary Phantom Percentage at any time and from time to time (including upon the occurrence of any distribution pursuant to the Parent II LLC Agreement or an Exit Event). Schedule 1, as amended from time to time, shall set forth the Baseline Primary Phantom Percentage.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the Compensation Committee of Parent II LLC, or if there is no such Compensation Committee of Parent II LLC, Parent II LLC.

"Company" means Coffeyville Resources, LLC, a Delaware limited liability company, or any successor corporation.

"Employer" means the Company or any Affiliate of the Company.

"Exit Event" has the meaning given in the Parent II LLC Agreement.

"Exit Proceeds" means the net proceeds available for distribution to the Members of Parent II LLC at any time that a distribution is made pursuant to the Parent II LLC Agreement in respect of Operating Units or Value Units, as the case may be, following the return of all unreturned "Capital Contributions" (as defined in the Parent II LLC Agreement).

"Final Phantom Percentages" means, collectively, the Final Phantom Performance Percentage, the Final Phantom Service Percentage and the Final Aggregate Phantom Percentage.

"Final Phantom Performance Percentage" means the product of (x) the Performance Factor and (y) the Total Performance Phantom Percentage.

"Final Phantom Service Percentage" means the Total Phantom Service Percentage.

"Investor Member" has the meaning given in the Parent II LLC Agreement.

"Maximum Investment Multiple" means four (4).

"Minimum Investment Multiple" means two (2).

"Operating Unit" has the meaning given in the Parent II LLC Agreement.

"Parent II LLC" means Coffeyville Acquisition II LLC.

"Parent II LLC Agreement" means the Limited Liability Company Agreement of Parent II LLC, dated as of [__________], 2007, as such may be amended.

"Participant" means an individual who has been granted Phantom Performance Points and/or Phantom Service Points pursuant to the Plan and who continues to hold Phantom Points.

"Performance Factor" shall have the meaning set forth in Section 5(c)(1).

"Phantom Performance Points" shall have the meaning set forth in Section 5.

"Phantom Points" means, collectively, or individually as the context requires, Phantom Performance Points and Phantom Service Points.

"Phantom Service Points" shall have the meaning set forth in Section 4.

"Plan" means this Coffeyville Resources, LLC Phantom Unit Appreciation Plan (Plan II), as amended from time to time.

"Total Performance Phantom Percentage" means the product of (x) .667 and (y) the Baseline Primary Phantom Percentage.

"Total Phantom Percentages" means, collectively, the Total Performance Phantom Percentage and the Total Service Phantom Percentage.

"Total Phantom Service Percentage" means the product of (x) .333 and (y) the Baseline Primary Phantom Percentage.

"Value Unit" has the meaning given in the Parent II LLC Agreement.

Exhibit 10.33

CVR ENERGY, INC.

2007 LONG TERM INCENTIVE PLAN

(Effective __________, 2007)

1. **Purpose**.

The purpose of the Plan is to strengthen CVR Energy, Inc., a Delaware corporation (the "Company"), by providing an incentive to its and its Subsidiaries' (as defined herein) employees, officers, consultants and directors, thereby encouraging them to devote their abilities and industry to the success of the Company's business enterprise. It is intended that this purpose be achieved by extending to employees (including future employees who have received a formal written offer of employment), officers, consultants and directors of the Company and its Subsidiaries an added incentive for high levels of performance and unusual efforts through the grant of Restricted Stock, Restricted Stock Units, Options, Stock Appreciation Rights, Dividend Equivalent Rights, Performance Awards, and Share Awards (as each term is herein defined).

2. **Definitions**.

For purposes of the Plan:

2.1 "Agreement" means a written or electronic agreement between the Company and a Participant evidencing the grant of an Option or Award and setting forth the terms and conditions thereof.

2.2 "Award" means a grant of Restricted Stock, a Restricted Stock Unit, a Stock Appreciation Right, a Performance Award, a Dividend Equivalent Right, a Share Award or any or all of them.

2.3 "Beneficiary" means an individual designated as a Beneficiary pursuant to Section 19.4.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Cause" means, with respect to the termination of a Participant's employment or services by the Company or any Subsidiary of the Company that employs such individual or to which the Participant performs services (or by the Company on behalf of any such Subsidiary), such Participant's (i) refusal or neglect to perform substantially his or her employment-related duties or services, (ii) personal dishonesty, incompetence, willful misconduct or breach of fiduciary duty, (iii) indictment for, conviction of or entering a plea of guilty or *nolo contendere* to a crime constituting a felony or his or her willful violation of any applicable law (other than a traffic violation or other offense or violation outside of the course of employment or services to the Company or its Subsidiaries which in no way adversely affects the Company and its Subsidiaries or its reputation or the ability of the Participant to perform his or her employment-related duties or services or to represent the Company or any Subsidiary of the Company that employs such Participant or to which the Participant performs services), (iv) failure to reasonably cooperate, following a request to do so by the Company, in any internal or governmental investigation of the Company or any of its Subsidiaries or (v) material breach of any written covenant or agreement with the Company or any of its Subsidiaries not to disclose any information pertaining to the Company or such Subsidiary or not to compete or interfere with the Company or such Subsidiary; *provided* that, in the case of any Participant who, as of the date of determination, is party to an effective services, severance or employment agreement with the Company or any Subsidiary, "Cause" shall have the meaning, if any, specified in such agreement.

2.6 "Change in Capitalization" means any increase or reduction in the number of Shares, any change (including, but not limited to, in the case of a spin-off, dividend or other distribution in respect of Shares, a change in value) in the Shares or any exchange of Shares for a different number or kind of shares or other securities of the Company or another corporation, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants, rights or debentures, stock dividend, stock split or reverse stock split, cash dividend, property dividend, combination or exchange of shares, repurchase of shares, change in corporate structure or otherwise.

2.7 "Change in Control" means the occurrence of any of the following:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than fifty percent (50%) of (i) the then-outstanding Shares or (ii) the combined voting power of the Company's then-outstanding Voting Securities; *provided, however,* that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "Related Entity"), (ii) the Company, any Principal Stockholder or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "Merger"), unless such

Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger in which:

(A) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "Surviving Corporation"), if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities by the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a "Parent Corporation") or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger, had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of fifty percent (50%) or more of the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; *provided* that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

2.8 “Code” means the Internal Revenue Code of 1986, as amended.

2.9 “Committee” means the Committee which administers the Plan as provided in Section 3.

2.10 “Company” means CVR Energy, Inc., a Delaware corporation.

2.11 “Director” means a member of the Board.

2.12 “Division” means any of the operating units or divisions of the Company designated as a Division by the Committee.

2.13 “Dividend Equivalent Right” means a right to receive cash or Shares based on the value of dividends that are paid with respect to Shares.

2.14 “Effective Date” means the date of approval of the Plan by the Company’s shareholders’ pursuant to Section 19.5.

2.15 “Eligible Individual” means any of the following individuals: (a) any Director, officer or employee of the Company or a Subsidiary, (b) any individual to whom the Company or a Subsidiary has extended a formal, written offer of employment, and (c) any consultant or advisor of the Company or a Subsidiary.

2.16 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

2.17 “Fair Market Value” on any date means:

(a) if the Shares are listed for trading on the New York Stock Exchange, the closing price at the close of the primary trading session of the Shares on such date on the New York Stock Exchange, or if there has been no such closing price of the Shares on such date, on the next preceding date on which there was such a closing price;

(b) if the Shares are not listed for trading on the New York Stock Exchange, but are listed on another national securities exchange, the closing price at the close of the primary trading session of the Shares on such date on such exchange, or if there has been no such closing price of the Shares on such date, on the next preceding date on which there was such a closing price;

(c) if the Shares are not listed on the New York Stock Exchange or on another national securities exchange, the last sale price at the end of normal market hours of the Shares on such date as quoted on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”) or, if no such price shall have been quoted for such date, on the next preceding date for which such price was so quoted; or

(d) if the Shares are not listed for trading on a national securities exchange or are not authorized for quotation on NASDAQ, the fair market value of the Shares as determined in good faith by the Committee, and in the case of Incentive Stock Options, in accordance with Section 422 of the Code.

2.18 “Full Value Award” means a grant of Restricted Stock, a Restricted Stock Unit, a Performance Award, a Share Award or any or all of them.

2.19 “Incentive Stock Option” means an Option satisfying the requirements of Section 422 of the Code and designated by the Committee as an Incentive Stock Option.

2.20 “Initial Public Offering” means the consummation of the first public offering of Shares pursuant to a registration statement (other than a Form S-8 or successor forms) filed with, and declared effective by, the Securities and Exchange Commission.

2.21 “Nonemployee Director” means a Director who is a “nonemployee director” within the meaning of Rule 16b-3 promulgated under the Exchange Act.

2.22 “Nonqualified Stock Option” means an Option which is not an Incentive Stock Option.

2.23 “Option” means a Nonqualified Stock Option and/or an Incentive Stock Option.

2.24 “Outside Director” means a Director who is an “outside director” within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

2.25 “Parent” means any corporation which is a “parent corporation” (within the meaning of Section 424(e) of the Code) with respect to the Company.

2.26 “Participant” means a person to whom an Award or Option has been granted under the Plan.

2.27 “Performance Awards” means Performance Share Units, Performance Units, Performance-Based Restricted Stock or any or all of them.

2.28 “Performance-Based Compensation” means any Option or Award that is intended to constitute “performance based compensation” within the meaning of Section 162(m)(4)(C) of the Code and the regulations promulgated thereunder.

2.29 “Performance-Based Restricted Stock” means Shares issued or transferred to an Eligible Individual under Section 9.2.

2.30 “Performance Cycle” means the time period specified by the Committee at the time Performance Awards are granted during which the performance of the Company, a Subsidiary or a Division will be measured.

2.31 “Performance Objectives” means the objectives set forth in Section 9.3 for the purpose of determining the degree of payout and/or vesting of Performance Awards.

2.32 “Performance Share Units” means Performance Share Units granted to an Eligible Individual under Section 9.1.

2.33 “Performance Units” means Performance Units granted to an Eligible Individual under Section 9.1.

2.34 “Plan” means this 2007 CVR Energy, Inc. Long Term Incentive Plan, as amended from time to time.

2.35 “Principal Stockholder” means each of Kelso Investment Associates VII, L.P., a Delaware limited partnership, KEP VI, LLC, a Delaware limited liability company, GS Capital Partners V Fund, L.P., a Delaware limited partnership, GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GS Capital Partners V Institutional, L.P., a Delaware limited partnership and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

2.36 “Restricted Stock” means Shares issued or transferred to an Eligible Individual pursuant to Section 8.

2.37 “Restricted Stock Units” means rights granted to an Eligible Individual under Section 8 representing a number of hypothetical Shares.

2.38 “Share Award” means an Award of Shares granted pursuant to Section 10.

2.39 “Shares” means the common stock, par value $.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged.

2.40 “Stock Appreciation Right” means a right to receive all or some portion of the increase, if any, in the value of the Shares as provided in Section 6 hereof.

2.41 “Subsidiary” means (a) except as provided in subsection (b) below, any corporation which is a subsidiary corporation within the meaning of Section 424(f) of the Code with respect to the Company, and (b) in relation to the eligibility to receive Options or Awards other than Incentive Stock Options and continued employment for purposes of Options and

Awards (unless the Committee determines otherwise), any entity, whether or not incorporated, in which the Company directly or indirectly owns at least 50% or more of the outstanding equity or other ownership interests.

2.42 “Ten-Percent Shareholder” means an Eligible Individual who, at the time an Incentive Stock Option is to be granted to him or her, owns (within the meaning of Section 422(b)(6) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, a Parent or a Subsidiary.

2.43 “Termination Date” means the date that is ten (10) years after the Effective Date, unless the Plan is earlier terminated by the Board pursuant to Section 15 hereof.

2.44 “Transition Period” means the period beginning with an Initial Public Offering and ending as of the earlier of (i) the date of the first annual meeting of shareholders of the Company at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the Initial Public Offering occurs and (ii) the expiration of the “reliance period” under Treasury Regulation Section 1.162-27(f)(2).

3. **Administration.**

3.1 Committees; Procedure. The Plan shall be administered by a Committee which, until the Board appoints a different Committee, shall be the Compensation Committee of the Board. The Committee may adopt such rules, regulations and guidelines as it deems are necessary or appropriate for the administration of the Plan. The Committee shall consist of at least two (2) Directors and may consist of the entire Board; *provided*, *however*, that from and after the date of an Initial Public Offering (a) if the Committee consists of less than the entire Board, then, with respect to any Option or Award granted to an Eligible Individual who is subject to Section 16 of the Exchange Act, the Committee shall consist of at least two Directors, each of whom shall be a Non-Employee Director, and (b) to the extent necessary for any Option or Award intended to qualify as Performance-Based Compensation to so qualify, the Committee shall consist of at least two Directors, each of whom shall be an Outside Director. For purposes of the preceding sentence, if one or more members of the Committee is not a Nonemployee Director and an Outside Director but recuses himself or herself or abstains from voting with respect to a particular action taken by the Committee, then the Committee, with respect to that action, shall be deemed to consist only of the members of the Committee who have not recused themselves or abstained from voting.

3.2 Board Reservation and Delegation. Except to the extent necessary for any Award or Option intended to qualify as Performance-Based Compensation to so qualify, the Board may, in its discretion, reserve to itself or exercise any or all of the authority and responsibility of the Committee hereunder and may consist of one or more Directors who may, but need not be officers or employees of the Company. To the extent the Board has reserved to itself, or exercised the authority and responsibility of the Committee, all references to the Committee in the Plan shall be to the Board.

3.3 Committee Powers. Subject to the express terms and conditions set forth herein, the Committee shall have the power from time to time to:

(a) select those Eligible Individuals to whom Options shall be granted under the Plan and the number of such Options to be granted and prescribe the terms and conditions (which need not be identical) of each such Option, including the exercise price per Share, the vesting schedule and the duration of each Option, and make any amendment or modification to any Option Agreement consistent with the terms of the Plan;

(b) select those Eligible Individuals to whom Awards shall be granted under the Plan and determine the number of Shares or amount of cash in respect of which each Award is granted, the terms and conditions (which need not be identical) of each such Award, and make any amendment or modification to any Agreement consistent with the terms of the Plan;

(c) construe and interpret the Plan and the Options and Awards granted hereunder and establish, amend and revoke rules and regulations for the administration of the Plan, including, but not limited to, correcting any defect or supplying any omission, or reconciling any inconsistency in the Plan or in any Agreement, in the manner and to the extent it shall deem necessary or advisable, including so that the Plan and the operation of the Plan comply with Rule 16b-3 under the Exchange Act, the Code to the extent applicable and other applicable law, and otherwise to make the Plan fully effective;

(d) determine the duration and purposes for leaves of absence which may be granted to a Participant on an individual basis without constituting a termination of employment or service for purposes of the Plan;

(e) cancel, with the consent of the Participant, outstanding Awards and Options;

(f) exercise its discretion with respect to the powers and rights granted to it as set forth in the Plan; and

(g) generally, exercise such powers and perform such acts as are deemed necessary or advisable to promote the best interests of the Company with respect to the Plan.

All decisions and determinations by the Committee in the exercise of the above powers shall be final, binding and conclusive upon the Company, its Subsidiaries, the Participants and all other persons having any interest therein.

3.4 Notwithstanding anything herein to the contrary, with respect to Participants working outside the United States, the Committee may determine the terms and conditions of

Options and Awards and make such adjustments to the terms thereof as are necessary or advisable to fulfill the purposes of the Plan taking into account matters of local law or practice, including tax and securities laws of jurisdictions outside the United States.

3.5 Indemnification. No member of the Committee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to the Plan or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with any actions in administering the Plan or in authorizing or denying authorization to any transaction hereunder.

3.6 No Repricing of Options or Stock Appreciation Rights. The Committee shall have no authority to make any adjustment (other than in connection with a stock dividend, recapitalization or other transaction where an adjustment is permitted or required under the terms of the Plan) or amendment, and no such adjustment or amendment shall be made, that reduces or would have the effect of reducing the exercise price of an Option or Stock Appreciation Right previously granted under the Plan, whether through amendment, cancellation or replacement grants, or other means, unless the Company's shareholders shall have approved such adjustment or amendment.

4. **Stock Subject to the Plan; Grant Limitations.**

4.1 Aggregate Number of Shares Authorized for Issuance. Subject to any adjustment as provided in the Plan, the Shares to be issued under the Plan may be, in whole or in part, authorized but unissued Shares or issued Shares which shall have been reacquired by the Company and held by it as treasury shares. The aggregate number of Shares that may be made the subject of Awards or Options granted under the Plan shall not exceed 7,500,000, no more than 1,000,000 of which may be granted as Incentive Stock Options.

4.2 Individual Limit. The aggregate number of Shares that may be the subject of Options, Stock Appreciation Rights, Performance-Based Restricted Stock and Performance Share Units granted to an Eligible Individual in any three calendar year period may not exceed 6,000,000. The maximum dollar amount of cash or the Fair Market Value of Shares that any individual may receive in any calendar year in respect of Performance Units may not exceed $3,000,000.

4.3 Calculating Shares Available.

(a) Upon the granting of an Award or an Option, the number of Shares available under this Section 4 for the granting of further Awards and Options shall be reduced as follows:

(i) In connection with the granting of an Option, Stock Appreciation Right (other than a Stock Appreciation Right Related to an Option), Restricted Stock Unit, Share Award or Award of Restricted Stock, Performance-Based Restricted Stock or Performance Share Units, the number of Shares available under this Section 4 for the granting of further Options and Awards shall be reduced by the number of Shares in respect of which the Option or Award is granted or denominated.

(ii) In connection with the granting of a Performance Unit, the number of Shares available under this Section 4 for the granting of further Options and Awards initially shall be reduced by the Share Equivalent number of Performance Units granted, with a corresponding adjustment if the Performance Unit is ultimately settled in whole or in part with a different number of Shares. For purposes of this Section 4, the "Share Equivalent" number of Performance Units shall be equal to the quotient of (i) the aggregate dollar amount in which the Performance Units are denominated, divided by (ii) the Fair Market Value of a Share on the date of grant.

(iii) In connection with the granting of a Dividend Equivalent Right, the number of Shares available under this Section 4 shall not be reduced; *provided, however*, that if Shares are issued in settlement of a Dividend Equivalent Right, the number of Shares available for the granting of further Options and Awards under this Section 4 shall be reduced by the number of Shares so issued.

(b) Notwithstanding Section 4.3(a), in the event that an Award is granted that, pursuant to the terms of the Agreement, cannot be settled in Shares, the aggregate number of Shares that may be made the subject of Awards or Options granted under the Plan shall not be reduced. Whenever any outstanding Option or Award or portion thereof expires, is canceled, is settled in cash or is otherwise terminated for any reason without having been exercised or payment having been made in respect of the entire Option or Award, the number of Shares available under this Section 4 shall be increased by the number of Shares previously allocable under Section 4.3(a) to the expired, canceled, settled or otherwise terminated portion of the Option or Award.

(c) Notwithstanding anything in this Section 4.3 to the contrary, (i) Shares tendered as full or partial payment of the Option Price shall not increase the number of Shares available under this Section 4, (ii) Shares tendered as settlement of tax withholding obligations shall not increase the number of Shares available under this Section 4, and (iii) Shares repurchased by the Company using proceeds from the exercise of Options shall not be available for issuance under the Plan.

(d) Where two or more Awards are granted with respect to the same Shares, such Shares shall be taken into account only once for purposes of this Section 4.3.

5. **<u>Stock Options</u>.**

5.1 <u>Authority of Committee</u>. Subject to the provisions of the Plan, the Committee shall have full and final authority to select those Eligible Individuals who will receive Options, and the terms and conditions of the grant to any such Eligible Individual shall be set forth in an Agreement. Incentive Stock Options may be granted only to Eligible Individuals who are employees of the Company or any Subsidiary on the date the Incentive Stock Option is granted.

5.2 <u>Exercise Price</u>. The purchase price or the manner in which the exercise price is to be determined for Shares under each Option shall be determined by the Committee and set forth in the Agreement; *provided, however*, that the exercise price per Share under each Option shall not be less than the greater of (i) the par value of a Share and (ii) 100% of the Fair Market Value of a Share on the date the Option is granted (110% in the case of an Incentive Stock Option granted to a Ten-Percent Shareholder).

5.3 <u>Maximum Duration</u>. Options granted hereunder shall be for such term as the Committee shall determine; *provided* that an Incentive Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted (five (5) years in the case of an Incentive Stock Option granted to a Ten-Percent Shareholder) and a Nonqualified Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted; *provided, further, however*, that unless the Committee provides otherwise, an Option (other than an Incentive Stock Option) may, upon the death of the Participant prior to the expiration of the Option, be exercised for up to one (1) year following the date of the Participant's death even if such period extends beyond ten (10) years from the date the Option is granted. The Committee may, subsequent to the granting of any Option, extend the term thereof, but in no event shall the term as so extended exceed the maximum term provided for in the preceding sentence.

5.4 <u>Vesting</u>. The Committee shall determine the time or times at which an Option shall become vested and exercisable. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, at any time after becoming exercisable, but not later than the date the Option expires. The Committee may accelerate the exercisability of any Option or portion thereof at any time.

5.5 <u>Limitations on Incentive Stock Options</u>. To the extent that the aggregate Fair Market Value (determined as of the date of the grant) of Shares with respect to which Incentive Stock Options granted under the Plan and "incentive stock options" (within the meaning of Section 422 of the Code) granted under all other plans of the Company or its Subsidiaries (in either case determined without regard to this Section 5.5) are exercisable by a Participant for the first time during any calendar year exceeds $100,000, such Incentive Stock Options shall be treated as Nonqualified Stock Options. In applying the limitation in the preceding sentence in the case of multiple Option grants, unless otherwise required by applicable law, Options which were intended to be Incentive Stock Options shall be treated as Nonqualified Stock Options according to the order in which they were granted such that the most recently granted Options are first treated as Nonqualified Stock Options.

5.6 Transferability. Except as otherwise provided in this Section 5.6, no Option shall be transferable by the Participant otherwise than by will or by the laws of descent and distribution, and an Option shall be exercisable during the lifetime of such Participant only by the Participant or his or her guardian or legal representative. The Committee may set forth in the Agreement evidencing an Option (other than an Incentive Stock Option) at the time of grant or thereafter, that the Option, or a portion thereof, may be transferred to any third party, including but not limited to, members of the Participant's immediate family, to trusts solely for the benefit of such immediate family members and to partnerships in which such family members and/or trusts are the only partners. In addition, for purposes of the Plan, unless otherwise determined by the Committee at the time of grant or thereafter, a transferee of an Option pursuant to this Section 5.6 shall be deemed to be the Participant; *provided* that the rights of any such transferee thereafter shall be nontransferable except that such transferee, where applicable under the terms of the transfer by the Participant, shall have the right previously held by the Participant to designate a Beneficiary. For this purpose, immediate family means the Participant's spouse, parents, children, stepchildren and grandchildren and the spouses of such parents, children, stepchildren and grandchildren. The terms of an Option shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Participant. Notwithstanding Section 19.2, or the terms of any Agreement, the Company or any Subsidiary shall not withhold any amount attributable to the Participant's tax liability from any payment of cash or Shares to a transferee or transferee's Beneficiary under this Section 5.6, but may require the payment of an amount equal to the Company's or any Subsidiary's withholding tax obligation as a condition to exercise or as a condition to the release of cash or Shares upon exercise or upon transfer of the option.

5.7 Method of Exercise. The exercise of an Option shall be made only by giving written notice delivered in person or by mail to the person designated by the Company, specifying the number of Shares to be exercised and, to the extent applicable, accompanied by payment therefor and otherwise in accordance with the Agreement pursuant to which the Option was granted. The exercise price for any Shares purchased pursuant to the exercise of an Option shall be paid in any or any combination of the following forms: (a) cash or its equivalent (e.g., a check) or (b) if permitted by the Committee, the transfer, either actually or by attestation, to the Company of Shares that have been held by the Participant for at least six (6) months (or such lesser period as may be permitted by the Committee) prior to the exercise of the Option, such transfer to be upon such terms and conditions as determined by the Committee or (c) in the form of other property as determined by the Committee. In addition, Options may be exercised through a registered broker-dealer pursuant to such cashless exercise procedures that are, from time to time, deemed acceptable by the Committee. Any Shares transferred to the Company as payment of the exercise price under an Option shall be valued at their Fair Market Value on the last business day preceding the date of exercise of such Option. If requested by the Committee, the Participant shall deliver the Agreement evidencing the Option to the Company, which shall endorse thereon a notation of such exercise and return such Agreement to the Participant. No fractional Shares (or cash in lieu thereof) shall be issued upon exercise of an Option and the number of Shares that may be purchased upon exercise shall be rounded to the nearest number of whole Shares.

5.8 Rights of Participants. No Participant shall be deemed for any purpose to be the owner of any Shares subject to any Option unless and until (a) the Option shall have been exercised pursuant to the terms thereof, (b) the Company shall have issued and delivered Shares (whether or not certificated) to the Participant, a securities broker acting on behalf of the Participant or such other nominee of the Participant, and (c) the Participant's name, or the name of his or her broker or other nominee, shall have been entered as a shareholder of record on the books of the Company. Thereupon, the Participant shall have full voting, dividend and other ownership rights with respect to such Shares, subject to such terms and conditions as may be set forth in the applicable Agreement.

5.9 Effect of Change in Control. The effect of a Change in Control on an Option may be set forth in the applicable Agreement.

6. **Stock Appreciation Rights.**

6.1 Grant. The Committee may in its discretion, either alone or in connection with the grant of an Option, grant Stock Appreciation Rights to Eligible Individuals in accordance with the Plan, the terms and conditions of which shall be set forth in an Agreement. A Stock Appreciation Right may be granted (a) at any time if unrelated to an Option or (b) if related to an Option, either at the time of grant or at any time thereafter during the term of the Option.

6.2 Stock Appreciation Right Related to an Option. If granted in connection with an Option, a Stock Appreciation Right shall cover the same Shares covered by the Option (or such lesser number of Shares as the Committee may determine) and shall, except as provided in this Section 6, be subject to the same terms and conditions as the related Option.

(a) Exercise; Transferability. A Stock Appreciation Right granted in connection with an Option (i) shall be exercisable at such time or times and only to the extent that the related Option is exercisable, (ii) shall be exercisable only if the Fair Market Value of a Share on the date of exercise exceeds the exercise price specified in the Agreement evidencing the related Incentive Stock Option and (iii) shall not be transferable except to the extent the related Option is transferable.

(b) Amount Payable. Upon the exercise of a Stock Appreciation Right related to an Option, the Participant shall be entitled to receive an amount determined by multiplying (i) the excess of the Fair Market Value of a Share on the last business day preceding the date of exercise of such Stock Appreciation Right over the per Share exercise price under the related Option, by (ii) the number of Shares as to which such Stock Appreciation Right is being exercised. Notwithstanding the foregoing, the Committee may limit in any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

(c) Treatment of Related Options and Stock Appreciation Rights Upon Exercise. Upon the exercise of a Stock Appreciation Right granted in connection with an Option, the Option shall be canceled to the extent of the number of Shares as to which the Stock Appreciation Right is exercised, and upon the exercise of an Option granted in connection with a Stock Appreciation Right, the Stock Appreciation Right shall be canceled to the extent of the number of Shares as to which the Option is exercised or surrendered.

6.3 Stock Appreciation Right Unrelated to an Option. A Stock Appreciation Right unrelated to an Option shall cover such number of Shares as the Committee shall determine.

(a) Terms; Duration. Stock Appreciation Rights unrelated to Options shall contain such terms and conditions as to exercisability, vesting and duration as the Committee shall determine, but in no event shall they have a term of greater than ten (10) years; *provided* that unless the Committee provides otherwise a Stock Appreciation Right may, upon the death of the Participant prior to the expiration of the Award, be exercised for up to one (1) year following the date of the Participant's death even if such period extends beyond ten (10) years from the date the Stock Appreciation Right is granted.

(b) Amount Payable. Upon exercise of a Stock Appreciation Right unrelated to an Option, the Grantee shall be entitled to receive an amount determined by multiplying (i) the excess of the Fair Market Value of a Share on the last business day preceding the date of exercise of such Stock Appreciation Right over the Fair Market Value of a Share on the date the Stock Appreciation Right was granted, by (ii) the number of Shares as to which the Stock Appreciation Right is being exercised. Notwithstanding the foregoing, the Committee may limit in any manner the amount payable with respect to any Stock Appreciation Right by including such a limit in the Agreement evidencing the Stock Appreciation Right at the time it is granted.

(c) Transferability. (i) Except as otherwise provided in this Section 6.3(c), no Stock Appreciation Right unrelated to an Option shall be transferable by the Participant otherwise than by will or the laws of descent and distribution, and a Stock Appreciation Right shall be exercisable during the lifetime of such Participant only by the Participant or his or her guardian or legal representative. The Committee may set forth in the Agreement evidencing a Stock Appreciation Right at the time of grant or thereafter, that the Award, or a portion thereof, may be transferred to any third party, including but not limited to, members of the Participant's immediate family, to trusts solely for the benefit of such immediate family members and to partnerships in which such family members and/or trusts are the only partners. In addition, for purposes of the Plan, unless otherwise determined by the Committee at the time of grant or thereafter, a transferee of a Stock Appreciation Right pursuant to this Section 6.3(c) shall be deemed to be the Participant; *provided* that the rights of any such transferee thereafter shall be nontransferable except that such transferee, where applicable under the terms of the transfer by the Participant, shall have the right previously held by the Participant to designate a Beneficiary. For this purpose, immediate family means the Participant's spouse, parents, children, stepchildren and grandchildren and the spouses of such parents, children, stepchildren and grandchildren. The terms of a Stock Appreciation Right shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Participant. Notwithstanding Section 19.2, or the terms of any Agreement, the Company or any Subsidiary shall not withhold any amount attributable to the Participant's tax liability from any payment of cash or Shares to a transferee or transferee's Beneficiary under this Section 6.3(c), but may require the payment of an amount equal to the Company's or any Subsidiary's withholding tax obligation as a condition to exercise or as a condition to the release of cash or Shares upon exercise or upon transfer of the Stock Appreciation Right.

6.4 Method of Exercise. Stock Appreciation Rights shall be exercised by a Participant only by giving written notice delivered in person or by mail to the person designated by the Company, specifying the number of Shares with respect to which the Stock Appreciation Right is being exercised. If requested by the Committee, the Participant shall deliver the Agreement evidencing the Stock Appreciation Right being exercised and the Agreement evidencing any related Option to the Company, which shall endorse thereon a notation of such exercise and return such Agreement to the Participant.

6.5 Form of Payment. Payment of the amount determined under Section 6.2(b) or 6.3(b) may be made in the discretion of the Committee solely in whole Shares in a number determined at their Fair Market Value on the last business day preceding the date of exercise of the Stock Appreciation Right, or solely in cash, or in a combination of cash and Shares. If the Committee decides to make full payment in Shares and the amount payable results in a fractional Share, payment for the fractional Share will be made in cash.

6.6 Effect of Change in Control. The effect of a Change in Control on a Stock Appreciation Right may be set forth in the applicable Agreement.

7. **Dividend Equivalent Rights.**

The Committee may in its discretion, grant Dividend Equivalent Rights either in tandem with an Option or Award or as a separate Award, to Eligible Individuals in accordance with the Plan. The terms and conditions applicable to each Dividend Equivalent Right shall be specified in the Agreement under which the Dividend Equivalent Right is granted. Amounts payable in respect of Dividend Equivalent Rights may be payable currently or, if applicable, deferred until the lapsing of restrictions on such Dividend Equivalent Rights or until the vesting, exercise, payment, settlement or other lapse of restrictions on the Option or Award to which the Dividend Equivalent Rights relate. In the event that the amount payable in respect of Dividend Equivalent Rights are to be deferred, the Committee shall determine whether such amounts are to be held in cash or reinvested in Shares or deemed (notionally) to be reinvested in Shares. If amounts payable in respect of Dividend Equivalent

Rights are to be held in cash, there may be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum as the Committee, in its discretion, may determine. Dividend Equivalent Rights may be settled in cash or Shares or a combination thereof, in a single installment or multiple installments, as determined by the Committee.

8. **Restricted Stock; Restricted Stock Units.**

8.1 Restricted Stock. The Committee may grant to Eligible Individuals Awards of Restricted Stock, which shall be evidenced by an Agreement. Each Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine and (without limiting the generality of the foregoing) such Agreements may require that an appropriate legend be placed on Share certificates. Awards of Restricted Stock shall be subject to the terms and provisions set forth below in this Section 8.1 and in Section 8.3.

(a) Rights of Participant. Shares of Restricted Stock granted pursuant to an Award hereunder shall be issued in the name of the Participant as soon as reasonably practicable after the Award is granted provided that the Participant has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Shares. At the discretion of the Committee, Shares issued in connection with an Award of Restricted Stock shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Unless the Committee determines otherwise and as set forth in the Agreement, upon delivery of the Shares to the escrow agent, the Participant shall have all of the rights of a shareholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares.

(b) Non-transferability. Until all restrictions upon the Shares of Restricted Stock awarded to a Participant shall have lapsed in the manner set forth in Section 8.1(c), such Shares shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

(c) Lapse of Restrictions.

(i) Generally. Subject to the provisions of Section 8.3, restrictions upon Shares of Restricted Stock awarded hereunder shall lapse at such time or times and on such terms and conditions as the Committee may determine. The Agreement evidencing the Award shall set forth any such restrictions.

(ii) Effect of Change in Control. The effect of a Change in Control on an Awards of Shares of Restricted Stock may be set forth in the applicable Agreement.

(d) Treatment of Dividends. At the time an Award of Restricted Stock is granted, the Committee may, in its discretion, determine that the payment to the Participant of dividends, or a specified portion thereof, declared or paid on such Shares by the Company shall be (i) deferred until the lapsing of the restrictions imposed upon such Shares and (ii) held by the Company for the account of the Participant until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in Shares (which shall be held as additional Shares of Restricted Stock) or held in cash. If deferred dividends are to be held in cash, there may be credited interest on the amount of the account at such times and at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred dividends in respect of Shares of Restricted Stock (whether held in cash or as additional Shares of Restricted Stock), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Shares in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Shares of Restricted Stock shall be forfeited upon the forfeiture of such Shares.

(e) Delivery of Shares. Upon the lapse of the restrictions on Shares of Restricted Stock, the Committee shall cause a stock certificate or evidence of book entry Shares to be delivered to the Participant with respect to such Shares of Restricted Stock, free of all restrictions hereunder.

8.2 Restricted Stock Unit Awards. The Committee may grant to Eligible Individuals Awards of Restricted Stock Units, which shall be evidenced by an Agreement. Each such Agreement shall contain such restrictions, terms and conditions as the Committee may, in its discretion, determine. Awards of Restricted Stock Units shall be subject to the terms and provisions set forth below in this Section 8.2 and in Section 8.3.

(a) Payment of Awards. Each Restricted Stock Unit shall represent the right of the Participant to receive a payment upon vesting of the Restricted Stock Unit or on any later date specified by the Committee equal to the Fair Market Value of a Share as of the date the Restricted Stock Unit was granted, the vesting date or such other date as determined by the Committee at the time the Restricted Stock Unit was granted. The Committee may, at the time a Restricted Stock Unit is granted, provide a limitation on the amount payable in respect of each Restricted Stock Unit. The Committee may provide for the settlement of Restricted Stock Units in cash or with Shares having a Fair Market Value equal to the payment to which the Participant has become entitled.

(b) Effect of Change in Control. The effect of a Change in Control on an Award of Restricted Stock Units shall be set forth in the applicable Agreement.

9. **Performance Awards.**

9.1 Performance Units and Performance Share Units. The Committee, in its discretion, may grant Awards of Performance Units and/or Performance Share Units to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement.

(a) Performance Units. Performance Units shall be denominated in a specified dollar amount and, contingent upon the attainment of specified Performance Objectives within the Performance Cycle, represent the right to receive payment as provided in Sections 9.1(c) and (d) of the specified dollar amount or a percentage of the specified dollar amount depending on the level of Performance Objective attained; *provided, however*, that the Committee may at the time a Performance Unit is granted specify a maximum amount payable in respect of a vested Performance Unit. Each Agreement shall specify the number of Performance Units to which it relates, the Performance Objectives which must be satisfied in order for the Performance Units to vest and the Performance Cycle within which such Performance Objectives must be satisfied.

(b) Performance Share Units. Performance Share Units shall be denominated in Shares and, contingent upon the attainment of specified Performance Objectives within the Performance Cycle, each Performance Share Unit represents the right to receive payment as provided in Sections 9.1(c) and (d) of the Fair Market Value of a Share on the date the Performance Share Unit was granted, the date the Performance Share Unit became vested or any other date specified by the Committee or a percentage of such amount depending on the level of Performance Objective attained; *provided, however*, that the Committee may at the time a Performance Share Unit is granted specify a maximum amount payable in respect of a vested Performance Share Unit. Each Agreement shall specify the number of Performance Share Units to which it relates, the Performance Objectives which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle within which such Performance Objectives must be satisfied.

(c) Vesting and Forfeiture. Subject to Sections 9.3(c) and 9.4, a Participant shall become vested with respect to the Performance Share Units and Performance Units to the extent that the Performance Objectives for the Performance Cycle and other terms and conditions set forth in the Agreement are satisfied; *provided, however,* that, except as may be provided pursuant to Section 9.4, no Performance Cycle for Performance Share Units and Performance Units shall be less than one (1) year.

(d) Payment of Awards. Subject to Sections 9.3(c) and 9.4, payment to Participants in respect of vested Performance Share Units and Performance Units shall be made as soon as practicable after the last day of the Performance Cycle to which such Award relates or at such other time or times as the Committee may determine, but in no event later than $2^1/_2$ months after the end of the calendar year in which the Performance Cycle is completed. Subject to Section 9.4, such payments may be made entirely in Shares valued at their Fair Market Value, entirely in cash, or in such combination of Shares and cash as the Committee in its discretion shall determine at any time prior to such payment; *provided, however*, that if the Committee in its discretion determines to make such payment entirely or partially in Shares of Restricted Stock, the Committee must determine the extent to which such payment will be in Shares of Restricted Stock and the terms of such Restricted Stock at the time the Award is granted.

9.2 Performance-Based Restricted Stock. The Committee, in its discretion, may grant Awards of Performance-Based Restricted Stock to Eligible Individuals, the terms and conditions of which shall be set forth in an Agreement. Each Agreement may require that an appropriate legend be placed on Share certificates. Awards of Performance-Based Restricted Stock shall be subject to the following terms and provisions:

(a) Rights of Participant. Performance-Based Restricted Stock shall be issued in the name of the Participant as soon as reasonably practicable after the Award is granted or at such other time or times as the Committee may determine; *provided, however*, that no Performance-Based Restricted Stock shall be issued until the Participant has executed an Agreement evidencing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such Performance-Based Restricted Stock. At the discretion of the Committee, Shares issued in connection with an Award of Performance-Based Restricted Stock shall be deposited together with the stock powers with an escrow agent (which may be the Company) designated by the Committee. Except as restricted by the terms of the Agreement, upon delivery of the Shares to the escrow agent, the Participant shall have, in the discretion of the Committee, all of the rights of a shareholder with respect to such Shares, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares. Each Agreement shall specify the number of Shares of Performance-Based Restricted Stock to which it relates, the Performance Objectives which must be satisfied in order for the Performance-Based Restricted Stock to vest and the Performance Cycle within which such Performance Objectives must be satisfied.

(b) Lapse of Restrictions. Subject to Sections 9.3(c) and 9.4, restrictions upon Performance-Based Restricted Stock awarded hereunder shall lapse and such Performance-Based Restricted Stock shall become vested at such time or times and on such terms, conditions and satisfaction of Performance Objectives as the Committee may, in its discretion, determine at the time an Award is granted; *provided, however,* that, except as may be provided pursuant to Section 9.4, no Performance Cycle for Performance-Based Restricted Stock shall be less than one (1) year.

(c) Treatment of Dividends. At the time the Award of Performance-Based Restricted Stock is granted, the Committee may, in its discretion, determine that the payment to the Participant of dividends, or a specified portion thereof, declared or paid on Shares represented by such Award which have been issued by the Company to the Participant shall be (i) deferred until the lapsing of the restrictions imposed upon such Performance-Based Restricted Stock and (ii) held by the Company for the account of the Participant until such time. In the event that dividends are to be deferred, the Committee shall determine whether such dividends are to be reinvested in Shares (which shall be held as additional Shares of Performance-Based Restricted Stock) or held in cash. If deferred dividends are to be held in cash, there may be credited interest on the amount of the account at such times and at a rate per annum as the Committee, in its discretion, may determine. Payment of deferred dividends in respect of Shares of Performance-Based Restricted Stock (whether held in cash or in additional Shares of Performance-Based Restricted Stock), together with interest accrued thereon, if any, shall be made upon the lapsing of restrictions imposed on the Performance-Based Restricted Stock in respect of which the deferred dividends were paid, and any dividends deferred (together with any interest accrued thereon) in respect of any Performance-Based Restricted Stock shall be forfeited upon the forfeiture of such Performance-Based Restricted Stock.

(d) Delivery of Shares. Upon the lapse of the restrictions on Shares of Performance-Based Restricted Stock awarded hereunder, the Committee shall cause a stock certificate or evidence of book entry Shares to be delivered to the Participant with respect to such Shares, free of all restrictions hereunder.

9.3 Performance Objectives

(a) Establishment. Performance Objectives for Performance Awards may be expressed in terms of (i) stock price, (ii) earnings per share, (iii) operating income, (iv) return on equity or assets, (v) cash flow, (vi) EBITDA, (vii) revenues, (viii) overall revenue or sales growth, (ix) expense reduction or management, (x) market position, (xi) total shareholder return, (xii) return on investment, (xiii) earnings before interest and taxes (EBIT), (xiv) net income, (xv) return on net assets, (xvi) economic value added, (xvii) shareholder value added, (xviii) cash flow return on investment, (xix) net operating profit, (xx) net operating profit after tax, (xxi) return on capital, (xxii) return on invested capital, or (xxiii) any combination, including one or more ratios, of the foregoing. Performance Objectives may be in respect of the performance of the Company, any of its Subsidiaries, any of its Divisions or any combination thereof. Performance Objectives may be absolute or relative (to prior performance of the Company or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range. In the case of a Performance Award which is intended to constitute Performance-Based Compensation, the Performance Objectives with respect to a Performance Cycle shall be established in writing by the Committee by the earlier of (i) the date on which a quarter of the Performance Cycle has elapsed and (ii) the date which is ninety (90) days after the commencement of the Performance Cycle, and in any event while the performance relating to the Performance Objectives remain substantially uncertain.

(b) Effect of Certain Events. The Committee may, at the time the Performance Objectives in respect of a Performance Award are established, provide for the manner in which performance will be measured against the Performance Objectives to reflect the effects of extraordinary items, gain or loss on the disposal of a business segment (other than provisions for operating losses or income during the phase-out period), unusual or infrequently occurring events and transactions that have been publicly disclosed, changes in accounting principles, the impact of specified corporate transactions (such as a stock split or stock dividend), special charges and tax law changes, all as determined in accordance with generally accepted accounting principles (to the extent applicable); *provided*, that in respect of Performance Awards intended to constitute Performance-Based Compensation, such provisions shall be permitted only to the extent permitted under Section 162(m) of the Code and the regulations promulgated thereunder without adversely affecting the treatment of any Performance Award as Performance-Based Compensation.

(c) Determination of Performance. Prior to the vesting, payment, settlement or lapsing of any restrictions with respect to any Performance Award, the Committee shall certify in writing that the applicable Performance Objectives have been satisfied to the extent necessary for such Award to qualify as Performance-Based Compensation. In respect of a Performance Award, the Committee may, in its sole discretion, reduce the amount of cash paid or number of Shares issued that become vested or on which restrictions lapse. The Committee shall not be entitled to exercise any discretion otherwise authorized hereunder with respect to any Performance Award intended to constitute Performance Based Compensation if the ability to exercise such discretion or the exercise of such discretion itself would cause the compensation attributable to such Awards to fail to qualify as Performance-Based Compensation.

9.4 Effect of Change in Control. The effect of a Change in Control on a Performance Award may be set forth in the applicable Agreement.

9.5 Non-transferability. Until the vesting of Performance Units and Performance Share Units or the lapsing of any restrictions on Performance-Based Restricted Stock, as the case may be, such Performance Units, Performance Share Units or Performance-Based Restricted Stock shall not be sold, transferred or otherwise disposed of and shall not be pledged or otherwise hypothecated.

10. **Share Awards.**

The Committee may grant a Share Award to any Eligible Individual on such terms and conditions as the Committee may determine in its sole discretion. Share Awards may be made as additional compensation for services rendered by the Eligible Individual or may be in lieu of cash or other compensation to which the Eligible Individual is entitled from the Company.

11. **Effect of a Termination of Employment.**

The Agreement evidencing the grant of each Option and each Award shall set forth the terms and conditions applicable to such Option or Award upon (a) a termination or change in the status of the employment of the Participant by the Company, a Subsidiary or a Division (including a termination or change by reason of the sale of a Subsidiary or a Division), or (b) in the case of a Director, the cessation of the Director's service on the Board, which shall be as the Committee may, in its discretion, determine at the time the Option or Award is granted or thereafter.

12. **Adjustment Upon Changes in Capitalization.**

12.1 In the event of a Change in Capitalization, the Committee shall conclusively determine the appropriate adjustments, if any, to (a) the maximum number and class of Shares or other stock or securities with respect to which Options or Awards may be granted under the Plan, (b) the maximum number and class of Shares or other stock or securities that may be issued upon exercise of Incentive Stock Options, (c) the maximum number and class of Shares or other stock or securities with respect to which Options or Awards may be granted to any Eligible Individual in any calendar year, (d) the number and class of Shares or other stock or securities, cash or other property which are subject to outstanding Options or Awards granted under the Plan and the exercise price therefore, if applicable and (e) the Performance Objectives.

12.2 Any such adjustment in the Shares or other stock or securities (a) subject to outstanding Incentive Stock Options (including any adjustments in the exercise price) shall be made in such manner as not to constitute a modification as defined by Section 424(h)(3) of the Code and only to the extent otherwise permitted by Sections 422 and 424 of the Code or (b) subject to outstanding Options or Awards that are intended to qualify as Performance-Based Compensation shall be made in such a manner as not to adversely affect the treatment of the Options or Awards as Performance-Based Compensation.

12.3 If, by reason of a Change in Capitalization, a Participant shall be entitled to, or shall be entitled to exercise an Option with respect to, new, additional or different shares of stock or securities of the Company or any other corporation, such new, additional or different shares shall thereupon be subject to all of the conditions, restrictions and performance criteria which were applicable to the Shares subject to the Award or Option, as the case may be, prior to such Change in Capitalization.

13. **Effect of Certain Transactions.**

Subject to the terms of an Agreement, following (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a "Transaction"), either (i) each outstanding Option or Award shall be treated as provided for in the agreement entered into in connection with the Transaction or (ii) if not so provided in such agreement, each Optionee and Grantee shall be entitled to receive in respect of each Share subject to any outstanding Options or Awards, as the case may be, upon exercise of any Option or payment or transfer in respect of any Award, the same number and kind of stock, securities, cash, property or other consideration that each holder of a Share was entitled to receive in the Transaction in respect of a Share; *provided*, *however*, that such stock, securities, cash, property, or other consideration shall remain subject to all of the conditions, restrictions and performance criteria which were applicable to the Options and Awards prior to such Transaction. Without limiting the generality of the foregoing, the treatment of outstanding Options and Stock Appreciation Rights pursuant to clause (i) of this Section 13 in connection with a Transaction may include the cancellation of outstanding Options and Stock Appreciation Rights upon consummation of the Transaction provided either (x) the holders of affected Options and Stock Appreciation Rights have been given a period of at least fifteen (15) days prior to the date of the consummation of the Transaction to exercise the Options or Stock Appreciation Rights (whether or not they were otherwise exercisable) or (y) the holders of the affected Options and Stock Appreciation Rights are paid (in cash or cash equivalents) in respect of each Share covered by the Option or Stock Appreciation Right being cancelled an amount equal to the excess, if any, of the per share price paid or distributed to stockholders in the transaction (the value of any non-cash consideration to be determined by the Committee in its sole discretion) over the exercise price of the Option or Stock Appreciation Right. For avoidance of doubt, (1) the cancellation of Options and Stock Appreciation Rights pursuant to clause (y) of the preceding sentence may be effected notwithstanding anything to the contrary contained in this Plan or any Agreement and (2) if the amount determined pursuant to clause (y) of the preceding sentence is zero or less, the affected Option or Stock Appreciation Right may be cancelled without any payment therefor. The treatment of any Option or Award as provided in this Section 13 shall be conclusively presumed to be appropriate for purposes of Section 12.

14. **Interpretation.**

14.1 Section 16 Compliance. The Plan is intended to comply with Rule 16b-3 promulgated under the Exchange Act and the Committee shall interpret and administer the provisions of the Plan or any Agreement in a manner consistent therewith. Any provisions inconsistent with such Rule shall be inoperative and shall not affect the validity of the Plan.

14.2 Section 162(m). Unless otherwise determined by the Committee at the time of grant, each Option, Stock Appreciation Right and Performance Award is intended to be Performance Based Compensation. Unless otherwise determined by the Committee, if any provision of the Plan or any Agreement relating to an Option or Award that is intended to be Performance-Based Compensation does not comply or is inconsistent with Section 162(m) of the Code or the regulations promulgated thereunder (including IRS Regulation § 1.162-27), such provision shall be construed or deemed amended to the extent necessary to conform to such requirements, and no provision shall be deemed to confer upon the Committee discretion to increase the amount of compensation otherwise payable in connection with any such Option or Award upon the attainment of the Performance Objectives.

14.3 Compliance With Section 409A. All Options and Awards granted under the Plan are intended either not to be subject to Section 409A of the Code or, if subject to Section 409A of the Code, to be administered, operated and construed in compliance with Section 409A of the Code and any guidance issued thereunder. Notwithstanding this or any other provision of the Plan to the contrary, the Committee may amend the Plan or any Option or Award granted hereunder in any manner, or take any other action that it determines, in its sole discretion, is necessary, appropriate or advisable (including replacing any Option or Award) to cause the Plan or any Option or Award granted hereunder to comply with Section 409A and any guidance issued thereunder or to not be subject to Section 409A. Any such action, once taken, shall be deemed to be effective from the earliest date necessary to avoid a violation of Section 409A and shall be final, binding and conclusive on all Eligible Individuals and other individuals having or claiming any right or interest under the Plan.

15. **Termination and Amendment of the Plan or Modification of Options and Awards**.

15.1 Plan Amendment or Termination. The Board may at any time terminate the Plan and the Board may at any time and from time to time amend, modify or suspend the Plan; *provided*, *however*, that:

(a) no such amendment, modification, suspension or termination shall impair or adversely alter any Options or Awards theretofore granted under the Plan, except with the consent of the Participant, nor shall any amendment, modification, suspension or termination deprive any Participant of any Shares which he or she may have acquired through or as a result of the Plan; and

(b) to the extent necessary under any applicable law, regulation or exchange requirement, no other amendment shall be effective unless approved by the shareholders of the Company in accordance with applicable law, regulation or exchange requirement.

15.2 Modification of Options and Awards. No modification of an Option or Award shall adversely alter or impair any rights or obligations under the Option or Award without the consent of the Participant.

16. **Non-Exclusivity of the Plan**.

The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

17. **Limitation of Liability**.

As illustrative of the limitations of liability of the Company, but not intended to be exhaustive thereof, nothing in the Plan shall be construed to:

(a) give any person any right to be granted an Option or Award other than at the sole discretion of the Committee;

(b) give any person any rights whatsoever with respect to Shares except as specifically provided in the Plan;

(c) limit in any way the right of the Company or any Subsidiary to terminate the employment of any person at any time; or

(d) be evidence of any agreement or understanding, express or implied, that the Company will employ any person at any particular rate of compensation or for any particular period of time.

18. **Regulations and Other Approvals; Governing Law.**

18.1 Except as to matters of federal law, the Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles thereof.

18.2 The obligation of the Company to sell or deliver Shares with respect to Options and Awards granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

18.3 The Board may make such changes as may be necessary or appropriate to comply with the rules and regulations of any government authority, or to obtain for Eligible Individuals granted Incentive Stock Options the tax benefits under the applicable provisions of the Code and regulations promulgated thereunder.

18.4 Each grant of an Option and Award and the issuance of Shares or other settlement of the Option or Award is subject to the compliance with all applicable federal, state or foreign law. Further, if at any time the Committee determines, in its discretion, that the listing, registration or qualification of Shares issuable pursuant to the Plan is required by any securities exchange or under any federal, state or foreign law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Option or Award or the issuance of Shares, no Options or Awards shall be or shall be deemed to be granted or payment made or Shares issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions that are not acceptable to the Committee. Any person exercising an Option or receiving Shares in connection with any other Award shall make such representations and agreements and furnish such information as the Board or Committee may request to assure compliance with the foregoing or any other applicable legal requirements.

18.5 Notwithstanding anything contained in the Plan or any Agreement to the contrary, in the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act of 1933, as amended (the “Securities Act”), and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required by the Securities Act and Rule 144 or other regulations promulgated thereunder. The Committee may require any individual receiving Shares pursuant to an Option or Award granted under the Plan, as a condition precedent to receipt of such Shares, to represent and warrant to the Company in writing that the Shares acquired by such individual are acquired without a view to any distribution thereof and will not be sold or transferred other than pursuant to an effective registration thereof under the Securities Act or pursuant to an exemption applicable under the Securities Act or the rules and regulations promulgated thereunder. The certificates evidencing any of such Shares shall be appropriately amended or have an appropriate legend placed thereon to reflect their status as restricted securities as aforesaid.

19. **Miscellaneous.**

19.1 Multiple Agreements. The terms of each Option or Award may differ from other Options or Awards granted under the Plan at the same time, or at some other time. The Committee may also grant more than one Option or Award to a given Eligible Individual during the term of the Plan, either in addition to, or subject to Section 3.6, in substitution for, one or more Options or Awards previously granted to that Eligible Individual.

19.2 Withholding of Taxes.

(a) The Company or any Subsidiary may withhold from any payment of cash or Shares to a Participant or other person under the Plan an amount sufficient to cover any withholding taxes which may become required with respect to such payment or shall take any other action as it deems necessary to satisfy any income or other tax withholding requirements as a result of the grant or exercise of any Award under the Plan. The Company or any Subsidiary shall have the right to require the payment of any such taxes and require that any person furnish information deemed necessary by the Company or any Subsidiary to meet any tax reporting obligation as a condition to exercise or before making any payment pursuant to an Award or Option. If specified in an Agreement at the time of grant or otherwise approved by the Committee, a Participant may, in satisfaction of his or her obligation to pay withholding taxes in connection with the exercise, vesting or other settlement of an Option or Award, elect to (i) make a cash payment to the Company, (ii) have withheld a portion of the Shares then issuable to him or her, or (iii) surrender Shares owned by the Participant prior to the exercise, vesting or other settlement of an Option or Award, in each case having an aggregate Fair Market Value equal to the withholding taxes.

(b) If a Participant makes a disposition, within the meaning of Section 424(c) of the Code and regulations promulgated thereunder, of any Share or Shares issued to such Participant pursuant to the exercise of an Incentive Stock Option within the two-year period commencing on the day after the date of the grant or within the one-year period commencing on the day after the date of transfer of such Share or Shares to the Participant pursuant to such exercise, the Participant shall, within ten (10) days of such disposition, notify the Company thereof, by delivery of written notice to the Company at its principal executive office.

19.3 Plan Unfunded. The Plan shall be unfunded. Except for reserving a sufficient number of authorized Shares to the extent required by law to meet the requirements of the Plan, the Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure payment of any Award or Option granted under the Plan.

19.4 Beneficiary Designation. Each Participant may, from time to time, name one or more individuals (each, a "Beneficiary") to whom any benefit under the Plan is to be paid in case of the Participant's death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

19.5 Effective Date/Term. The effective date of the Plan shall be as determined by the Board, subject only to the approval by the affirmative vote of the holders of a majority of the securities of the Company present, or represented, and entitled to vote at a meeting of shareholders duly held in accordance with the applicable laws of the State of Delaware within twelve (12) months after the adoption of the Plan by the Board (the "Effective Date").

The Plan shall terminate on the Termination Date. No Option or Award shall be granted after the Termination Date. The applicable terms of the Plan, and any terms and conditions applicable to Options and Awards granted prior to the Termination Date shall survive the termination of the Plan and continue to apply to such Options and Awards.

19.6 Post-Transition Period. Following the end of the Transition Period, any Option or Award granted under the Plan which is intended to be Performance-Based Compensation, shall be subject to the approval of the material terms of the Plan by the stockholders of the Company in accordance with Section 162(m) of the Code and the regulations promulgated thereunder.

FORM OF
CVR ENERGY, INC.
2007 LONG TERM INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT, made as of the ___ day of __________, 2007 (the "Grant Date"), between CVR Energy, Inc., a Delaware corporation (the "Company"), and __________ (the "Grantee").

WHEREAS, the Company has adopted the CVR Energy, Inc. 2007 Long Term Incentive Plan (the "Plan") in order to provide an additional incentive to certain employees and directors of the Company and its Subsidiaries; and

WHEREAS, the Committee responsible for administration of the Plan has determined to grant an option to the Grantee as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Option.

1.1. The Company hereby grants to the Grantee the right and option (the "Option") to purchase all or any part of an aggregate of __________ whole Shares subject to, and in accordance with, the terms and conditions set forth in this Agreement.

1.2. The Option is not intended to qualify as an Incentive Stock Option.

1.3. This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference); and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Purchase Price.

The price at which the Grantee shall be entitled to purchase Shares upon the exercise of the Option shall be $__________ per Share.

3. Duration of Option.

Except as otherwise provided in Section 6 hereof, the Option shall be exercisable to the extent and in the manner provided herein for a period of ten (10) years from the Grant Date (the "Exercise Term").

4. Vesting and Exercisability of Option.

Unless otherwise provided in this Agreement or the Plan, the Option shall entitle the Grantee to purchase, in whole at any time or in part from time to time, thirty-three and one-third percent (33-1/3%) of the total number of Shares covered by the Option after the expiration of one (1) year from the Grant Date, an additional thirty-three and one-third percent (33-1/3%) of the total number of Shares covered by the Option after the second anniversary of the Grant Date, and the remainder of the number of Shares subject to the Option after the third anniversary of the Grant Date, and each such right of purchase shall be cumulative and shall continue, unless sooner exercised as herein provided, during the remaining period of the Exercise Term. Any fractional number of Shares resulting from the application of the percentages set forth in this Section 4 shall be rounded to the next higher whole number of Shares.

5. Manner of Exercise and Payment.

5.1. Subject to the terms and conditions of this Agreement and the Plan, the Option may be exercised by delivery of written notice to the Company, at its principal executive office. Such notice shall state that the Grantee is electing to exercise the Option and the number of Shares in respect of which the Option is being exercised and shall be signed by the person or persons exercising the Option. If requested by the Committee, such person or persons shall (i) deliver this Agreement to the Secretary of the Company who shall endorse on this Agreement a notation of such exercise and (ii) provide satisfactory proof as to the right of such person or persons to exercise the Option.

5.2. The notice of exercise described in Section 5.1 shall be accompanied by the full purchase price for the Shares in respect of which the Option is being exercised, in cash or by check or, if indicated in the notice, such payment shall follow by check from a registered broker acting as agent on behalf of the Grantee. However, at the discretion of the Committee appointed to administer the Plan, the Grantee may pay the exercise price in part or in full by transferring to the Company unrestricted Shares owned by the Grantee prior to the exercise of the Option having a Fair Market Value on the day preceding the date of exercise equal to the cash amount for which such shares are substituted.

5.3. Upon receipt of notice of exercise and full payment for the Shares in respect of which the Option is being exercised, the Company shall, subject to this Agreement and the Plan, take such action as may be necessary to effect the transfer to the Grantee of the number of Shares as to which such exercise was effective.

5.4. The Grantee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to the Option until (i) the Option shall have been exercised pursuant to the terms of this Agreement and the Grantee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised, (ii) the Company shall have issued and delivered the Shares to the Grantee, and (iii) the Grantee's name shall have been entered as a stockholder of record on the books of the Company, whereupon the Grantee shall have full voting and other ownership rights with respect to such Shares.

6. Termination of Employment.

6.1. Cause. In the event the Grantee's employment with the Company and its

Subsidiaries is terminated for Cause, the Option shall immediately expire in its entirety whether or not vested and exercisable.

6.2. Other Termination of Employment. If the employment of the Grantee with the Company and its Subsidiaries is terminated (including the Grantee's ceasing to be employed by a Subsidiary or a Division as a result of the sale of such Subsidiary or Division or an interest in such Subsidiary or Division) under any circumstance other than (i) for Cause, (ii) due the Grantee's death or (iii) due to the Grantee's Disability, any portion of the Option that is not vested and exercisable on the Termination Date shall expire and the Grantee may, at any time within ninety (90) days after the Termination Date, exercise the Option to the extent, but only to the extent, that the Option or portion thereof was vested and exercisable on the Termination Date. For purposes of this Agreement, "Termination Date" shall mean the last day on which the Grantee works for the Company, a Subsidiary or an operating division or unit of the Company or Subsidiary (a "Division").

6.3. Death or Disability. In the event the Grantee's employment with the Company and its Subsidiaries is terminated by reason of the Grantee's death or Disability, any portion of the Option that is not yet vested and exercisable on the Termination Date shall become immediately vested and fully exercisable on such date, and the entire Option shall remain exercisable for a period of one (1) year following the Termination Date by the Grantee or by the Grantee's legatee or legatees under his will, or by his personal representatives or distributees, as applicable.

6.4. No Extension of Exercise Term. Notwithstanding the terms of Section 6.2 and 6.3 and except as provided in this Section 6.4, in no event may the Option be exercised by anyone after the expiration of the Exercise Term. In the event of the Grantee's death during (i) the Grantee's employment with the Company or one of its Subsidiaries, (ii) the ninety (90) day period described in Section 6.2 or (iii) the one (1) year period described in Section 6.3, the Option shall be exercisable, to the extent exercisable immediately prior to his or her death, by the legatee or legatees under the Grantee's will, or by the Grantee's personal representatives or distributees, at any time within the one (1) year period after the date of the Optionee's death, even if such one (1) year period extends beyond the Exercise Term.

7. Non-transferability.

The Option shall not be assignable or transferable other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act). During the lifetime of the Grantee, the Option shall be exercisable only by the Grantee, his or her legal guardian or legal representatives or a bankruptcy trustee. Notwithstanding anything to the contrary contained herein, the Option may not be exercised by or transferred to any person other than the Grantee, unless such other person presents documentation to the Committee, which proves to the Committee to its reasonable satisfaction such person's right to the transfer or exercise.

8. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right with respect to continuance of employment by the Company, any Subsidiary or any Division, nor shall this Agreement or the Plan interfere in any way with the right of the Company, any Subsidiary or any Division to terminate the Grantee's employment therewith at any time.

9. Adjustments.

In the event of a Change in Capitalization, the Committee shall make equitable adjustments to the number and class of Shares or other securities, cash or property subject to the Option and the purchase price for such Shares or other securities. The Committee's adjustment shall be made in accordance with the provisions of Article 12 of the Plan and shall be final, binding and conclusive for all purposes of the Plan and this Agreement.

10. Effect of Certain Transactions.

Upon the effective date of the liquidation, dissolution, merger or consolidation of the Company (in each case, a "Transaction"), the Option shall continue in effect in accordance with its terms, except that following a Transaction either (i) the Option shall be treated as provided for in the plan or agreement entered into in connection with the Transaction (the "Transaction Agreement") or (ii) if not so provided in the Transaction Agreement, the Grantee shall be entitled to receive in respect of all Shares subject to the Option, upon exercise of the Option, the same number and kind of stock, securities, cash, property or other consideration that each holder of Shares was entitled to receive in the Transaction. Without limiting the generality of the foregoing, the treatment of outstanding Options in clause (i) of this Section 10 in connection with a Transaction may include the cancellation of outstanding Options upon consummation of the Transaction provided either (x) the Grantee has been given a period of at least fifteen (15) days prior to the date of the consummation of the Transaction to exercise the Options (whether or not they were otherwise exercisable) or (y) the Grantee is paid (in cash or cash equivalents) in respect of each Share covered by the Option being cancelled an amount equal to the excess, if any, of the per share price paid or distributed to stockholders in the transaction (the value of any non-cash consideration to be determined by the Committee in its sole discretion) over the exercise price of the Option.

11. Withholding of Taxes.

The Company shall have the right to deduct from any distribution of cash to any Grantee, an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld (the "Withholding Taxes") with respect to the Option. If a Grantee is entitled to receive Shares upon exercise of the Option, the Grantee shall pay the Withholding Taxes to the Company prior to the issuance of such Shares.

Payment of the applicable Withholding Taxes may be made in any one or any combination of: (i) cash or (ii) if permitted by the Committee, by having withheld a portion of the Shares issuable the Grantee upon exercise of the Option and valued at its Fair Market Value on the date preceding the date of exercise, equal to the Withholding Taxes.

12. Grantee Bound by the Plan.

The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

13. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the time or at any prior or subsequent time.

14. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

15. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

16. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Grantee's beneficiaries, heirs, executors, administrators and successors.

17. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

CVR ENERGY, INC.	GRANTEE
______________________________	______________________________
By:	Print Name:
Title:	

Exhibit 10.33.2

FORM OF
CVR ENERGY, INC.
2007 LONG TERM INCENTIVE PLAN
DIRECTOR STOCK OPTION AGREEMENT

THIS AGREEMENT, made as of the ___ day of __________, 2007 (the “Grant Date”), between CVR Energy, Inc., a Delaware corporation (the “Company”), and __________ (the “Grantee”).

WHEREAS, the Company has adopted the CVR Energy, Inc. 2007 Long Term Incentive Plan (the “Plan”) in order to provide an additional incentive to certain employees and directors of the Company and its Subsidiaries; and

WHEREAS, the Committee responsible for administration of the Plan has determined to grant an option to the Grantee as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Option.

1.1. The Company hereby grants to the Grantee the right and option (the “Option”) to purchase all or any part of an aggregate of __________ whole Shares subject to, and in accordance with, the terms and conditions set forth in this Agreement.

1.2. The Option is not intended to qualify as an Incentive Stock Option.

1.3. This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference); and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Purchase Price.

The price at which the Grantee shall be entitled to purchase Shares upon the exercise of the Option shall be $__________ per Share.

3. Duration of Option.

Except as otherwise provided in Section 6 hereof, the Option shall be exercisable to the extent and in the manner provided herein for a period of ten (10) years from the Grant Date (the “Exercise Term”).

4. Vesting and Exercisability of Option.

Unless otherwise provided in this Agreement or the Plan, the Option shall entitle the Grantee to purchase, in whole at any time or in part from time to time, thirty-three and one-third percent (33-1/3%) of the total number of Shares covered by the Option after the expiration of one (1) year from the Grant Date, an additional thirty-three and one-third percent (33-1/3%) of the total number of Shares covered by the Option after the second anniversary of the Grant Date, and the remainder of the number of Shares subject to the Option after the third anniversary of the Grant Date, and each such right of purchase shall be cumulative and shall continue, unless sooner exercised as herein provided, during the remaining period of the Exercise Term. Any fractional number of Shares resulting from the application of the percentages set forth in this Section 4 shall be rounded to the next higher whole number of Shares.

5. Manner of Exercise and Payment.

5.1. Subject to the terms and conditions of this Agreement and the Plan, the Option may be exercised by delivery of written notice to the Company, at its principal executive office. Such notice shall state that the Grantee is electing to exercise the Option and the number of Shares in respect of which the Option is being exercised and shall be signed by the person or persons exercising the Option. If requested by the Committee, such person or persons shall (i) deliver this Agreement to the Secretary of the Company who shall endorse on this Agreement a notation of such exercise and (ii) provide satisfactory proof as to the right of such person or persons to exercise the Option.

5.2. The notice of exercise described in Section 5.1 shall be accompanied by the full purchase price for the Shares in respect of which the Option is being exercised, in cash or by check or, if indicated in the notice, such payment shall follow by check from a registered broker acting as agent on behalf of the Grantee. However, at the discretion of the Committee appointed to administer the Plan, the Grantee may pay the exercise price in part or in full by transferring to the Company unrestricted Shares owned by the Grantee prior to the exercise of the Option having a Fair Market Value on the day preceding the date of exercise equal to the cash amount for which such shares are substituted.

5.3. Upon receipt of notice of exercise and full payment for the Shares in respect of which the Option is being exercised, the Company shall, subject to this Agreement and the Plan, take such action as may be necessary to effect the transfer to the Grantee of the number of Shares as to which such exercise was effective.

5.4. The Grantee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to the Option until (i) the Option shall have been exercised pursuant to the terms of this Agreement and the Grantee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised, (ii) the Company shall have issued and delivered the Shares to the Grantee, and (iii) the Grantee’s name shall have been entered as a stockholder of record on the books of the Company, whereupon the Grantee shall have full voting and other ownership rights with respect to such Shares.

6. Ceasing to Serve as Director.

6.1. Cause. In the event the Grantee's service to the Company and its Subsidiaries as a director terminates for Cause, the Option shall immediately expire in its entirety whether or not vested and exercisable.

6.2. Other Termination of Service. If the Grantee's service to the Company and its Subsidiaries as a director is terminated under any circumstance other than (i) for Cause, (ii) due the Grantee's death or (iii) due to the Grantee's Disability, any portion of the Option that is not vested and exercisable on the Termination Date shall expire and the Grantee may, at any time within ninety (90) days after the Termination Date, exercise the Option to the extent, but only to the extent, that the Option or portion thereof was vested and exercisable on the Termination Date. For purposes of this Agreement, "Termination Date" shall mean the last day on which the Grantee serves as a director of the Company or a Subsidiary.

6.3. Death or Disability. In the event the Grantee's service to the Company and its Subsidiaries as a director is terminated by reason of the Grantee's death or Disability, any portion of the Option that is not yet vested and exercisable on the Termination Date shall become immediately vested and fully exercisable on such date, and the entire Option shall remain exercisable for a period of one (1) year following the Termination Date by the Grantee or by the Grantee's legatee or legatees under his will, or by his personal representatives or distributees, as applicable.

6.4. No Extension of Exercise Term. Notwithstanding the terms of Section 6.2 and 6.3 and except as provided in this Section 6.4, in no event may the Option be exercised by anyone after the expiration of the Exercise Term. In the event of the Grantee's death during (i) the period of the Grantee's service as a director to the Company or one of its Subsidiaries, (ii) the ninety (90) day period described in Section 6.2 or (iii) the one (1) year period described in Section 6.3, the Option shall be exercisable, to the extent exercisable immediately prior to his or her death, by the legatee or legatees under the Grantee's will, or by the Grantee's personal representatives or distributees, at any time within the one (1) year period after the date of the Optionee's death, even if such one (1) year period extends beyond the Exercise Term.

7. Non-transferability.

The Option shall not be assignable or transferable other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act). During the lifetime of the Grantee, the Option shall be exercisable only by the Grantee, his or her legal guardian or legal representatives or a bankruptcy trustee. Notwithstanding anything to the contrary contained herein, the Option may not be exercised by or transferred to any person other than the Grantee, unless such other person presents documentation to the Committee, which proves to the Committee to its reasonable satisfaction such person's right to the transfer or exercise.

8. Adjustments.

In the event of a Change in Capitalization, the Committee shall make equitable adjustments to the number and class of Shares or other securities, cash or property subject to the Option and the purchase price for such Shares or other securities. The Committee's adjustment shall be made in accordance with the provisions of Article 12 of the Plan and shall be final, binding and conclusive for all purposes of the Plan and this Agreement.

9. Effect of Certain Transactions.

Upon the effective date of the liquidation, dissolution, merger or consolidation of the Company (in each case, a "Transaction"), the Option shall continue in effect in accordance with its terms, except that following a Transaction either (i) the Option shall be treated as provided for in the plan or agreement entered into in connection with the Transaction (the "Transaction Agreement") or (ii) if not so provided in the Transaction Agreement, the Grantee shall be entitled to receive in respect of all Shares subject to the Option, upon exercise of the Option, the same number and kind of stock, securities, cash, property or other consideration that each holder of Shares was entitled to receive in the Transaction. Without limiting the generality of the foregoing, the treatment of outstanding Options in clause (i) of this Section 9 in connection with a Transaction may include the cancellation of outstanding Options upon consummation of the Transaction provided either (x) the Grantee has been given a period of at least fifteen (15) days prior to the date of the consummation of the Transaction to exercise the Options (whether or not they were otherwise exercisable) or (y) the Grantee is paid (in cash or cash equivalents) in respect of each Share covered by the Option being cancelled an amount equal to the excess, if any, of the per share price paid or distributed to stockholders in the transaction (the value of any non-cash consideration to be determined by the Committee in its sole discretion) over the exercise price of the Option.

10. Grantee Bound by the Plan.

The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

11. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the time or at any prior or subsequent time.

12. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

13. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

14. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Grantee's beneficiaries, heirs, executors, administrators and successors.

15. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

CVR ENERGY, INC.	GRANTEE
______________________________	______________________________
By:	Print Name:
Title:	

Exhibit 10.33.3

FORM OF
CVR ENERGY, INC.
2007 LONG TERM INCENTIVE PLAN
DIRECTOR RESTRICTED STOCK AGREEMENT

THIS AGREEMENT, made as of the ___ day of __________, 2007 (the "Grant Date"), between CVR Energy, Inc., a Delaware corporation (the "Company"), and __________ (the "Grantee").

WHEREAS, the Company has adopted the CVR Energy, Inc. 2007 Long Term Incentive Plan (the "Plan") in order to provide an additional incentive to certain employees and directors of the Company and its Subsidiaries; and

WHEREAS, the Committee responsible for administration of the Plan has determined to grant an option to the Grantee as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Gant of Restricted Stock.

1.1. The Company hereby grants to the Grantee, and the Grantee hereby accepts from the Company, __________ shares of Restricted Stock on the terms and conditions set forth in this Agreement.

1.2. This Agreement shall be construed in accordance with and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference); and except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Rights of Grantee.

Except as otherwise provided in this Agreement, the Grantee shall be entitled, at all times on and after the Grant Date, to exercise all rights of a shareholder with respect to the shares of Restricted Stock (whether or not the restrictions thereon shall have lapsed), including the right to vote the shares of Restricted Stock and the right, subject to Section 6 hereof, to receive dividends thereon. Notwithstanding the foregoing, prior to the applicable Lapse Date (as defined below), the Grantee shall not be entitled to transfer, sell, pledge, hypothecate or assign the shares of Restricted Stock (collectively, the "Transfer Restrictions").

3. Vesting and Lapse of Restrictions.

The Transfer Restrictions on the shares of Restricted Stock shall lapse and the Restricted Stock granted hereunder shall vest with respect to thirty-three and one-third percent (33-1/3%) of the total number of shares of Restricted Stock granted hereunder after the expiration of one (1) year from the Grant Date (such date, the "First Lapse Date"), an additional thirty-three and one-third percent (33-1/3%) of the total number of shares of Restricted Stock granted hereunder after the second anniversary of the Grant Date (such date, the "Second Lapse Date"), and the remainder of the number of shares of Restricted Stock granted hereunder after the third anniversary of the Grant Date (such date, the "Third Lapse Date," and collectively with the First Lapse Date and Second Lapse Date, the "Lapse Dates"), provided the Grantee continues to serve as a director of the Company on the applicable Lapse Date.

4. Escrow and Delivery of Shares.

4.1. Certificates representing the shares of Restricted Stock shall be issued and held by the Company in escrow and shall remain in the custody of the Company until their delivery to the Grantee or his or her estate as set forth in Section 4.2 hereof, subject to the Grantee's delivery of any documents which the Company in its discretion may require as a condition to the issuance of shares and the delivery of shares to the Grantee or his or her estate.

4.2. Certificates representing those shares of Restricted Stock in respect of which the Transfer Restrictions have lapsed pursuant to Section 3 hereof shall be delivered to the Grantee as soon as practicable following the applicable Lapse Date.

4.3. The Grantee may receive, hold, sell or otherwise dispose of those shares delivered to him or her pursuant to Section 4.2 free and clear of the Transfer Restrictions, but subject to compliance with all federal, state and other similar securities laws.

5. Ceasing to Serve as Director.

In the event the Grantee ceases to serve as a director for any reason other than as a result of his or her death or Disability, the Grantee shall forfeit the shares of Restricted Stock which are subject to the Transfer Restrictions and shall have no rights with respect thereto. In the event the Grantee ceases to serve as a director of the Company by reason of the Grantee's death or Disability, any shares of Restricted Stock which are subject to the Transfer Restrictions shall become immediately vested.

6. Dividend Rights.

All dividends declared and paid by the Company on shares of Restricted Stock shall be deferred until each lapsing of the Transfer Restrictions pursuant to Section 3 hereof. The deferred dividends shall be held by the Company for the account of the Grantee. Upon each Lapse Date, a pro rata share of dividends, with no interest thereon, shall be paid to the Grantee.

7. Grantee Bound by the Plan.

The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

8. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the time or at any prior or subsequent time.

9. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

10. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

11. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Grantee's beneficiaries, heirs, executors, administrators and successors.

12. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

CVR ENERGY, INC.	GRANTEE
By:	Print Name:
Title:	

Exhibit 10.34

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

COFFEYVILLE ACQUISITION LLC

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THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF
COFFEYVILLE ACQUISITION LLC

This Third Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC (the "**Company**") is dated as of [___,] 2007, among the entities listed under the heading "Kelso Members" on Schedule A hereto (each, a "**Kelso Member**" and, collectively, the "**Investor Members**"), the individuals listed under the heading "Management Members" on Schedule A hereto (each a "**Management Member**" and collectively, the "**Management Members**," which term shall also include such other management employees of the Company who become members of the Company and are designated "Management Members" after the date hereof in accordance with Section 3.6 of this Agreement) and the Persons listed under the heading "Outside Members" on Schedule A hereto (each an "**Outside Member**" and together with any Persons who become members of the Company and are designated "Outside Members" after the date hereof in accordance with Section 3.6 of this Agreement, the "**Outside Members**". The Management Members, the Inactive Management Members and the Outside Members are collectively referred to herein as the "**Non-Investor Members**." The Investor Members and the Non-Investor Members are collectively referred to herein as the "**Members**." Any capitalized term used herein without definition shall have the meaning set forth in Article XV.

WHEREAS, the GSCP Members (as defined in the Original LLC Agreement) entered into a limited liability company agreement, dated as of May 13, 2005 (the "**Original LLC Agreement**"), to govern the Company;

WHEREAS, on June 24, 2005, in connection with the consummation of the transactions contemplated by the Stock Purchase Agreement, the GSCP Members entered into an amended and restated limited liability company agreement (the "**Amended and Restated LLC Agreement**") for the purpose of, among other things, admitting the Kelso Members and the Outside Members as Additional Members (as defined in the Original LLC Agreement) of the Company;

WHEREAS, on July 25, 2005, the Members of the Company as of such date entered into a second amended and restated limited liability company agreement (the "**Second Amended and Restated LLC Agreement**") for the purpose of, among other things, admitting additional members to the Company;

WHEREAS, contemporaneously with this Agreement, the Company entered into a limited liability company agreement with Coffeyville Acquisition II LLC, a Delaware limited liability company ("CA II"), pursuant to which the Company contributed 50% of its assets to CA II in consideration of the issuance by CA II to the Company of 100% of the membership interests of CA II;

WHEREAS, contemporaneously with this Agreement, the Company entered into a redemption agreement with the GSCP Members (as such term is defined in the Second Amended and Restated LLC Agreement), Wesley Clark and the Management Members, pursuant to which the Company redeemed 100% of the Interests of each of the GSCP Members and one-half of the

Interests of each of the Management Members and Wesley Clark in exchange for 100% of the membership interests of CA II held by the Company;

WHEREAS the redemption shall be treated as a division of the Company within the meaning of Treasury Regulation section 1.708-1(d) with neither the Company nor CA II treated as a continuing partnership; and

WHEREAS, the parties hereto desire to enter into this Agreement for the purpose of adopting the terms of this Agreement as the complete expression of the covenants, agreements and undertakings of the parties hereto with respect to the affairs of the Company, the conduct of its business and the rights and obligations of the Members, thereby amending, restating, replacing and superseding the Second Amended and Restated LLC Agreement in its entirety.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

FORMATION OF THE COMPANY

Section 1.1 **Formation**. The Company was formed upon the filing of the Certificate with the Secretary of State of the State of Delaware on May 13, 2005.

Section 1.2 **Company Name**. The name of the Company is Coffeyville Acquisition LLC. The business of the Company may be conducted under such other names as the Board may from time to time designate; provided that the Company complies with all relevant state laws relating to the use of fictitious and assumed names.

Section 1.3 **The Certificate, etc**. Each Director is hereby authorized to execute, deliver, file and record all such other certificates and documents, including amendments to or restatements of the Certificate, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property, and the conduct of business under the laws of the State of Delaware and any other jurisdiction in which the Company may own property or conduct business.

Section 1.4 **Term of Company**. The term of the Company commenced on the date of the initial filing of the Certificate with the Secretary of State of the State of Delaware. The Company may be terminated in accordance with the terms and provisions hereof, and shall continue unless and until dissolved as provided in Article XIII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Delaware Act.

Section 1.5 **Registered Agent and Office**. The Company's registered agent and office in the State of Delaware is The Corporation Trust Company located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Board may designate another registered agent and/or registered office from time to time in accordance with the then applicable provisions of the Delaware Act and any other applicable laws.

Section 1.6 **Principal Place of Business**. The principal place of business of the Company is located at 10 E. Cambridge Circle, Ste. 250, Kansas City, Kansas 66103. The location of the Company's principal place of business may be changed by the Board from time to time in accordance with the then applicable provisions of the Delaware Act and any other applicable laws.

Section 1.7 **Qualification in Other Jurisdictions**. Any authorized person of the Company shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

Section 1.8 **Fiscal Year; Taxable Year**. The fiscal year of the Company for financial accounting purposes shall end on December 31.

ARTICLE II

PURPOSE AND POWERS OF THE COMPANY

Section 2.1 **Purpose**. The purposes of the Company are, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Act and engaging in all acts or activities as the Company deems necessary, advisable or incidental to the furtherance of the foregoing.

Section 2.2 **Powers of the Company**. The Company shall have the power and authority to take any and all actions that are necessary, appropriate, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 2.1.

Section 2.3 **Certain Tax Matters**. The Company shall not elect, and the Board shall not permit the Company to elect, to be treated as an association taxable as a corporation for U.S. federal, state or local income tax purposes under Treasury Regulations section 301.7701-3 or under any corresponding provision of state or local law. The Company and the Board shall not permit the registration or listing of the Interests on an "established securities market," as such term is used in Treasury Regulations section 1.7704-1.

ARTICLE III

MEMBERS AND INTERESTS GENERALLY

Section 3.1 **Powers of Members**. The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to the express terms of this Agreement. The approval or consent of the Members shall not be required in order to authorize the taking of any action by the Company unless and then only to the extent that (a) this Agreement shall expressly provide therefor, (b) such approval or consent shall be required by non-waivable provisions of the Delaware Act or (c) the Board shall have determined in its sole discretion that obtaining such approval or consent would be appropriate or desirable. The Members, as such, shall have no power to bind the Company.

Section 3.2 Interests Generally. As of the date hereof, the Company has two authorized classes of Interests: Common Units and Override Units (which will consist of either Operating Units or Value Units as described below). Except as otherwise provided in this Article III, the Company shall not (1) authorize additional classes of Interests denominated in the form of Units other than Override Units or (2) to issue Units in a particular class to any Person other than a Management Member (including any Person who becomes a Management Member at any time after the date of this Agreement in accordance with Section 3.6) without (x) the prior consent of the Board, (y) the prior consent of a Majority in Interest (exclusive of Override Units) of the Management Members or, to the extent (and only to the extent) any particular Management Member would be uniquely and adversely affected by a proposed additional class of Interests, by such Management Member and (z) the prior consent of CA II. Additional classes of Override Units may be authorized from time to time by the Board without obtaining the consent of any Member, class of Members or CA II.

(a) Common Units.

(i) General. Subject to the provisions of Section 7.2(b), the holders of Common Units will have voting rights with respect to their Common Units as provided in Section 3.3(d) and shall have the rights with respect to profits and losses of the Company and distributions from the Company as are set forth herein. The number of Common Units of each Member as of any given time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement.

(ii) Price. The payment terms and schedule for the Capital Contributions applicable to any Common Unit will be determined by the Board upon issuance of such Common Units.

(b) Override Units.

(i) General. The Company will have two sub-classes of Override Units: Operating Units and Value Units. Subject to the provisions of Article VII hereof (including the applicable Benchmark Amount), the holders of Override Units will have no voting rights with respect to their Override Units but shall have the rights with respect to profits and losses of the Company and distributions from the Company as are set forth herein; provided that additional terms and conditions applicable to an Override Unit may be established by the Board in connection with the issuance of any such Override Unit to a person who becomes a Management Member at any time after the date of this Agreement in accordance with Section 3.6 hereof. The number of Override Units issued to a Management Member as of any given time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement. Following the forfeiture and cancellation of any Override Units pursuant to Section 7.2, the Company may issue a number of Override Units up to such number of forfeited and cancelled Override Units as the Board may determine, without obtaining the consent of any Member, class of Members or CA II.

(ii) Price. The holders of Override Units are not required to make any Capital Contribution to the Company in exchange for their Override Units, it being recognized that, unless otherwise determined by a majority of the Board, such Units shall be issued only to Management Members who own Common Units and who agree to provide services to the Company pursuant to Section 4.12.

(c) At least 30 days prior to any issuance of Interests by the Company to any Management Member (including any Person who becomes a Management Member at any time after the date of this Agreement in accordance with Section 3.6), the Company shall deliver a written notice to that effect to CA II, which notice shall include the amount and type of Interests to be issued, the identity of such Management Member or Management Members, the Capital Contribution expected to be made with respect to such Interests, if any, and any other material terms and conditions of such proposed issuance.

Section 3.3 Meetings of Members.

(a) Meetings; Notice of Meetings. Meetings of the Members, including any special meeting, may be called by the Board from time to time. Notice of any such meeting shall be given to all Members not less than two nor more than 30 business days prior to the date of such meeting and shall state the location, date and hour of the meeting and, in the case of a special meeting, the nature of the business to be transacted. Meetings shall be held at the location (within or without the State of Delaware) at the date and hour set forth in the notice of the meeting.

(b) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) Quorum. Except as otherwise required by applicable law or by the Certificate, the presence in person or by proxy of the holders of record of a Majority in Interest shall constitute a quorum for the transaction of business at such meeting.

(d) Voting. If the Board has fixed a record date, every holder of record of Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members as of such date shall be entitled to one vote for each such Unit outstanding in such Member's name at the close of business on such record date. Holders of record of Override Units will have no voting rights with respect to such Units. If no record date has been so fixed, then every holder of record of such Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members shall be entitled to one vote for each Unit outstanding in his name on the close of business on the day next preceding the day on which notice of the meeting is given or the first consent in respect of the applicable action is executed and delivered to the Company, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by applicable law, the Certificate or this

Agreement, the vote of a Majority in Interest at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting.

(e) Proxies. Each Member may authorize any Person to act for such Member by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or such Member's attorney-in-fact. No proxy shall be valid after the expiration of three years from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it unless otherwise provided in such proxy; provided, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(f) Organization. Each meeting of Members shall be conducted by such Person as the Board may designate.

(g) Action Without a Meeting. Unless otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by a Majority in Interest. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Members who have not consented in writing.

Section 3.4 Business Transactions of a Member with the Company. A Member may lend money to, borrow money from, act as surety or endorser for, guarantee or assume one or more specific obligations of, provide collateral for, or transact any other business with the Company or any of its Subsidiaries; provided that any such transaction shall require the approval of the Board.

Section 3.5 No Cessation of Membership upon Bankruptcy. A Person shall not cease to be a Member of the Company upon the happening, with respect to such Person, of any of the events specified in Section 18-304 of the Delaware Act.

Section 3.6 Additional Members.

(a) Admission Generally. Upon the approval of (x) the Board, (y) a Majority in Interest (exclusive of Override Units) of the Management Members or, to the extent (and only to the extent) any particular Management Member would be uniquely and adversely affected by such action, by such Management Member and (z) CA II, the Company may admit one or more additional Members (each, an "**Additional Member**"), to be treated as a "Member" or one of the "Members" for all purposes hereunder. The Board may designate any such Additional Member as an "Investor Member," a "Management Member" or an "Outside Member" hereunder. Notwithstanding the foregoing, one or more management employees of the Company may be admitted as a Management Member upon approval of the Board without obtaining the consent of any Member, class of Members or CA II.

(b) Rights of Additional Members. Prior to the admission of an Additional Member, the Board shall determine:

(i) the Capital Contribution (if any) of such Additional Member;

(ii) the rights, if any, of such Additional Member to appoint Directors to the Board;

(iii) the number of Units to be granted to such Additional Member and whether such Units shall be Common Units, Override Units or Units of an additional class of Interests authorized pursuant to the terms of this Agreement; and in the case of Common Units, the price to be paid therefor and in the case of any Override Units, the applicable Benchmark Amount and terms thereof, including whether such Override Units are Operating Units or Value Units; and

(iv) whether such Additional Member will be a Management Member or an Investor Member or an Outside Member; provided that the rights and obligations of any Outside Member shall be as specified by the Board in its sole discretion and, if such terms are different from the terms applicable to the Outside Members as provided herein, this Agreement shall be amended, in accordance with Section 14.10, to reflect such terms.

(c) Admission Procedure. Each Person shall be admitted as an Additional Member at the time such Person (i) executes a joinder agreement to this Agreement, (ii) makes Capital Contributions (if any) to the Company in an amount to be determined by the Board, (iii) complies with the applicable Board resolution, if any, with respect to such admission, (iv) is issued Units (if any) by the Company and (v) is named as a Member in Schedule A (as described in Section 12.2) hereto. The Board is authorized to amend Schedule A to reflect any issuance of Units and any such admission and any actions pursuant to this Section 3.6.

Section 3.7 Other Business for Members.

(a) Existing Business Ventures. Each Member, Director and their respective Affiliates may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company, and the Company, the Directors and the Members shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Company, shall not be deemed wrongful or improper.

(b) Business Opportunities. No Member, Director or any of their respective Affiliates shall be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that the Company or any of its Subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each Member, Director or any of their respective Affiliates shall have the right to take for such Person's own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

(c) Management Members. For the avoidance of doubt, the provisions of Section 3.7(a) and (b) shall not in any way limit any non-competition or non-solicitation restrictions contained in an employment, severance, separation or services agreement between any Management

Member or any other Member who is an employee of the Company or any of its Subsidiaries and the Company or any of its Subsidiaries.

ARTICLE IV

MANAGEMENT

Section 4.1 Board.

(a) Generally. The business and affairs of the Company shall be managed by or under the direction of a committee of the Company (the "**Board**") consisting of such number of natural persons (each, a "**Director**") as shall be established by the vote, approval or consent of a Majority in Interest from time to time. The Directors shall be appointed to the Board upon the vote, approval or consent of a Majority in Interest. Directors need not be Members. Subject to the other provisions of this Article IV, the Board shall have full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 2.2 of this Agreement. Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the Delaware Act) of the Company. Except as otherwise provided herein, and notwithstanding the last sentence of Section 18-402 of the Delaware Act, no single Director may bind the Company, and the Board shall have the power to act only collectively in accordance with the provisions and in the manner specified herein. Each Director shall hold office until a successor is appointed in accordance with this Section 4.1(b) or until such Director's earlier death, resignation or removal in accordance with the provisions hereof.

(b) Current Directors. Subject to the right to increase or decrease the authorized number of Directors pursuant to the first sentence of Section 4.1(a), the Board shall consist of two Directors. The two Directors referenced in the immediately preceding sentence shall be Stanley de J. Osborne and George E. Matelich.

Section 4.2 Meetings of the Board. The Board shall meet from time to time to discuss the business of the Company. The Board may hold meetings either within or without the State of Delaware. Meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. The Chief Executive Officer of the Company or a majority of the Board may call a meeting of the Board on five business days' notice to each Director, either personally, by telephone, by facsimile or by any other similarly timely means of communication, which notice requirement may be waived by the Directors.

Section 4.3 Quorum and Acts of the Board.

(a) At all meetings of the Board, two Directors shall constitute a quorum for the transaction of business, unless the number of Directors is increased or decreased pursuant to Section 4.1(a), in which case the presence of a majority of the then authorized number of Directors shall constitute a quorum. If a quorum shall not be present at any meeting of the

Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if a majority of the members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

(b) Except as otherwise provided in this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board.

Section 4.4 **Electronic Communications**. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 4.5 **Committees of Directors**. The Board may, by resolution passed by a majority of Directors, designate one or more committees. Such resolution shall specify the duties, quorum requirements and qualifications of the members of such committees, each such committee to consist of such number of Directors as the Board may fix from time to time. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 4.6 **Compensation of Directors**. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at such meetings of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as a Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of any committee of the Board may be allowed like compensation for attending committee meetings.

Section 4.7 **Resignation**. Any Director may resign at any time by giving written notice to the Company. The resignation of any Director shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Members or the remaining Directors shall not be necessary to make it effective. Upon the effectiveness of any such resignation, such Director shall cease to be a “manager” (within the meaning of the Delaware Act).

Section 4.8 **Removal of Directors**. Members shall have the right to remove any Director at any time for cause upon the affirmative vote of a Majority in Interest. In addition, a majority of the Directors then in office shall have the right to remove a Director for cause. Upon the taking of such action, the Director shall cease to be a "manager" (within the meaning of the Delaware Act). Any vacancy caused by any such removal shall be filled in accordance with Section 4.9.

Section 4.9 **Vacancies**. If any vacancies shall occur in the Board, by reason of death, resignation, deemed resignation, removal or otherwise, the Directors then in office shall continue to act, and actions that would otherwise be taken by a majority of the Directors may be taken by a majority of the Directors then in office, even if less than a quorum. A Director elected to fill a vacancy shall hold office until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal.

Section 4.10 **Directors as Agents**. The Directors, to the extent of their powers set forth in this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers shall bind the Company. Except as otherwise provided in Section 1.3 and notwithstanding the last sentence of Section 18-402 of the Delaware Act, no single Director shall have the power to bind the Company and the Board shall have the power to act only collectively in the manner specified herein.

Section 4.11 **Officers**. The Board shall appoint an individual or individuals to serve as the Company's Chief Executive Officer and President and Chief Financial Officer and may, from time to time as it deems advisable, appoint additional officers of the Company (together with the Chief Executive Officer and President and Chief Financial Officer, the "**Officers**") and assign such officers titles (including, without limitation, Vice President, Secretary and Treasurer). Unless otherwise decided by a majority of the Board, each Management Member shall be an officer of the Company. Unless the Board decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this Section 4.11 may be revoked at any time by the Board. Any Officer may be removed with or without cause by the Board, except as otherwise provided in any services or employment agreement between such Officer and the Company.

Section 4.12 Strategic Planning Committee. The Company shall establish a Strategic Planning Committee to advise the President and Chief Executive Officer of the Company on such matters as he shall request, which shall at a minimum include (but shall not be limited to) assessment of and advice regarding (a) the business affairs and prospects of the Company and its Subsidiaries; (b) developing and implementing corporate and business strategy and planning for the Company and its Subsidiaries, including plans and programs for improving operating, marketing and financial performance, budgeting of future corporate investments, acquisition and divestiture strategies, and reorganization programs and (c) planning for and assessment of strategic opportunities and disposition prospects for the Company and its Subsidiaries. The Strategic Planning Committee shall have no decision-making authority, but instead shall advise and report to, and be chaired by, the President and Chief Executive Officer of the Company. The Strategic Planning Committee shall consist of each Management Member (excluding Inactive

Management Members). The Strategic Planning Committee shall meet at least semiannually and in connection with matters determined by the Board in its sole discretion.

ARTICLE V

INVESTMENT REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 Representations, Warranties and Covenants of Members.

(a) Investment Intention and Restrictions on Disposition. Each Member represents and warrants that such Member is acquiring the Interests solely for such Member's own account for investment and not with a view to resale in connection with any distribution thereof. Each Member agrees that such Member will not, directly or indirectly, Transfer any of the Interests (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any of the Interests) or any interest therein or any rights relating thereto or offer to Transfer, except in compliance with the Securities Act, all applicable state securities or "blue sky" laws and this Agreement, as the same shall be amended from time to time. Any attempt by a Member, directly or indirectly, to Transfer, or offer to Transfer, any Interests or any interest therein or any rights relating thereto without complying with the provisions of this Agreement, shall be void and of no effect.

(b) Securities Laws Matters. Each Member acknowledges receipt of advice from the Company that (i) the Interests have not been registered under the Securities Act or qualified under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Interests, (iii) the Interests must be held indefinitely and such Member must continue to bear the economic risk of the investment in the Interests unless the Interests are subsequently registered under the Securities Act and such state laws or an exemption from registration is available, (iv) Rule 144 promulgated under the Securities Act ("**Rule 144**") is not presently available with respect to sales of any securities of the Company and the Company has made no covenant to make Rule 144 available and Rule 144 is not anticipated to be available in the foreseeable future, (v) when and if the Interests may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts and in accordance with the terms and conditions of such Rule and the provisions of this Agreement, (vi) if the exemption afforded by Rule 144 is not available, public sale of the Interests without registration will require the availability of an exemption under the Securities Act, (vii) restrictive legends shall be placed on any certificate representing the Interests and (viii) a notation shall be made in the appropriate records of the Company indicating that the Interests are subject to restrictions on transfer and, if the Company should in the future engage the services of a transfer agent, appropriate stop-transfer instructions will be issued to such transfer agent with respect to the Interests.

(c) Ability to Bear Risk. Each Member represents and warrants that (i) such Member's financial situation is such that such Member can afford to bear the economic risk of holding the Interests for an indefinite period and (ii) such Member can afford to suffer the complete loss of such Member's investment in the Interests.

(d) Access to Information; Sophistication; Lack of Reliance. Each Member represents and warrants that (i) such Member is familiar with the business and financial condition, properties, operations and prospects of the Company and that such Member has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Company and the terms and conditions of the purchase of the Interests and to obtain any additional information that such Member deems necessary, (ii) such Member's knowledge and experience in financial and business matters is such that such Member is capable of evaluating the merits and risk of the investment in the Interests and (iii) such Member has carefully reviewed the terms and provisions of this Agreement and has evaluated the restrictions and obligations contained therein. In furtherance of the foregoing, each Member represents and warrants that (i) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of the Company or as to the desirability or value of an investment in the Company has been made to such Member by or on behalf of the Company, (ii) such Member has relied upon such Member's own independent appraisal and investigation, and the advice of such Member's own counsel, tax advisors and other advisors, regarding the risks of an investment in the Company and (iii) such Member will continue to bear sole responsibility for making its own independent evaluation and monitoring of the risks of its investment in the Company.

(e) Accredited Investor. Each Member represents and warrants that such Member is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as the Board may request.

Section 5.2 Additional Representations and Warranties of Non-Investor Members. Each Non-Investor Member represents and warrants that (i) such Non-Investor Member has duly executed and delivered this Agreement, (ii) all actions required to be taken by or on behalf of the Non-Investor Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken and this Agreement constitutes such Non-Investor Member's legal, valid and binding obligation, enforceable against such Non-Investor Member in accordance with the terms hereof, (iii) the execution and delivery of this Agreement and the consummation by the Non-Investor Member of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to the Non-Investor Member or by which the Non-Investor Member or any material portion of its properties is bound, (iv) no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by such Non-Investor Member in connection with the execution and delivery of this Agreement or the performance of such Non-Investor Member's obligations hereunder, (v) if such Non-Investor Member is an individual, such Non-Investor Member is a resident of the state set forth opposite such Non-Investor Member's name on Schedule A and (vi) if such Non-Investor Member is not an individual, such Non-Investor Member's principal place of business and mailing address is in the state set forth opposite such Non-Investor Member's name on Schedule A.

Section 5.3 Additional Representations and Warranties of Investor Members.

(a) Due Organization; Power and Authority, etc. Kelso Investment Associates VII, L.P. represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware. KEP VI, LLC represents and warrants that it is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. Each Investor Member further represents and warrants that it has all necessary power and authority to enter into this Agreement to carry out the transactions contemplated herein.

(b) Authorization; Enforceability. All actions required to be taken by or on behalf of such Investor Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken, and this Agreement constitutes the legal, valid and binding obligation of such Investor Member, enforceable against such Investor Member in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

(c) Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation by such Investor Member of the transactions contemplated hereby and thereby in the manner contemplated hereby and thereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to such Investor Member or by which such Investor Member or any material portion of its properties is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon the financial condition, business or operations of such Investor Member or upon such Investor Member's ability to enter into and carry out its obligations under this Agreement.

(d) Executing Parties. The person executing this Agreement on behalf of each Investor Member has full power and authority to bind such Investor Member to the terms hereof and thereof.

Section 5.4 Additional Covenants of Management Members. Each Management Member hereby agrees that, upon the receipt of any Override Unit, it shall make an election pursuant to section 83(b) of the Code.

ARTICLE VI

CAPITAL ACCOUNTS; CAPITAL CONTRIBUTIONS

Section 6.1 Capital Accounts. A separate capital account (a "**Capital Account**") shall be established and maintained for each Member. The current balance in each Member's Capital Account is as set forth on Schedule A.

Section 6.2 Adjustments.

(a) Any contributions of property after the date hereof shall be valued at their Fair Market Value.

(b) As of the end of each Accounting Period, the balance in each Member's Capital Account shall be adjusted by (i) increasing such balance by (A) such Member's allocable share of Net Income (allocated in accordance with Section 8.1), (B) the items of gross income allocated to such Member pursuant to Section 8.2 and (C) the amount of cash and the Fair Market Value of any property (as of the date of the contribution thereof and net of any liabilities encumbering such property) contributed to the Company by such Member during such Accounting Period, if any, and (ii) decreasing such balance by (A) the amount of cash and the Fair Market Value of any property (as of the date of the distribution thereof and net of any liabilities encumbering such property) distributed to such Member during such Accounting Period, (B) such Member's allocable share of Net Loss (allocated in accordance with Section 8.1) and (C) the items of gross deduction allocated to such Member pursuant to Section 8.2. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations section 1.704-1(b) and section 1.704-2 and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

Section 6.3 Additional Capital Contributions. No Member shall be required to make any additional capital contribution to the Company in respect of the Interests then owned by such Member. A Member may make further capital contributions to the Company, but only with the written consent of the Board acting by majority vote. The provisions of this Section 6.3 are intended solely to benefit the Members and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a third party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the Company to make any additional capital contributions or to cause the Board to consent to the making of additional capital contributions.

Section 6.4 Negative Capital Accounts. Except as otherwise required by this Agreement, no Member shall be required to make up a negative balance in its Capital Account.

ARTICLE VII

ADDITIONAL TERMS APPLICABLE TO OVERRIDE UNITS

Section 7.1 Certain Terms.

(a) Forfeiture of Operating Units. A Management Member's Operating Units shall be subject to forfeiture in accordance with the schedule in Section 7.2 hereof if he or she becomes an Inactive Management Member before the fifth anniversary of the issuance date of the Operating Units.

(b) Valuation of the Value Units; Forfeiture of Operating Units. Value Units will not participate in distributions under Article IX until from and after any point in time when the Current Value is at least two times the Initial Price. All Value Units will participate in distributions from and after any point in time when the Current Value is at least four times the

Initial Price, and if at any time the Current Value is greater than two times but less than four times the Initial Price the number of a Management Member's Value Units that will participate in distributions at such time shall be that portion of such Management Member's Value Units that bears the same ratio as a fraction the numerator of which is the Current Value minus the product of (w) two and (x) the Initial Price, and the denominator of which is the product of (y) two and (z) the Initial Price. This Section 7.1(b) shall be applied to a Value Unit only after such Value Unit is no longer subject to Section 9.1(c). Any amount that is not distributed to the holder of any Value Unit as a result of this Section 7.1(b) shall be distributed pursuant to Section 9.1(b).

In the event that any portion of the Value Units does not become eligible to participate in distributions pursuant to this Section 7.1(b) upon the occurrence of an Exit Event, such portion of such Value Units shall automatically be forfeited.

(c) Certain Adjustments. On the tenth anniversary of the issuance of any Override Unit, each such Override Unit (unless previously forfeited pursuant to this Agreement) shall (i) in the case of any Operating Unit, automatically convert into one Value Unit and (ii) in the case of any Value Unit (including any Value Units issued pursuant to clause (i) of this sentence and treating such Value Units as issued on the original date of issuance of the Operating Unit giving rise to the conversion), be subject to Section 7.1(b) modified by substituting "10 times" for "two times" in each place where "two times" appears and substituting "12 times" for "four times" in each place where "four times" appears.

(d) Calculations. All calculations required or contemplated by Section 7.1(b) or Section 7.1(c) shall be made in the sole determination of the Board and shall be final and binding on the Company and each Management Member.

(e) Benchmark Amount. The Board shall determine the Benchmark Amount with respect to each Override Unit at the time such Override Unit is issued to a Management Member, which shall be reflected on Schedule A. The Benchmark Amount of each issued Override Unit shall be reflected on Schedule A, which (together with the provisions of Sections 9.1(b) and (c)) are intended to result in such Override Unit being treated as a profits interest for U.S. federal income tax purposes as of the date such Override Unit is issued.

Section 7.2 Effects of Termination of Employment on Override Units.

(a) Forfeiture of Override Units upon Termination.

(i) Termination for Cause. Unless otherwise determined by the Board in a manner more favorable to such Management Member, in the event that a Management Member ceases to provide services to the Company or one of its Subsidiaries in connection with any termination for Cause, all of the Override Units issued to such Inactive Management Member shall be forfeited.

(ii) Other Termination. Unless otherwise determined by the Override Unit Committee in a manner more favorable to such Management Member, in the event that a Management Member ceases to provide services to the Company or one of its

Subsidiaries in connection with the termination of employment of such Member for any reason other than a termination for Cause, then, in the event that (x) an Exit Event has not yet occurred, and (y) no definitive agreement shall be in effect regarding a transaction, which, if consummated, would result in an Exit Event, then all of the Value Units (other than any Value Units that are exempt from forfeiture pursuant to this Section 7.2.(a)(ii) by virtue of the application of Section 7.2(a)(iii)) issued to such Inactive Management Member shall be forfeited and a percentage of the Operating Units issued to such Inactive Management Member shall be forfeited according to the following schedule (it being understood that in the event that such forfeiture does not occur as a result of the operation of clause (y) but the definitive agreement referred to in such clause (y) subsequently terminates without consummation of an Exit Event, then the forfeiture of all of the Value Units (other than any Value Units that are exempt from forfeiture pursuant to this Section 7.2.(a)(ii) by virtue of the application of Section 7.2(a)(iii)) and of the applicable percentage of Operating Units referred to herein shall thereupon occur):

If the termination occurs	Percentage of such Inactive Management Member's Operating Units to be Forfeited
Before the second anniversary of the grant of such Inactive Management Member's Operating Units	100%
On or after the second anniversary, but before the third anniversary, of the grant of such Inactive Management Member's Operating Units	75%
On or after the third anniversary, but before the fourth anniversary, of the grant of such Inactive Management Member's Operating Units	50%
On or after the fourth anniversary, but before the fifth anniversary, of the grant of such Inactive Management Member's Operating Units	25%
On or after the fifth anniversary of the grant of such Inactive Management Member's Operating Units	0%

(iii) Treatment of Value Units upon Death and Disability of a Management Member. In the event that a Management Member ceases to provide services to the Company or one of its Subsidiaries due to such Member's death or Disability, a percentage (determined in accordance with the following schedule) of the Value Units issued to such Inactive Management Member shall not be subject to forfeiture pursuant to Section 7.2(a)(ii):

If death or Disability occurs	Percentage of such Inactive Management Member’s Value Units Not Subject to Forfeiture Pursuant to Section 7.2(a)(ii)
Before the second anniversary of the grant of such Inactive Management Member’s Value Units	0%
On or after the second anniversary, but before the third anniversary, of the grant of such Inactive Management Member’s Value Units	25%
On or after the third anniversary, but before the fourth anniversary, of the grant of such Inactive Management Member’s Value Units	50%
On or after the fourth anniversary, but before the fifth anniversary, of the grant of such Inactive Management Member’s Value Units	75%
On or after the fifth anniversary of the grant of such Inactive Management Member’s Value Units	100%

(b) Inactive Management Members. If a Management Member ceases to provide services to or for the benefit of the Company or one of its Subsidiaries in connection with the termination of employment of such Member for any reason, the Common Units held by such Member shall cease to have voting rights and such Member shall be thereafter referred to herein as a “**Inactive Management Member**” with only the rights of an Inactive Management Member specified herein. Notwithstanding the foregoing, such Inactive Management Member shall continue to be treated as a Member (including, for the avoidance of doubt, for purposes of Article IX hereof).

(c) Effect of Forfeiture. Any Override Unit, which is forfeited, shall be cancelled for no consideration.

ARTICLE VIII

ALLOCATIONS

Section 8.1 Book Allocations of Net Income and Net Loss.

(a) Except as provided in Section 8.2, Net Income and Net Loss of the Company shall be allocated among the Members’ Capital Accounts as of the end of each Accounting Period or portion thereof in a manner that as closely as possible gives effect to the economic provisions of this Agreement.

(b) Except as otherwise provided in Section 8.2, all items of gross income, gain, loss and deduction included in the computation of Net Income and Net Loss shall be allocated in the same proportion as are Net Income and Net Loss.

Section 8.2 Special Book Allocations.

(a) Qualified Income Offset. If any Member unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) and such adjustment, allocation or distribution causes or increases a deficit in such Member's Capital Account in excess of its obligation to make additional Capital Contributions (a "**Deficit**"), items of gross income and gain for such Accounting Period and each subsequent Accounting Period shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit of such Member as quickly as possible; provided that an allocation pursuant to this Section 8.2(a) shall be made only if and to the extent that such Member would have a Deficit after all other allocations provided for in this Article VIII have been tentatively made as if this Section 8.2(a) were not in this Agreement. This Section 8.2(a) is intended to comply with the qualified income offset provision of Treasury Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(b) Notwithstanding anything to the contrary in this Agreement, items of gross income, gain, loss or deduction shall be specifically allocated to particular Members to the extent necessary to comply with applicable law (including the requirement to make "forfeiture allocations" within the meaning of Prop. Treas. Reg. Section 1. 704- 1(b)(4)(xii)).

(c) Restorative Allocations. Any special allocations of items of income or gain pursuant to this Section 8.2 shall be taken into account in computing subsequent allocations pursuant to this Agreement so that the net amount for any item so allocated and all other items allocated to each Member pursuant to this Agreement shall be equal, to the extent possible, to the net amount that would have been allocated to each Member pursuant to the provisions of this Agreement if such special allocations had not occurred.

Section 8.3 Tax Allocations. The income, gains, losses, credits and deductions recognized by the Company shall be allocated among the Members, for U.S. federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Members' Capital Accounts. Notwithstanding the foregoing, the Board shall have the power to make such allocations for U.S. federal, state and local income tax purposes so long as such allocations have substantial economic effect, or are otherwise in accordance with the Members' Interests, in each case within the meaning of the Code and the Treasury Regulations. Notwithstanding the previous sentence, in allocating income, gain, loss, credits, and deductions among the Members for U.S. federal, state, and local income tax purposes, the Board has discretion to: (1) disregard Section 7.1(c); and (2) compute Current Value by assuming that the price per Common Unit will equal the quotient obtained by dividing: (x) the aggregate capital accounts of all Members, by (y) the number of Common Units outstanding, including all Override Units issued and outstanding at the end of the taxable year, whether vested or unvested, other than Override Units (including without limitation, Value Units issued hereunder) that, by their terms would be forfeited in conjunction with the occurrence of an Exit Event if they did not become eligible to participate in distributions pursuant to Section 7.1(b) upon the occurrence of the Exit Event. In accordance with section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for U.S. federal income tax purposes and its Book Value.

ARTICLE IX

DISTRIBUTIONS

Section 9.1 Distributions Generally.

(a) The Company may make distributions to the Members to the extent that the cash available to the Company is in excess of the reasonably anticipated needs of the business (including reserves). In determining the amount distributable to each Member, the provisions of this Section 9.1 shall be applied in an iterative manner.

(b) Subject to Section 9.1(c) and (d), any such distributions shall be made to the Members in proportion to the number of Units held by each Member as of the time of such distribution.

(c) The amount of any proposed distribution to a holder of any Override Unit pursuant to Section 9.1(b) in respect of such Override Unit shall be reduced until the total reductions in proposed distributions pursuant to this Section 9.1(c) in respect of such Override Unit equals the Benchmark Amount in respect of such Override Unit. Any amount that is not distributed to the holder of any Override Unit pursuant to this Section 9.1(c) shall be distributed pursuant to Section 9.1(b) and shall remain subject to this Section 9.1(c).

(d) In the event that pursuant to Section 7.1(b) a Value Unit was not previously entitled to participate in an actual distribution made by the Company under Section 9.1(b) but under the terms of Section 7.1(b) such Value Unit is currently entitled to participate in distributions, then Section 9.1(b) notwithstanding, any distributions by the Company shall be made 100% to the holder of such Value Unit in respect of such Value Unit until the total distributions made pursuant to this Section 9.1(d) in respect of such Value Unit equal the total distributions that would have been made in respect of such Value Unit if such Value Unit (and any other Value Units currently entitled to participate in distributions) had at all times been entitled to participate in distributions to the extent set forth in Section 7.1(b). In the event that this Section 9.1(d) applies to two or more Value Units at the same time, the distributions contemplated by this Section 9.1(d) shall be made in respect of each such Value Unit in proportion to the amounts distributable under this Section 9.1(d) in respect of each such Value Unit. For the avoidance of doubt, this Section 9.1(d) shall not apply to any Value Unit that is forfeited. The Board shall have the power in its sole discretion to make adjustments to the operation of this Section 9.1(d) if the Board determines in its sole discretion that such adjustments will further the intent of this Section 9.1(d).

Section 9.2 **Distributions In Kind**. In the event of a distribution of Company property, such property shall for all purposes of this Agreement be deemed to have been sold at its Fair Market Value and the proceeds of such sale shall be deemed to have been distributed to the Members.

Section 9.3 **No Withdrawal of Capital**. Except as otherwise expressly provided in Article XIII, no Member shall have the right to withdraw capital from the Company or to receive any distribution or return of such Member's Capital Contributions.

Section 9.4 **Withholding**.

(a) Each Member shall, to the fullest extent permitted by applicable law, indemnify and hold harmless each Person who is or who is deemed to be the responsible withholding agent for U.S. federal, state or local income tax purposes against all claims, liabilities and expenses of whatever nature (other than any claims, liabilities and expenses in the nature of penalties and accrued interest thereon that result from such Person's fraud, willful misfeasance, bad faith or gross negligence) relating to such Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or as a result of such Member's participation in the Company.

(b) Notwithstanding any other provision of this Article IX, (i) each Member hereby authorizes the Company to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or any of its Affiliates with respect to such Member or as a result of such Member's participation in the Company and (ii) if and to the extent that the Company shall be required to withhold or pay any such taxes (including any amounts withheld from amounts payable to the Company to the extent attributable, in the judgment of the Members, to such Member's Interest), such Member shall be deemed for all purposes of this Agreement to have received a payment from the Company as of the time such withholding or tax is required to be paid, which payment shall be deemed to be a distribution with respect to such Member's Interest to the extent that the Member (or any successor to such Member's Interest) is then entitled to receive a distribution. To the extent that the aggregate of such payments to a Member for any period exceeds the distributions to which such Member is entitled for such period, such Member shall make a prompt payment to the Company of such amount. It is the intention of the Members that no amounts will be includible as compensation income to any Management Member, or will give rise to any withholding taxes imposed on compensation income, for United States federal income tax purposes as a result of the receipt, vesting or disposition of, or lapse of any restriction with respect to, any Override Units granted to such Member.

(c) If the Company makes a distribution in kind and such distribution is subject to withholding or other taxes payable by the Company on behalf of any Member, such Member shall make a prompt payment to the Company of the amount of such withholding or other taxes by wire transfer.

Section 9.5 **Restricted Distributions**. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member on account of its Interest if such distribution would violate Section 18-607 of the Delaware Act or other applicable law.

Section 9.6 **Tax Distributions**. In the event that the Company sells an equity interest in a Subsidiary, resulting in taxable income being recognized by the Members, or the Members are otherwise allocated taxable income from the Company (in each case, other than upon an Exit Event), the Company may make distributions to the Members to the extent of available cash (as determined by the Board in its discretion) in an amount equal to such income multiplied by a reasonable tax rate determined by the Board; it being understood that, if the Members are allocated material taxable income without corresponding cash distributions sufficient to pay the resulting tax liabilities, it is the Company's intention to make the tax distributions referred to herein; provided that the Board in its sole discretion shall determine whether any such tax distributions will be made. Any distributions made to a Member pursuant to this Section 9.6 shall reduce the amount otherwise distributable to such Member pursuant to the other provisions of this Agreement, so that to the maximum extent possible, the total amount of distributions received by each Member pursuant to this Agreement at any time is the same as such Member would have received if no distribution had been made pursuant to this Section 9.6. To the extent the cumulative sum of tax distributions made to a Member under this Section 9.6 has not been applied pursuant to the preceding sentence to reduce other amounts distributable to such Member, such Member shall contribute to the Company the remaining amounts necessary to give full effect to the preceding sentence on the date of the final liquidating distribution made by the Company pursuant to Section 13.2.

ARTICLE X

BOOKS AND RECORDS

Section 10.1 **Books, Records and Financial Statements**. At all times during the continuance of the Company, the Company shall maintain, at its principal place of business, separate books of account for the Company that shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all U.S. income derived in connection with the operation of the Company's business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with this Agreement. Such books of account, together with a copy of this Agreement and the Certificate, shall at all times be maintained at the principal place of business of the Company and shall be open to inspection and examination at reasonable times and upon reasonable notice by each Member and its duly authorized representative for any purpose reasonably related to such Member's Interest; provided that the Company may maintain the confidentiality of Schedule A.

Section 10.2 **Filings of Returns and Other Writings; Tax Matters Partner**.

(a) The Company shall timely file all Company tax returns and shall timely file all other writings required by any governmental authority having jurisdiction to require such filing. Within 90 days after the end of each taxable year (or as soon as reasonably practicable thereafter), the Company shall send to each Person that was a Member at any time during such year copies of Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.", or any successor schedule or form, with respect to such Person, together with such additional information as may be necessary for such Person to file his, her or its United States federal income tax returns.

(b) Kelso Investment Associates VII, L.P. shall be the tax matters partner of the Company, within the meaning of section 6231 of the Code (the "**Tax Matters Partner**") unless a Majority in Interest votes otherwise. Each Member hereby consents to such designation and agrees that upon the request of the Tax Matters Partner, such Member will execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent.

(c) Promptly following the written request of the Tax Matters Partner, the Company shall, to the fullest extent permitted by applicable law, reimburse and indemnify the Tax Matters Partner for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Partner in connection with any administrative or judicial proceeding with respect to the tax liability of the Members, except to the extent arising from the bad faith, gross negligence, willful violation of law, fraud or breach of this Agreement by such Tax Matters Partner.

(d) The provisions of this Section 10.2 shall survive the termination of the Company or the termination of any Member's Interest and shall remain binding on the Members for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the U.S. federal income taxation of the Company or the Members.

Section 10.3 Accounting Method. For both financial and tax reporting purposes, the books and records of the Company shall be kept on the accrual method of accounting applied in a consistent manner and shall reflect all Company transactions and be appropriate and adequate for the Company's business.

ARTICLE XI

LIABILITY, EXCULPATION AND INDEMNIFICATION

Section 11.1 Liability. Except as otherwise provided by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

Section 11.2 Exculpation. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement.

Section 11.3 **Fiduciary Duty**. Any duties (including fiduciary duties) of a Covered Person to the Company or to any other Covered Person that would otherwise apply at law or in equity are hereby eliminated to the fullest extent permitted under the Delaware Act and any other applicable law; provided that (a) the foregoing shall not eliminate the obligation of each Covered Person to act in compliance with the express terms of this Agreement and (b) the foregoing shall not be deemed to eliminate the implied contractual covenant of good faith and fair dealing. Notwithstanding anything to the contrary contained in this Agreement, each of the Members hereby acknowledges and agrees that each of the Directors, in determining whether or not to vote in support of or against any particular decision for which the Board's consent is required, may act in and consider the best interest of the Member who designated such Director and shall not be required to act in or consider the best interests of the Company or the other Members or parties hereto.

Section 11.4 **Indemnification**. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement with respect to such acts or omissions; provided, that any indemnity under this Section 11.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

Section 11.5 **Expenses**. To the fullest extent permitted by applicable law, expenses (including, without limitation, reasonable attorneys' fees, disbursements, fines and amounts paid in settlement) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding relating to or arising out of their performance of their duties on behalf of the Company shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified as authorized in this Section 11.5.

Section 11.6 **Severability**. To the fullest extent permitted by applicable law, if any portion of this Article shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each Director or Officer and may indemnify each employee or agent of the Company as to costs, charges and expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Company, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated.

ARTICLE XII

TRANSFERS OF INTERESTS

Section 12.1 **Restrictions on Transfers of Interests by Members**. No Member may Transfer any Interests including, without limitation, to any other Member, or by gift, or by operation of law or otherwise; provided that, subject to Section 12.2(b) and Section 12.2(c), Interests may be Transferred by a Member (i) pursuant to Section 12.3 ("Estate Planning Transfers, Transfers Upon Death of a Management Member"), (ii) in accordance with Section 12.4 ("Involuntary Transfers"), or (iii) pursuant to the prior written approval of each of the Board and CA II, in each case, in its sole discretion. Notwithstanding the forgoing, Interests may be Transferred by an Investor Member to an Affiliate of such Transferring Investor Member without the approval of the Board or CA II.

Section 12.2 **Overriding Provisions**.

(a) Any Transfer in violation of this Article XII shall be null and void ab initio, and the provisions of Section 12.2(e) shall not apply to any such Transfers. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance.

(b) All Transfers permitted under this Article XII are subject to this Section 12.2 and Sections 12.5 and 12.6.

(c) Any proposed Transfer by a Member pursuant to the terms of this Article XII shall, in addition to meeting all of the other requirements of this Agreement, satisfy the following conditions: (i) the Transfer will not be effected on or through an "established securities market" or a "secondary market or the substantial equivalent thereof," as such terms are used in Treasury Regulations section 1.7704-1, and, at the request of the Board, the transferor and the transferee will have each provided the Company a certificate to such effect; and (ii) the proposed transfer will not result in the Company having more than 99 Members, within the meaning of Treasury Regulations section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations section 1.7704-1(h)(3)). The Board may in its sole discretion waive the condition set forth in clause (ii) of this Section 12.2(c).

(d) The Company shall promptly amend Schedule A to reflect any permitted transfers of Interests pursuant to and in accordance with this Article XII.

(e) The Company shall, from the effective date of any permitted assignment of an Interest (or part thereof), thereafter pay all further distributions on account of such Interest (or part thereof) to the assignee of such Interest (or part thereof); provided that such assignee shall have no right or powers as a Member unless such assignee complies with Section 12.6.

Section 12.3 **Estate Planning Transfers; Transfers upon Death of a Management Member**. Interests held by Management Members may be transferred for estate-planning purposes of such Management Member, to (A) a trust under which the distribution of the Interests may be made only to beneficiaries who are such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants, (B) a charitable remainder trust, the income from which will be paid to such Management Member during his or her life, (C) a corporation, the shareholders of which are only such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants or (D) a partnership or limited liability company, the partners or members of which are only such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants. Interests may be transferred as a result of the laws of descent; provided that, in each such case, such Management Member provides prior written notice to the Board of such proposed Transfer and makes available to the Board documentation, as the Board may reasonably request, in order to verify such Transfer.

Section 12.4 Involuntary Transfers. Any transfer of title or beneficial ownership of Interests upon default, foreclosure, forfeit, divorce, court order or otherwise than by a voluntary decision on the part of a Management Member or Outside Member (each, an "**Involuntary Transfer**") shall be void unless such Management Member or Outside Member complies with this Section 12.4 and enables the Company to exercise in full its rights hereunder. Upon any Involuntary Transfer, the Company shall have the right to purchase such Interests pursuant to this Section 12.4 and the Person to whom such Interests have been Transferred (the "**Involuntary Transferee**") shall have the obligation to sell such Interests in accordance with this Section 12.4. Upon the Involuntary Transfer of any Interest, such Management Member or Outside Member shall promptly (but in no event later than two days after such Involuntary Transfer) furnish written notice to the Company indicating that the Involuntary Transfer has occurred, specifying the name of the Involuntary Transferee, giving a detailed description of the circumstances giving rise to, and stating the legal basis for, the Involuntary Transfer. Upon the receipt of the notice described in the preceding sentence, and for 60 days thereafter, the Company shall have the right to purchase, and the Involuntary Transferee shall have the obligation to sell, all (but not less than all) of the Interests acquired by the Involuntary Transferee for a purchase price equal to the lesser of (i) the Fair Market Value of such Interest and (ii) the amount of the indebtedness or other liability that gave rise to the Involuntary Transfer plus the excess, if any, of the Carrying Value of such Interests over the amount of such indebtedness or other liability that gave rise to the Involuntary Transfer. Notwithstanding anything to the contrary, any Involuntary Transfer of Override Units shall result in the immediate forfeiture of such Override Units and without any compensation therefor, and such Involuntary Transferee shall have no rights with respect to such Override Units.

Section 12.5 Assignments.

(a) Assignment Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the Members hereto and their respective heirs, legal representatives, successors and assigns; provided that no Non-Investor Member may assign any of its rights or obligations hereunder without the consent of Kelso unless such assignment is in connection with a Transfer explicitly permitted by this Agreement and, prior to such assignment, such assignee complies with the requirements of Section 12.6.

Section 12.6 Substitute Members. In the event any Non-Investor Member or Investor Member Transfers its Interest in compliance with the other provisions of this Article XII (other than Section 12.4), the transferee thereof shall have the right to become a substitute Non-Investor

Member or substitute Investor Member, as the case may be, but only upon satisfaction of the following:

(a) execution of such instruments as the Board deems reasonably necessary or desirable to effect such substitution; and

(b) acceptance and agreement in writing by the transferee of the Member's Interest to be bound by all of the terms and provisions of this Agreement and assumption of all obligations under this Agreement (including breaches hereof) applicable to the transferor and in the case of a transferee of a Management Member who resides in a state with a community property system, such transferee causes his or her spouse, if any, to execute a Spousal Waiver in the form of Exhibit A attached hereto. Upon the execution of the instrument of assumption by such transferee and, if applicable, the Spousal Waiver by the spouse of such transferee, such transferee shall enjoy all of the rights and shall be subject to all of the restrictions and obligations of the transferor of such transferee.

Section 12.7 Release of Liability. In the event any Member shall sell such Member's entire Interest (other than in connection with an Exit Event) in compliance with the provisions of this Agreement, including, without limitation, pursuant to the penultimate sentence of Section 12.4, without retaining any interest therein, directly or indirectly, then the selling Member shall, to the fullest extent permitted by applicable law, be relieved of any further liability arising hereunder for events occurring from and after the date of such Transfer.

ARTICLE XIII

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 Dissolving Events. The Company shall be dissolved and its affairs wound up in the manner hereinafter provided upon the happening of any of the following events:

(a) the Board and the Members shall vote or agree in writing to dissolve the Company pursuant to the required votes set forth in Section 3.3(d) and Section 4.3, respectively; or

(b) any event which, under applicable law, would cause the dissolution of the Company; provided that, unless required by applicable law, the Company shall not be wound up as a result of any such event and the business of the Company shall continue.

Notwithstanding the foregoing, the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member in the Company under the Delaware Act shall not, in and of itself, cause the dissolution of the Company. In such event, the remaining Member(s) shall continue the business of the Company without dissolution.

Section 13.2 Dissolution and Winding-Up. Upon the dissolution of the Company, the assets of the Company shall be liquidated or distributed under the direction of, and to the extent determined by, the Board, and the business of the Company shall be wound up. Within a reasonable time after the effective date of dissolution of the Company, the Company's assets shall be distributed in the following manner and order:

First, to creditors in satisfaction of indebtedness (other than any loans or advances that may have been made by any of the Members to the Company), whether by payment or the making of reasonable provision for payment, and the expenses of liquidation, whether by payment or the making of reasonable provision for payment, including the establishment of reasonable reserves (which may be funded by a liquidating trust) determined by the Board or the liquidating trustee, as the case may be, to be reasonably necessary for the payment of the Company's expenses, liabilities and other obligations (whether fixed, conditional, unmatured or contingent);

Second, to the payment of loans or advances that may have been made by any of the Members to the Company; and

Third, to the Members in accordance with Section 9.1, taking into account any amounts previously distributed under Section 9.1;

provided that no payment or distribution in any of the foregoing categories shall be made until all payments in each prior category shall have been made in full, and provided, further, that, if the payments due to be made in any of the foregoing categories exceed the remaining assets available for such purpose, such payments shall be made to the Persons entitled to receive the same pro rata in accordance with the respective amounts due to them.

Section 13.3 Distributions in Cash or in Kind. Upon the dissolution of the Company, the Board shall use all commercially reasonable efforts to liquidate all of the Company's assets in an orderly manner and apply the proceeds of such liquidation as set forth in Section 13.2; provided that, if in the good faith judgment of the Board, a Company asset should not be liquidated, the Board shall cause the Company to allocate, on the basis of the Fair Market Value of any Company assets not sold or otherwise disposed of, any unrealized gain or loss based on such value to the Members' Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute such assets in accordance with Section 13.2 as if such Fair Market Value had been received in cash, subject to the priorities set forth in Section 13.2, and provided, further, that the Board shall in good faith attempt to liquidate sufficient Company assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in Section 13.2.

Section 13.4 Termination. The Company shall terminate when the winding up of the Company's affairs has been completed, all of the assets of the Company have been distributed and the Certificate has been canceled, all in accordance with the Delaware Act.

Section 13.5 Claims of the Members. The Members and former Members shall look solely to the Company's assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(a) If to the Company:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: John J. Lipinski
Facsimile No.: 913-981-0000

with copies (which shall not constitute notice) to:

Kelso & Company, L.P.
320 Park Avenue, 24th Floor
New York, New York 10022
Attention: James J. Connors II
Facsimile No.: 212-223-2379

and

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel
Steven Steinman
Facsimile No.: (212) 859-4000

and

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Kevin M. Schmidt
Facsimile No.: (212) 909-6836

(b) If to a Member, at the address set forth opposite such Member's name on Schedule A attached hereto, or at such other address as such Member may hereafter designate by written notice to the Company.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received by (w) if by personal delivery, on the day delivered, (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

Section 14.2 Securities Act Matters. Each Member understands that, in addition to the restrictions on transfer contained in this Agreement, he or she must bear the economic risks of his or her investment for an indefinite period because the Interests have not been registered under the Securities Act.

Section 14.3 Headings. The headings to sections in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 14.4 Entire Agreement. This Agreement constitutes the entire agreement among the Members with respect to the subject matter hereof, and supersedes any prior agreement or understanding among them with respect to the matters referred to herein. There are no representations, warranties, promises, inducements, covenants or undertakings relating to the Units, other than those expressly set forth or referred to herein.

Section 14.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 14.6 Governing Law; Attorneys' Fees. This Agreement and the rights and obligations of the Members hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof. The substantially prevailing party in any action or proceeding relating to this Agreement shall be entitled to receive an award of, and to recover from the other party or parties, any fees or expenses incurred by him, her or it (including, without limitation, reasonable attorneys' fees and disbursements) in connection with any such action or proceeding.

Section 14.7 Waivers. Except as may otherwise be provided by applicable law in connection with the winding-up, liquidation and dissolution of the Company, each Member hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Company's property.

Waiver by any Member hereto of any breach or default by any other Member of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the Members hereto or from any failure by any Member to assert its or his or her rights hereunder on any occasion or series of occasions.

EACH MEMBER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR THE BREACH, TERMINATION OR

VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.8 **Invalidity of Provision**. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

Section 14.9 **Further Actions**. Each Member shall execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the Company in connection with the continuation of the Company and the achievement of its purposes, including, without limitation, (a) any documents that the Company deems necessary or appropriate to continue the Company as a limited liability company in all jurisdictions in which the Company or its Subsidiaries conduct or plan to conduct business and (b) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Company.

Section 14.10 **Amendments**.

(a) Subject to the amendment provisions of Section 12.10(a), this Agreement may not be amended, modified or supplemented except by a written instrument signed by each of the Investor Members; provided, however, that the Board may make such modifications to this Agreement, including Schedule A, as are necessary to admit Additional Members who are admitted in accordance with Sections 3.2, 3.6, 6.2 and 12.2. Notwithstanding the foregoing, no amendment, modification or supplement shall adversely affect the Management Members as a class without the consent of a Majority in Interest (exclusive of Override Units) of the Management Members or, to the extent (and only to the extent) any particular Management Member would be uniquely and adversely affected by a proposed amendment, modification or supplement, by such Management Member; provided, further, that, in either case, no such consent shall be required for (i) any amendments, modifications or supplements to Article IV or (ii) for the issuance of additional Units pursuant to Section 3.2. The Company shall notify all Members after any such amendment, modification or supplement, other than any amendments to Schedule A, as permitted herein, has taken effect.

(b) Notwithstanding 14.10(a), each Member shall, and shall cause each of its Affiliates and transferees to, take any action requested by the Kelso Member that is designed to comply with the finalization of proposed Treasury Regulations relating to the issuance of partnership equity for services and any other Treasury Regulation, Revenue Procedure, or other guidance issued with respect thereto. Without limiting the foregoing, such action may include authorizing the Company to make any election, agreeing to any condition imposed on such Member, its Affiliates or its transferee, executing any amendment to this Agreement or other agreements, executing any new agreement, and agreeing not to take any contrary position on any tax return or other filing.

Section 14.11 **No Third Party Beneficiaries**. Except as otherwise provided herein, this Agreement is not intended to, and does not, confer upon any Person, except for the parties hereto, any rights or remedies hereunder; provided, however, that CA II is an express third party beneficiary of Sections 3.2, 3.6, 12.1 and 12.2(a), with a direct right of enforcement.

Section 14.12 Injunctive Relief. The Units cannot readily be purchased or sold in the open market, and for that reason, among others, the Company and the Members will be irreparably damaged in the event this Agreement is not specifically enforced. Each of the Members therefore agrees that, in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of this Agreement. Such remedies shall, however, be cumulative and not exclusive, and shall be in addition to any other remedy which the Company or any Member may have. Each Member hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts in New York for the purposes of any suit, action or other proceeding arising out of, or based upon, this Agreement or the subject matter hereof. Each Member hereby consents to service of process made in accordance with Section 14.1.

Section 14.13 Power of Attorney. Each Member hereby constitutes and appoints Kelso as his or her true and lawful joint representative and attorney-in-fact in his or her name, place and stead to make, execute, acknowledge, record and file the following:

(a) any amendment to the Certificate which may be required by the laws of the State of Delaware because of:

(i) any duly made amendment to this Agreement, or

(ii) any change in the information contained in such Certificate, or any amendment thereto;

(b) any other certificate or instrument which may be required to be filed by the Company under the laws of the State of Delaware or under the applicable laws of any other jurisdiction in which counsel to the Company determines that it is advisable to file;

(c) any certificate or other instrument which Kelso or the Board deems necessary or desirable to effect a termination and dissolution of the Company which is authorized under this Agreement;

(d) any amendments to this Agreement, duly adopted in accordance with the terms of this Agreement; and

(e) any other instruments that Kelso or the Board may deem necessary or desirable to carry out fully the provisions of this Agreement; provided, however, that any action taken pursuant to this power shall not, in any way, increase the liability of the Members beyond the liability expressly set forth in this Agreement, and provided, further, that, where action by a majority of the Board is required, such action shall have been taken.

Such attorney-in-fact is not by the provisions of this Section 14.13 granted any authority on behalf of the undersigned to amend this Agreement, except as provided for in this Agreement.

Such power of attorney is coupled with an interest and shall continue in full force and effect notwithstanding the subsequent death or incapacity of the Member granting such power of attorney.

ARTICLE XV

DEFINED TERMS

Section 15.1 Definitions.

"Accounting Period" means, for the first Accounting Period, the period commencing on the date hereof and ending on the next Adjustment Date. All succeeding Accounting Periods shall commence on the day after an Adjustment Date and end on the next Adjustment Date.

"Additional Member" has the meaning given in Section 3.6(a).

"Adjustment Date" means the last day of each fiscal year of the Company or any other date determined by the Board, in its sole discretion, as appropriate for an interim closing of the Company's books.

"Affiliate" means, with respect to a specified Person, any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Third Amended and Restated Limited Liability Company Agreement of the Company, as this agreement may be amended, modified, supplemented or restated from time to time after the date hereof.

"Amended and Restated LLC Agreement" has the meaning given in the recitals to this Agreement.

"Benchmark Amount" means the amount set with respect to an Override Unit pursuant to Section 7.1(e).

"Board" has the meaning given in Section 4.1(a).

"Book Value" means with respect to any asset, the asset's adjusted basis for U.S. federal income tax purposes, except as follows: (i) the Book Value of any asset contributed or deemed contributed by a Member to the Company shall be the gross fair market value of such asset at the time of contribution as reasonably determined by the Board; (ii) the Book Value of any asset distributed or deemed distributed by the Company to any Member shall be adjusted immediately prior to such distribution to equal its gross fair market value at such time as reasonably determined by the Board; (iii) the Book Values of all Company assets may be adjusted in the discretion of the Board to equal their respective gross fair market values, as reasonably determined by the Board as of (1) the date of the acquisition of an additional interest in the Company by any new or existing Member in exchange for a contribution to the capital of the

Company; or (2) upon the liquidation of the Company (including upon interim liquidating distributions), or the distribution by the Company to a retiring or continuing Member of money or other Company property in reduction of such Member's interest in the Company; (iv) any adjustments to the adjusted basis of any asset of the Company pursuant to Sections 734 or 743 of the Code shall be taken into account in determining such asset's Book Value in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(iv)(m); and (v) if the Book Value of an asset has been determined pursuant to clause (i) or adjusted pursuant to clauses (iii) or (iv) above, to the extent and in the manner permitted in the Treasury Regulations, adjustments to such Book Value for depreciation and amortization with respect to such asset shall be calculated by reference to Book Value, instead of tax basis.

"Capital Account" has the meaning given in Section 6.1.

"Capital Contribution" means, for any Member, the total amount of cash and the Fair Market Value of any property contributed to the Company by such Member.

"Carrying Value" means, with respect to any Interest purchased by the Company, the value equal to the Capital Contribution, if any, made by the selling Management Member in respect of any such Interest less the amount of distributions made in respect of such Interest.

"Certificate" means the Certificate of Formation of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Delaware pursuant to the Delaware Act.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Units" means a class of Interests in the Company, as described in Section 3.2(a). For the avoidance of doubt, Common Units shall not include Override Units.

"Company" has the meaning given in the introductory paragraph to this Agreement.

"Covered Person" means a current or former Member or Director, an Affiliate of a current or former Member or Director, any officer, director, shareholder, partner, member, employee, advisor, representative or agent of a current or former Member or Director or any of their respective Affiliates, or any current or former officer, employee or agent of the Company or any of its Affiliates.

"Current Value" means, as of any given time, the sum of (A) the aggregate amount of distributions pursuant to Section 9.1 received by the Investor Members prior to such time (including, for the avoidance of doubt, any portion of any distribution with respect to which Current Value is being determined) in respect of Common Units plus (B) if such distribution is to be made in connection with an Exit Event the product of (i) the aggregate amount per Common Unit of distributions pursuant to Section 9.1 to be received by the Investor Members upon such Exit Event, which shall be determined assuming that all Override Units issued and outstanding at the date of the Exit Event (but excluding, any Override Units (including, without limitation, Value Units issued hereunder), which, by their terms, would be forfeited in conjunction with the occurrence of such Exit Event if they did not become eligible to participate in distributions pursuant to Section 7.1(b) upon the occurrence of the Exit Event) are treated as if they were

Common Units immediately prior to the Exit Event and (ii) the Investor Member Units outstanding as of the occurrence of such Exit Event.

"Deficit" has the meaning given in Section 8.2(a).

"Delaware Act" means the Delaware Limited Liability Company Act, 6 Del. C. §18-101, et seq., as amended from time to time.

"Director" has the meaning given in Section 4.1(a).

"Disability" means, with respect to a Management Member, the termination of the employment of any Management Member by the Company or any Subsidiary of the Company that employs such individual (or by the Company on behalf of any such Subsidiary) as a result of such Management Member's incapacity due to reasonably documented physical or mental illness that shall have prevented such Management Member from performing his or her duties for the Company on a full-time basis for more than six months and within 30 days after written notice has been given to such Management Member, such Management Member shall not have returned to the full time performance of his or her duties, in which case the date of termination shall be deemed to be the last day of the aforementioned 30-day period; provided that, in the case of any Management Member who, as of the date of determination, is party to an effective services, severance or employment agreement with the Company, "Disability" shall have the meaning, if any, specified in such agreement.

"Exit Event" means a transaction or a combination or series of transactions (other than an Initial Public Offering) resulting in:

(a) the sale, transfer or other disposition by the Investor Members to one or more Persons that are not, immediately prior to such sale, Affiliates of the Company or any Investor Member of all of the Interests of the Company beneficially owned by the Investor Members as of the date of such transaction; or

(b) the sale, transfer or other disposition of all of the assets of the Company and its Subsidiaries, taken as a whole, to one or more Persons that are not, immediately prior to such sale, transfer or other disposition, Affiliates of the Company or any Investor Member.

"Fair Market Value" means, as of any date,

(a) for purposes of determining the value of any property owned by, contributed to or distributed by the Company, (i) in the case of publicly-traded securities, the average of their last sales prices on the applicable trading exchange or quotation system on each trading day during the five trading-day period ending on such date and (ii) in the case of any other property, the fair market value of such property, as determined in good faith by the Board, or

(b) for purposes of determining the value of any Member's Interest in connection with Section 12.4 ("Involuntary Transfers"), (i) the fair market value of such Interest as reflected in the most recent appraisal report prepared, at the request of the Board, by an independent valuation consultant or appraiser of recognized national standing, reasonably satisfactory to the Board, or (ii) in the event no such appraisal exists or the date of such report is more than one year prior to the date of determination, the fair market value of such Interest as determined in good faith by the Board.

"Inactive Management Member" has the meaning given in Section 7.2(b).

"Initial Price" means the product of (i) the Investor Members' average cost per each Investor Member Unit times (ii) the total number of Investor Member Units.

"Initial Public Offering" or "IPO" means the first underwritten public offering of the common stock of a successor corporation to the Company or a Subsidiary of the Company to the general public through a registration statement filed with the Securities and Exchange Commission that covers (together with prior effective registrations) (i) not less than 25% of the then outstanding shares of common stock of such successor corporation or such Subsidiary of the Company on a fully diluted basis or (ii) shares of such successor corporation or such Subsidiary of the Company that will be traded on any of the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers Automated Quotation System after the close of any such general public offering.

"Interest" means a limited liability interest in the Company, which represents the interest of each Member in and to the profits and losses of the Company and such Member's right to receive distributions of the Company's assets, as set forth in this Agreement.

"Investor Member Units" means the aggregate member of Units held by the Investor Members at the time of measurement.

"Investor Members" has the meaning given in the introductory paragraph to this Agreement.

"Involuntary Transfer" has the meaning given in Section 12.4.

"Involuntary Transferee" has the meaning given in Section 12.4.

"Kelso" means Kelso Investment Associates VII, L.P., a Delaware limited partnership, together with KEP VI, LLC, a Delaware limited liability company.

"Kelso Director" means a Director appointed or designated for election solely by Kelso.

"Kelso Member" has the meaning given in the introductory paragraph to this Agreement.

"Magnetite" means Magnetite Asset Investors III L.L.C., an Outside Member.

"Majority in Interest" means, as of any given record date or other applicable time, the holders of a majority of the outstanding Units held by Members as of such date that are entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members.

“Management Member” has the meaning given in the introductory paragraph to this Agreement. A Management Member shall be deemed not to be a “manager” within the meaning of the Delaware Act (except to the extent Section 4.1(b) applies).

“Member” has the meaning given in the introductory paragraph to this Agreement and includes (i) any Person admitted as an additional or substitute Member of the Company pursuant to this Agreement and (ii) for the avoidance of doubt, Inactive Management Members.

“Net Income” and “Net Loss” mean, respectively, for any period the taxable income and taxable loss of the Company for the period as determined for U.S. federal income tax purposes, provided that for the purpose of determining Net Income and Net Loss (and for purposes of determining items of gross income, loss, deduction and expense in applying Sections 8.1 and 8.2, but not for income tax purposes): (i) there shall be taken into account any items required to be separately stated under Section 703(a) of the Code, (ii) any income of the Company that is exempt from federal income taxation and not otherwise taken into account in computing Net Income and Net Loss shall be added to such taxable income or loss; (iii) if the Book Value of any asset differs from its adjusted tax basis for federal income tax purposes, any depreciation, amortization or gain or loss resulting from a disposition of such asset shall be calculated with reference to such Book Value; (iv) upon an adjustment to the Book Value of any asset, pursuant to the definition of Book Value, the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (v) any expenditure of the Company described in Section 705(a)(2)(B) of the Code or treated as such an expenditure pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition, shall be subtracted from such taxable income or loss; (vi) to the extent an adjustment to the adjusted tax basis of any asset included in Company property pursuant to Section 734(b) of the Code is required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for the purposes of computing Net Income and Net Loss; and (vii) items allocated pursuant to Section 8.2 shall not be taken into account in computing Net Income or Net Loss.

“Non-Investor Member” has the meaning given in the introductory paragraph to this Agreement.

“Officers” has the meaning given in Section 4.11.

“Operating Unit” means a sub-class of Override Units, as described in Section 3.2(b).

“Original LLC Agreement” has the meaning given in the recitals to this Agreement.

“Outside Member” has the meaning given in the introductory paragraph to this Agreement

“Override Units” means a class of Interest in the Company, as described in Section 3.2(b).

"Person" means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

"resignation for Good Reason" means a voluntary termination of a Management Member's employment with the Company or any Subsidiary of the Company that employs such individual as a result of either of the following:

(a) without the Management Member's prior written consent, a reduction by the Company or any such Subsidiary of his or her current salary, other than any such reduction which is part of a general salary reduction or other concessionary arrangement affecting all employees or affecting the group of employees of which the Management Member is a member (after receipt by the Company of written notice from such Management Member and a 20-day cure period); or

(b) the taking of any action by the Company or any such Subsidiary that would substantially diminish the aggregate value of the benefits provided him or her under the Company's or such Subsidiary's accident, disability, life insurance and any other employee benefit plans in which he or she was participating on the date of his or her execution of this Agreement, other than any such reduction which is (i) required by law, (ii) implemented in connection with a general concessionary arrangement affecting all employees or affecting the group of employees of which the Management Member is a member, (iii) generally applicable to all beneficiaries of such plans (after receipt by the Company of written notice and a 20-day cure period) or (iv) in accordance with the terms of any such plan.

or, if such Management Member is a party to a services, severance or employment agreement with the Company, the meaning as set forth in such services or employment agreement.

"Retirement" means the termination of a Management Member's employment on or after the date the Management Member attains age 65. Notwithstanding the foregoing, (i) with respect to any Management Member who is a party to a services or employment agreement with the Company, "Retirement" shall have the meaning, if any, specified in such Management Member's services, severance or employment agreement and (ii) in the event a Management Member whose employment with the Company terminates due to Retirement continues to serve as a Director, of or a consultant to, the Company, such Management Member's employment with the Company shall not be deemed to have terminated for purposes of Section 7.2 until the date as of which such Management Member's services as a Director, of or consultant to, the Company shall have also terminated, at which time the Management Member shall be deemed to have terminated employment due to retirement.

"Rule 144" has the meaning given in section 5.1(b).

"Second Amended and Restated LLC Agreement" has the meaning given in the recitals to this Agreement.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

“Stock Purchase Agreement” means that certain Stock Purchase Agreement, dated as of May 15, 2005, by and among Coffeyville Group Holdings, LLC and the Company, as amended and in effect from time to time.

“Subsidiary” means any direct or indirect subsidiary of the Company on the date hereof and any direct or indirect subsidiary of the Company organized or acquired after the date hereof and shall be deemed to include CVR Energy, Inc.

“Tax Matters Partner” has the meaning given in Section 10.2(b).

“Termination for Cause” or “Cause” means a termination of a Management Member’s employment by the Company or any subsidiary of the Company that employs such individual (or by the Company on behalf of any such subsidiary) due to such Management Member’s (i) refusal or neglect to perform substantially his or her employment-related duties, (ii) personal dishonesty, incompetence, willful misconduct or breach of fiduciary duty, (iii) conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony or his or her willful violation of any applicable law (other than a traffic violation or other offense or violation outside of the course of employment which in no way adversely affects the Company and its Subsidiaries or its reputation or the ability of the Management Member to perform his or her employment-related duties or to represent the Company or any Subsidiary of the Company that employs such Management Member) or (iv) material breach of any written covenant or agreement with the Company or any of its Subsidiaries not to disclose any information pertaining to the Company or such subsidiary or not to compete or interfere with the Company or such Subsidiary; provided that, in the case of any Management Member who, as of the date of determination, is party to an effective services, severance or employment agreement with the Company, “termination for Cause” shall have the meaning, if any, specified in such agreement.

“Transfer” means to directly or indirectly transfer, sell, pledge, hypothecate or otherwise dispose of.

“Treasury Regulations” means the Regulations of the Treasury Department of the United States issued pursuant to the Code.

“Units” means any class of Interests provided for herein.

“Value Units” means a sub-class of Override Units, as described in Section 3.2(b).

[Signature page follows]

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

INVESTOR MEMBERS

KELSO INVESTMENT ASSOCIATES VII, L.P.

By: Kelso GP VII, L.P., its General Partner

By: Kelso GP VII, LLC, its General Partner

By: ______________________________
Name:
Title:

KEP VI, LLC

By: ______________________________
Name:
Title:

[Signature page to the Third Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC]

MANAGEMENT MEMBERS

JOHN J. LIPINSKI

THE TARA K. LIPINSKI 2007 EXEMPT TRUST

By:

Name: Tara K. Lipinski
Title: Trustee

THE LIPINSKI 2007 EXEMPT FAMILY TRUST

By:

Name: Patricia E. Lipinski
Title: Trustee

STANLEY A. RIEMANN

JAMES T. RENS

KEITH D. OSBORN

KEVAN A. VICK

[Signature page to the Third Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC]

ROBERT W. HAUGEN

WYATT E. JERNIGAN

ALAN K. RUGH

DANIEL J. DALY, JR.

[Signature page to the Third Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC]

OUTSIDE MEMBERS

MAGNETITE ASSET INVESTORS III L.L.C.

By: BlackRock Financial Management, Inc., as Managing Member

By: ____

Name:

Title:

____

WESLEY CLARK

[Signature page to the Third Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC]

SCHEDULE A

Schedule A to the LLC Agreement

Kelso Members

Name	Date of Admission	Mailing Address	Initial Balance	Capital Contribution	Common Units
Kelso Investment Associates VII, L.P.	June 24, 2005	c/o Kelso & Company, L.P. 320 Park Avenue, 24th Floor New York, New York 10022 Attention: James J. Connors II Fax: (212) 223-2379	N/A	$100,846,088.29	8,912,707.00
KEP VI, LLC	June 24, 2005	c/o Kelso & Company, L.P. 320 Park Avenue, 24th Floor New York, New York 10022 Attention: James J. Connors II Fax: (212) 223-2379	N/A	$ 24,971,411.71	2,206,956.00
Total			*N/A*	*$125,817,500.00*	*11,119,663.00*

Management Members—Initial Contribution

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units	Override Units: Date of Issuance	Override Units: Operating Units	Override Units: Value Units	Override Units: Benchmark Amount
John J. Lipinski	July 25, 2005	806 Skimmer Court Sugar Land, TX 77478	$ 650,000	57,446	Jul. 25, 2005 Dec. 29, 2006	315,818 72,492	631,637 144,966	$11.3149 $ 34.72
Stanley A. Riemann	July 25, 2005	15714 Quail Ridge Drive Smithville, MO 64089	$ 400,000	35,352	Jul. 25, 2005	140,185	280,371	$11.3149
James T. Rens	July 25, 2005	8112 NE 73rd Terrace Kansas City, MO 64158	$ 250,000	22,095	Jul. 25, 2005	71,965	143,931	$11.3149
Keith D. Osborn	July 25, 2005	1208 West 2nd Street Coffeyville, KS 67337	$ 250,000	22,095	Jul. 25, 2005	71,965	143,931	$11.3149
Kevan A. Vick	July 25, 2005	4704 Cherry Hills Court Lawrence, KS 66047	$ 250,000	22,095	Jul. 25, 2005	71,965	143,931	$11.3149
Robert W. Haugan	July 25, 2005	5610 Lone Cedar Drive Kingwood, TX 77478	$ 100,000	8,838	Jul. 25, 2005	71,965	143,931	$11.3149
Wyatt E. Jernigan	July 25, 2005	250 South Post Oak Lane Houston, TX 77056	$ 100,000	8,838	Jul. 25, 2005	71,965	143,931	$11.3149
Alan K. Rugh	July 25, 2005	2003 Sea King Street Houston, TX 77008	$ 100,000	8,838	Jul. 25, 2005	51,901	103,801	$11.3149
Daniel J. Daly, Jr.	July 25, 2005	5364 McCulloch Circle Houston, TX 77056	$ 50,000	4,419	Jul. 25, 2005	51,901	103,801	$11.3149
Edmund Gross	September 12, 2005	8824 Rosewood Drive Prairie Village, KS 66207	$ 30,000	2,651	Sep 12, 2005	N/A	N/A	N/A
Chris Swanberg	July 25, 2005	6902 Cherry Hills Road Houston, Texas 77069	$ 25,000	2,209	Jul. 25, 2005	N/A	N/A	N/A
John Huggins	July 25, 2005	401 Oldham Street, Waxahachie, Texas 75165	$ 70,000	6,187	Jul. 25, 2005	N/A	N/A	N/A
Total			*$2,275,000*	*201,063*		*992,122*	*1,984,931*	

<u>Management Members—Current Holdings</u>

Name		Capital Contribution	Common Units	Override Units: Date of Issuance	Override Units: Operating Units	Override Units: Value Units	Benchmark Amount
John J. Lipinski	806 Skimmer Court Sugar Land, TX 77478	$ 325,000	28,723	Jul. 25, 2005	N/A	N/A	N/A
The Tara K. Lipinski 2007 Exempt Trust	806 Skimmer Court Sugar Land, TX 77478	N/A	N/A	Jul. 25, 2005 Dec. 29, 2006	78,954.5 18,123	157,909.25 36,241.5	$11.3149 $ 34.72
The Lipinski 2007 Exempt Family Trust	806 Skimmer Court Sugar Land, TX 77478	N/A	N/A	Jul. 25, 2005 Dec. 29, 2006	78,954.5 18,123	157,909.25 36,241.5	$11.3149 $ 34.72
Stanley A. Riemann	15714 Quail Ridge Drive Smithville, MO 64089	$ 200,000	17,676	Jul. 25, 2005	70,092.5	140,185.5	$11.3149
James T. Rens	8112 NE 73rd Terrace Kansas City, MO 64158	$ 125,000	11,047.5	Jul. 25, 2005	35,982.5	71,965.5	$11.3149
Keith D. Osborn	1208 West 2nd Street Coffeyville, KS 67337	$ 125,000	11,047.5	Jul. 25, 2005	35,982.5	71,965.5	$11.3149
Kevan A. Vick	4704 Cherry Hills Court Lawrence, KS 66047	$ 125,000	11,047.5	Jul. 25, 2005	35,982.5	71,965.5	$11.3149
Robert W. Haugan	5610 Lone Cedar Drive Kingwood, TX 77478	$ 50,000	4,419	Jul. 25, 2005	35,982.5	71,965.5	$11.3149
Wyatt E. Jernigan	250 South Post Oak Lane Houston, TX 77056	$ 50,000	4,419	Jul. 25, 2005	35,982.5	71,965.5	$11.3149
Alan K. Rugh	2003 Sea King Street Houston, TX 77008	$ 50,000	4,419	Jul. 25, 2005	25,950.5	51,900.5	$11.3149
Daniel J. Daly, Jr.	5364 McCulloch Circle Houston, TX 77056	$ 25,000	2,209.5	Jul. 25, 2005	25,950.5	51,900.5	$11.3149
Edmund Gross	8824 Rosewood Drive Prairie Village, KS 66207	$ 15,000	1,325.5	Sep 12, 2005	N/A	N/A	N/A
Chris Swanberg	6902 Cherry Hills Road Houston, Texas 77069	$ 12,500	1,104.5	Jul. 25, 2005	N/A	N/A	N/A
John Huggins	401 Oldham Street, Waxahachie, Texas 75165	$ 35,000	3,093.5	Jul. 25, 2005	N/A	N/A	N/A
Total		*$1,137,500*	*100,531.75*		*496,061*	*992,465.5*	

Outside Members

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units
Magnetite Asset Investors III L.L.C.	June 24, 2005	Magnetite Asset Investors III L.L.C. c/o BlackRock Financial Management, Inc. 40 East 52nd Street New York, New York 10022 Attention: Jeff Gary	$2,000,000	176,758.00
Wesley Clark	September 20, 2005	[ ]	$ 125,000	11,047.50

EXHIBIT A

SPOUSAL WAIVER

[INSERT NAME**]** hereby waives and releases any and all equitable or legal claims and rights, actual, inchoate or contingent, which **[**she**]** **[**he**]** may acquire with respect to the disposition, voting or control of the Units subject to the Third Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC, dated as of [___, 2007], as the same may be amended, modified, supplemented or restated from time to time, except for rights in respect of the proceeds of any disposition of such Units.

____
Name:

Exhibit 10.35

FIRST AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

COFFEYVILLE ACQUISITION II LLC

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FIRST AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF
COFFEYVILLE ACQUISITION II LLC

This First Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition II LLC (the "**Company**") is dated as of [__________ ___,] 2007, among the entities listed under the heading "GSCP Members" on Schedule A hereto (each, a "**GSCP Member**" and, collectively, the "**Investor Members**"), the individuals listed under the heading "Management Members" on Schedule A hereto (each a "**Management Member**" and collectively, the "**Management Members**," which term shall also include such other management employees of the Company who become members of the Company and are designated "Management Members" after the date hereof in accordance with Section 3.6 of this Agreement) and the Persons listed under the heading "Outside Members" on Schedule A hereto (each an "**Outside Member**" and together with any Persons who become members of the Company and are designated "Outside Members" after the date hereof in accordance with Section 3.6 of this Agreement, the "**Outside Members**". The Management Members, the Inactive Management Members and the Outside Members are collectively referred to herein as the "**Non-Investor Members**." The Investor Members and the Non-Investor Members are collectively referred to herein as the "**Members**." Any capitalized term used herein without definition shall have the meaning set forth in Article XV.

WHEREAS, the Coffeyville Acquisition LLC, a Delaware corporation ("**CA**"), entered into a limited liability company agreement, dated as of [__________ ___,] (the "**Original LLC Agreement**"), pursuant to which the CA contributed 50% of its assets to the Company in consideration of the issuance by the Company to CA of 100% of the membership interests of the Company;

WHEREAS, prior to the date hereof, the GCSP Members, Wesley Clark and the Management Members held membership interests in CA;

WHEREAS, contemporaneously with this Agreement, CA entered into a redemption agreement with the GSCP Members, Wesley Clark and the Management Members, pursuant to which CA redeemed 100% of the membership interests in CA held by each of the GSCP Members and one-half of the membership interests in CA held by each of the Management Members and Wesley Clark in exchange for 100% of the membership interests in the Company held by CA;

WHEREAS the redemption shall be treated as a division of the Company within the meaning of Treasury Regulation section 1.708-1(d) with neither the Company nor CA treated as a continuing partnership; and

WHEREAS, the parties hereto desire to enter into this Agreement for the purpose of adopting the terms of this Agreement as the complete expression of the covenants, agreements and undertakings of the parties hereto with respect to the affairs of the Company, the conduct of its business and the rights and obligations of the Members, thereby amending, restating, replacing and superseding the Original LLC Agreement in its entirety.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

FORMATION OF THE COMPANY

Section 1.1 **Formation**. The Company was formed upon the filing of the Certificate with the Secretary of State of the State of Delaware on [__________ ___,].

Section 1.2 **Company Name**. The name of the Company is Coffeyville Acquisition LLC. The business of the Company may be conducted under such other names as the Board may from time to time designate; provided that the Company complies with all relevant state laws relating to the use of fictitious and assumed names.

Section 1.3 **The Certificate, etc**. Each Director is hereby authorized to execute, deliver, file and record all such other certificates and documents, including amendments to or restatements of the Certificate, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property, and the conduct of business under the laws of the State of Delaware and any other jurisdiction in which the Company may own property or conduct business.

Section 1.4 **Term of Company**. The term of the Company commenced on the date of the initial filing of the Certificate with the Secretary of State of the State of Delaware. The Company may be terminated in accordance with the terms and provisions hereof, and shall continue unless and until dissolved as provided in Article XIII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Delaware Act.

Section 1.5 **Registered Agent and Office**. The Company's registered agent and office in the State of Delaware is The Corporation Trust Company located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Board may designate another registered agent and/or registered office from time to time in accordance with the then applicable provisions of the Delaware Act and any other applicable laws.

Section 1.6 **Principal Place of Business**. The principal place of business of the Company is located at 10 E. Cambridge Circle, Ste. 250, Kansas City, Kansas 66103. The location of the Company's principal place of business may be changed by the Board from time to time in accordance with the then applicable provisions of the Delaware Act and any other applicable laws.

Section 1.7 **Qualification in Other Jurisdictions**. Any authorized person of the Company shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

Section 1.8 **Fiscal Year; Taxable Year**. The fiscal year of the Company for financial accounting purposes shall end on December 31.

ARTICLE II

PURPOSE AND POWERS OF THE COMPANY

Section 2.1 **Purpose**. The purposes of the Company are, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Act and engaging in all acts or activities as the Company deems necessary, advisable or incidental to the furtherance of the foregoing.

Section 2.2 **Powers of the Company**. The Company shall have the power and authority to take any and all actions that are necessary, appropriate, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 2.1.

Section 2.3 **Certain Tax Matters**. The Company shall not elect, and the Board shall not permit the Company to elect, to be treated as an association taxable as a corporation for U.S. federal, state or local income tax purposes under Treasury Regulations section 301.7701-3 or under any corresponding provision of state or local law. The Company and the Board shall not permit the registration or listing of the Interests on an "established securities market," as such term is used in Treasury Regulations section 1.7704-1.

ARTICLE III

MEMBERS AND INTERESTS GENERALLY

Section 3.1 **Powers of Members**. The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to the express terms of this Agreement. The approval or consent of the Members shall not be required in order to authorize the taking of any action by the Company unless and then only to the extent that (a) this Agreement shall expressly provide therefor, (b) such approval or consent shall be required by non-waivable provisions of the Delaware Act or (c) the Board shall have determined in its sole discretion that obtaining such approval or consent would be appropriate or desirable. The Members, as such, shall have no power to bind the Company.

Section 3.2 **Interests Generally**. As of the date hereof, the Company has two authorized classes of Interests: Common Units and Override Units (which will consist of either Operating Units or Value Units as described below). Except as otherwise provided in this Article III, the Company shall not (1) authorize additional classes of Interests denominated in the form of Units other than Override Units or (2) to issue Units in a particular class to any Person other than a Management Member (including any Person who becomes a Management Member at any time after the date of this Agreement in accordance with Section 3.6) without (x) the prior consent of the Board, (y) the prior consent of a Majority in Interest (exclusive of Override Units) of the Management Members or, to the extent (and only to the extent) any particular Management Member would be uniquely and adversely affected by a proposed additional class of Interests, by such Management Member and (z) the prior consent of CA. Additional classes of Override Units may be authorized from time to time by the Board without obtaining the consent of any Member, class of Members or CA.

(a) Common Units.

(i) General. Subject to the provisions of Section 7.2(b), the holders of Common Units will have voting rights with respect to their Common Units as provided in Section 3.3(d) and shall have the rights with respect to profits and losses of the Company and distributions from the Company as are set forth herein. The number of Common Units of each Member as of any given time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement.

(ii) Price. The payment terms and schedule for the Capital Contributions applicable to any Common Unit will be determined by the Board upon issuance of such Common Units.

(b) Override Units.

(i) General. The Company will have two sub-classes of Override Units: Operating Units and Value Units. Subject to the provisions of Article VII hereof (including the applicable Benchmark Amount), the holders of Override Units will have no voting rights with respect to their Override Units but shall have the rights with respect to profits and losses of the Company and distributions from the Company as are set forth herein; provided that additional terms and conditions applicable to an Override Unit may be established by the Board in connection with the issuance of any such Override Unit to a person who becomes a Management Member at any time after the date of this Agreement in accordance with Section 3.6 hereof. The number of Override Units issued to a Management Member as of any given time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement. Following the forfeiture and cancellation of any Override Units pursuant to Section 7.2, the Company may issue a number of Override Units up to such number of forfeited and cancelled Override Units as the Board may determine, without obtaining the consent of any Member, class of Members or CA.

(ii) Price. The holders of Override Units are not required to make any Capital Contribution to the Company in exchange for their Override Units, it being recognized that, unless otherwise determined by a majority of the Board, such Units shall be issued only to Management Members who own Common Units and who agree to provide services to the Company pursuant to Section 4.13.

(c) At least 30 days prior to any issuance of Interests by the Company to any Management Member (including any Person who becomes a Management Member at any time after the date of this Agreement in accordance with Section 3.6), the Company shall deliver a written notice to that effect to CA II, which notice shall include the amount and type of Interests to be issued, the identity of such Management Member or Management Members, the Capital

Contribution expected to be made with respect to such Interests, if any, and any other material terms and conditions of such proposed issuance.

Section 3.3 Meetings of Members.

(a) Meetings; Notice of Meetings. Meetings of the Members, including any special meeting, may be called by the Board from time to time. Notice of any such meeting shall be given to all Members not less than two nor more than 30 business days prior to the date of such meeting and shall state the location, date and hour of the meeting and, in the case of a special meeting, the nature of the business to be transacted. Meetings shall be held at the location (within or without the State of Delaware) at the date and hour set forth in the notice of the meeting.

(b) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) Quorum. Except as otherwise required by applicable law or by the Certificate, the presence in person or by proxy of the holders of record of a Majority in Interest shall constitute a quorum for the transaction of business at such meeting.

(d) Voting. If the Board has fixed a record date, every holder of record of Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members as of such date shall be entitled to one vote for each such Unit outstanding in such Member's name at the close of business on such record date. Holders of record of Override Units will have no voting rights with respect to such Units. If no record date has been so fixed, then every holder of record of such Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members shall be entitled to one vote for each Unit outstanding in his name on the close of business on the day next preceding the day on which notice of the meeting is given or the first consent in respect of the applicable action is executed and delivered to the Company, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by applicable law, the Certificate or this Agreement, the vote of a Majority in Interest at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting.

(e) Proxies. Each Member may authorize any Person to act for such Member by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or such Member's attorney-in-fact. No proxy shall be valid after the expiration of three years from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it unless otherwise provided in such proxy; provided, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(f) Organization. Each meeting of Members shall be conducted by such Person as the Board may designate.

(g) Action Without a Meeting. Unless otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by a Majority in Interest. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Members who have not consented in writing.

Section 3.4 Business Transactions of a Member with the Company. A Member may lend money to, borrow money from, act as surety or endorser for, guarantee or assume one or more specific obligations of, provide collateral for, or transact any other business with the Company or any of its Subsidiaries; provided that any such transaction shall require the approval of the Board.

Section 3.5 No Cessation of Membership upon Bankruptcy. A Person shall not cease to be a Member of the Company upon the happening, with respect to such Person, of any of the events specified in Section 18-304 of the Delaware Act.

Section 3.6 Additional Members.

(a) Admission Generally. Upon the approval of (x) the Board, (y) a Majority in Interest (exclusive of Override Units) of the Management Members or, to the extent (and only to the extent) any particular Management Member would be uniquely and adversely affected by such action, by such Management Member and (z) CA, the Company may admit one or more additional Members (each, an "**Additional Member**"), to be treated as a "Member" or one of the "Members" for all purposes hereunder. The Board may designate any such Additional Member as an "Investor Member," a "Management Member" or an "Outside Member" hereunder. Notwithstanding the foregoing, one or more management employees of the Company may be admitted as a Management Member upon approval of the Board without obtaining the consent of any Member, class of Members or CA.

(b) Rights of Additional Members. Prior to the admission of an Additional Member, the Board shall determine:

(i) the Capital Contribution (if any) of such Additional Member;

(ii) the rights, if any, of such Additional Member to appoint Directors to the Board;

(iii) the number of Units to be granted to such Additional Member and whether such Units shall be Common Units, Override Units or Units of an additional class of Interests authorized pursuant to the terms of this Agreement; and in the case of Common Units, the price to be paid therefor and in the case of any Override Units, the applicable Benchmark Amount and terms thereof, including whether such Override Units are Operating Units or Value Units; and

(iv) whether such Additional Member will be a Management Member or an Investor Member or an Outside Member; provided that the rights and obligations of any Outside Member shall be as specified by the Board in its sole discretion and, if such terms are different from the terms applicable to the Outside Members as provided herein, this Agreement shall be amended, in accordance with Section 14.10, to reflect such terms.

(c) Admission Procedure. Each Person shall be admitted as an Additional Member at the time such Person (i) executes a joinder agreement to this Agreement, (ii) makes Capital Contributions (if any) to the Company in an amount to be determined by the Board, (iii) complies with the applicable Board resolution, if any, with respect to such admission, (iv) is issued Units (if any) by the Company and (v) is named as a Member in Schedule A (as described in Section 12.2) hereto. The Board is authorized to amend Schedule A to reflect any issuance of Units and any such admission and any actions pursuant to this Section 3.6.

Section 3.7 Other Business for Members.

(a) Existing Business Ventures. Each Member, Director and their respective Affiliates may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company, and the Company, the Directors and the Members shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Company, shall not be deemed wrongful or improper.

(b) Business Opportunities. No Member, Director or any of their respective Affiliates shall be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that the Company or any of its Subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each Member, Director or any of their respective Affiliates shall have the right to take for such Person's own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

(c) Management Members. For the avoidance of doubt, the provisions of Section 3.7(a) and (b) shall not in any way limit any non-competition or non-solicitation restrictions contained in an employment, severance, separation or services agreement between any Management Member or any other Member who is an employee of the Company or any of its Subsidiaries and the Company or any of its Subsidiaries.

ARTICLE IV

MANAGEMENT

Section 4.1 Board.

(a) Generally. The business and affairs of the Company shall be managed by or under the direction of a committee of the Company (the "**Board**") consisting of such number of natural persons (each, a "**Director**") as shall be established by the vote, approval or consent of a

Majority in Interest from time to time. The Directors shall be appointed to the Board upon the vote, approval or consent of a Majority in Interest. Directors need not be Members. Subject to the other provisions of this Article IV, the Board shall have full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 2.2 of this Agreement. Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the Delaware Act) of the Company. Except as otherwise provided herein, and notwithstanding the last sentence of Section 18-402 of the Delaware Act, no single Director may bind the Company, and the Board shall have the power to act only collectively in accordance with the provisions and in the manner specified herein. Each Director shall hold office until a successor is appointed in accordance with this Section 4.1(b) or until such Director's earlier death, resignation or removal in accordance with the provisions hereof.

(b) Current Directors. Subject to the right to increase or decrease the authorized number of Directors pursuant to the first sentence of Section 4.1(a), the Board shall consist of two Directors. The two Directors referenced in the immediately preceding sentence shall be Scott Lebovitz and Kenneth Pontarelli.

Section 4.2 Meetings of the Board. The Board shall meet from time to time to discuss the business of the Company. The Board may hold meetings either within or without the State of Delaware. Meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. The Chief Executive Officer of the Company or a majority of the Board may call a meeting of the Board on five business days' notice to each Director, either personally, by telephone, by facsimile or by any other similarly timely means of communication, which notice requirement may be waived by the Directors.

Section 4.3 Quorum and Acts of the Board.

(a) At all meetings of the Board, two Directors shall constitute a quorum for the transaction of business, unless the number of Directors is increased or decreased pursuant to Section 4.1(a), in which case the presence of a majority of the then authorized number of Directors shall constitute a quorum. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if a majority of the members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

(b) Except as otherwise provided in this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board.

Section 4.4 Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 4.5 **Committees of Directors**. The Board may, by resolution passed by a majority of Directors, designate one or more committees. Such resolution shall specify the duties, quorum requirements and qualifications of the members of such committees, each such committee to consist of such number of Directors as the Board may fix from time to time. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 4.6 **Compensation of Directors**. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at such meetings of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as a Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of any committee of the Board may be allowed like compensation for attending committee meetings.

Section 4.7 **Resignation**. Any Director may resign at any time by giving written notice to the Company. The resignation of any Director shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Members or the remaining Directors shall not be necessary to make it effective. Upon the effectiveness of any such resignation, such Director shall cease to be a “manager” (within the meaning of the Delaware Act).

Section 4.8 **Removal of Directors**. Members shall have the right to remove any Director at any time for cause upon the affirmative vote of a Majority in Interest. In addition, a majority of the Directors then in office shall have the right to remove a Director for cause. Upon the taking of such action, the Director shall cease to be a “manager” (within the meaning of the Delaware Act). Any vacancy caused by any such removal shall be filled in accordance with Section 4.9.

Section 4.9 **Vacancies**. If any vacancies shall occur in the Board, by reason of death, resignation, deemed resignation, removal or otherwise, the Directors then in office shall continue to act, and actions that would otherwise be taken by a majority of the Directors may be taken by a majority of the Directors then in office, even if less than a quorum. A Director elected to fill a vacancy shall hold office until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal.

Section 4.10 **Directors as Agents**. The Directors, to the extent of their powers set forth in this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers shall bind the Company. Except as otherwise provided in Section 1.3 and notwithstanding the last sentence of Section 18-402 of the Delaware Act, no single Director shall have the power to bind the Company and the Board shall have the power to act only collectively in the manner specified herein.

Section 4.11 **Officers**. The Board shall appoint an individual or individuals to serve as the Company's Chief Executive Officer and President and Chief Financial Officer and may, from time to time as it deems advisable, appoint additional officers of the Company (together with the Chief Executive Officer and President and Chief Financial Officer, the "**Officers**") and assign such officers titles (including, without limitation, Vice President, Secretary and Treasurer). Unless otherwise decided by a majority of the Board, each Management Member shall be an officer of the Company. Unless the Board decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this Section 4.11 may be revoked at any time by the Board. Any Officer may be removed with or without cause by the Board, except as otherwise provided in any services or employment agreement between such Officer and the Company.

Section 4.12 Strategic Planning Committee. The Company shall establish a Strategic Planning Committee to advise the President and Chief Executive Officer of the Company on such matters as he shall request, which shall at a minimum include (but shall not be limited to) assessment of and advice regarding (a) the business affairs and prospects of the Company and its Subsidiaries; (b) developing and implementing corporate and business strategy and planning for the Company and its Subsidiaries, including plans and programs for improving operating, marketing and financial performance, budgeting of future corporate investments, acquisition and divestiture strategies, and reorganization programs and (c) planning for and assessment of strategic opportunities and disposition prospects for the Company and its Subsidiaries. The Strategic Planning Committee shall have no decision-making authority, but instead shall advise and report to, and be chaired by, the President and Chief Executive Officer of the Company. The Strategic Planning Committee shall consist of each Management Member (excluding Inactive Management Members). The Strategic Planning Committee shall meet at least semiannually and in connection with matters determined by the Board in its sole discretion.

ARTICLE V

INVESTMENT REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 **Representations, Warranties and Covenants of Members**.

(a) Investment Intention and Restrictions on Disposition. Each Member represents and warrants that such Member is acquiring the Interests solely for such Member's own account for investment and not with a view to resale in connection with any distribution thereof. Each Member agrees that such Member will not, directly or indirectly, Transfer any of the Interests (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any of the Interests) or any interest therein or any rights relating thereto or offer to Transfer, except in compliance with the Securities Act, all applicable state securities or "blue sky" laws and this Agreement, as the same shall be amended from time to time. Any attempt by a Member, directly or indirectly, to Transfer, or offer to Transfer, any Interests or any interest therein or any rights relating thereto without complying with the provisions of this Agreement, shall be void and of no effect.

(b) Securities Laws Matters. Each Member acknowledges receipt of advice from the Company that (i) the Interests have not been registered under the Securities Act or qualified under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Interests, (iii) the Interests must be held indefinitely and such Member must continue to bear the economic risk of the investment in the Interests unless the Interests are subsequently registered under the Securities Act and such state laws or an exemption from registration is available, (iv) Rule 144 promulgated under the Securities Act ("**Rule 144**") is not presently available with respect to sales of any securities of the Company and the Company has made no covenant to make Rule 144 available and Rule 144 is not anticipated to be available in the foreseeable future, (v) when and if the Interests may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts and in accordance with the terms and conditions of such Rule and the provisions of this Agreement, (vi) if the exemption afforded by Rule 144 is not available, public sale of the Interests without registration will require the availability of an exemption under the Securities Act, (vii) restrictive legends shall be placed on any certificate representing the Interests and (viii) a notation shall be made in the appropriate records of the Company indicating that the Interests are subject to restrictions on transfer and, if the Company should in the future engage the services of a transfer agent, appropriate stop-transfer instructions will be issued to such transfer agent with respect to the Interests.

(c) Ability to Bear Risk. Each Member represents and warrants that (i) such Member's financial situation is such that such Member can afford to bear the economic risk of holding the Interests for an indefinite period and (ii) such Member can afford to suffer the complete loss of such Member's investment in the Interests.

(d) Access to Information; Sophistication; Lack of Reliance. Each Member represents and warrants that (i) such Member is familiar with the business and financial condition, properties, operations and prospects of the Company and that such Member has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Company and the terms and conditions of the purchase of the Interests and to obtain any additional information that such Member deems necessary, (ii) such Member's knowledge and experience in financial and business matters is such that such Member is capable of evaluating the merits and risk of the investment in the Interests and (iii) such Member has carefully reviewed the terms and provisions of this Agreement and has evaluated the restrictions and obligations contained therein. In furtherance of the foregoing, each Member represents and warrants that (i) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of the Company or as to the desirability or value of an investment in the Company has been made to such Member by or on behalf of the Company, (ii) such Member has relied upon such Member's own independent appraisal and investigation, and the advice of such Member's own counsel, tax advisors and other advisors, regarding the risks of an investment in the Company and (iii) such Member will continue to bear sole responsibility for making its own independent evaluation and monitoring of the risks of its investment in the Company.

(e) Accredited Investor. Each Member represents and warrants that such Member is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as the Board may request.

Section 5.2 Additional Representations and Warranties of Non-Investor Members. Each Non-Investor Member represents and warrants that (i) such Non-Investor Member has duly executed and delivered this Agreement, (ii) all actions required to be taken by or on behalf of the Non-Investor Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken and this Agreement constitutes such Non-Investor Member's legal, valid and binding obligation, enforceable against such Non-Investor Member in accordance with the terms hereof, (iii) the execution and delivery of this Agreement and the consummation by the Non-Investor Member of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to the Non-Investor Member or by which the Non-Investor Member or any material portion of its properties is bound, (iv) no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by such Non-Investor Member in connection with the execution and delivery of this Agreement or the performance of such Non-Investor Member's obligations hereunder, (v) if such Non-Investor Member is an individual, such Non-Investor Member is a resident of the state set forth opposite such Non-Investor Member's name on Schedule A and (vi) if such Non-Investor Member is not an individual, such Non-Investor Member's principal place of business and mailing address is in the state set forth opposite such Non-Investor Member's name on Schedule A.

Section 5.3 Additional Representations and Warranties of Investor Members.

(a) Due Organization; Power and Authority, etc. GSCP Onshore represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware. GS Capital Partners V Offshore Fund, L.P. represents and warrants that it is an exempted limited partnership duly formed, validly existing and in good standing under the laws of the Cayman Islands. GSCP Institutional represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware. GS Capital Partners V GmbH & Co. KG represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of Germany. Each Investor Member further represents and warrants that it has all necessary power and authority to enter into this Agreement to carry out the transactions contemplated herein.

(b) Authorization; Enforceability. All actions required to be taken by or on behalf of such Investor Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken, and this Agreement constitutes the legal, valid and binding obligation of such Investor Member, enforceable against such Investor Member in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

(c) Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation by such Investor Member of the transactions contemplated hereby and thereby in the manner contemplated hereby and thereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to such Investor Member or by which such Investor Member or any material portion of its properties is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon the financial condition, business or operations of such Investor Member or upon such Investor Member's ability to enter into and carry out its obligations under this Agreement.

(d) Executing Parties. The person executing this Agreement on behalf of each Investor Member has full power and authority to bind such Investor Member to the terms hereof and thereof.

Section 5.4 Additional Covenants of Management Members. Each Management Member hereby agrees that, upon the receipt of any Override Unit, it shall make an election pursuant to section 83(b) of the Code.

ARTICLE VI

CAPITAL ACCOUNTS; CAPITAL CONTRIBUTIONS

Section 6.1 Capital Accounts. A separate capital account (a "**Capital Account**") shall be established and maintained for each Member. The current balance in each Member's Capital Account is as set forth on Schedule A.

Section 6.2 Adjustments.

(a) Any contributions of property after the date hereof shall be valued at their Fair Market Value.

(b) As of the end of each Accounting Period, the balance in each Member's Capital Account shall be adjusted by (i) increasing such balance by (A) such Member's allocable share of Net Income (allocated in accordance with Section 8.1), (B) the items of gross income allocated to such Member pursuant to Section 8.2 and (C) the amount of cash and the Fair Market Value of any property (as of the date of the contribution thereof and net of any liabilities encumbering such property) contributed to the Company by such Member during such Accounting Period, if any, and (ii) decreasing such balance by (A) the amount of cash and the

Fair Market Value of any property (as of the date of the distribution thereof and net of any liabilities encumbering such property) distributed to such Member during such Accounting Period, (B) such Member's allocable share of Net Loss (allocated in accordance with Section 8.1) and (C) the items of gross deduction allocated to such Member pursuant to Section 8.2. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations section 1.704-1(b) and section 1.704-2 and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

Section 6.3 Additional Capital Contributions. No Member shall be required to make any additional capital contribution to the Company in respect of the Interests then owned by such Member. A Member may make further capital contributions to the Company, but only with the written consent of the Board acting by majority vote. The provisions of this Section 6.3 are intended solely to benefit the Members and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a third party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the Company to make any additional capital contributions or to cause the Board to consent to the making of additional capital contributions.

Section 6.4 Negative Capital Accounts. Except as otherwise required by this Agreement, no Member shall be required to make up a negative balance in its Capital Account.

ARTICLE VII

ADDITIONAL TERMS APPLICABLE TO OVERRIDE UNITS

Section 7.1 Certain Terms.

(a) Forfeiture of Operating Units. A Management Member's Operating Units shall be subject to forfeiture in accordance with the schedule in Section 7.2 hereof if he or she becomes an Inactive Management Member before the fifth anniversary of the Issuance Date of the Operating Units.

(b) Valuation of the Value Units; Forfeiture of Operating Units. Value Units will not participate in distributions under Article IX until from and after any point in time when the Current Value is at least two times the Initial Price. All Value Units will participate in distributions from and after any point in time when the Current Value is at least four times the Initial Price, and if at any time the Current Value is greater than two times but less than four times the Initial Price the number of a Management Member's Value Units that will participate in distributions at such time shall be that portion of such Management Member's Value Units that bears the same ratio as a fraction the numerator of which is the Current Value minus the product of (w) two and (x) the Initial Price, and the denominator of which is the product of (y) two and (z) the Initial Price. This Section 7.1(b) shall be applied to a Value Unit only after such Value Unit is no longer subject to Section 9.1(c). Any amount that is not distributed to the holder of any Value Unit as a result of this Section 7.1(b) shall be distributed pursuant to Section 9.1(b).

In the event that any portion of the Value Units does not become eligible to participate in distributions pursuant to this Section 7.1(b) upon the occurrence of an Exit Event, such portion of such Value Units shall automatically be forfeited.

(c) Certain Adjustments. On the tenth anniversary of the Issuance Date of any Override Unit, each such Override Unit (unless previously forfeited pursuant to this Agreement) shall (i) in the case of any Operating Unit, automatically convert into one Value Unit and (ii) in the case of any Value Unit (including any Value Units issued pursuant to clause (i) of this sentence and treating such Value Units as issued on the original Issuance Date of the Operating Unit giving rise to the conversion), be subject to Section 7.1(b) modified by substituting "10 times" for "two times" in each place where "two times" appears and substituting "12 times" for "four times" in each place where "four times" appears.

(d) Calculations. All calculations required or contemplated by Section 7.1(b) or Section 7.1(c) shall be made in the sole determination of the Board and shall be final and binding on the Company and each Management Member.

(e) Benchmark Amount. The Board shall determine the Benchmark Amount with respect to each Override Unit at the time such Override Unit is issued to a Management Member, which shall be reflected on Schedule A. The Benchmark Amount of each issued Override Unit shall be reflected on Schedule A, which (together with the provisions of Sections 9.1(b) and (c)) are intended to result in such Override Unit being treated as a profits interest for U.S. federal income tax purposes as of the date such Override Unit is issued.

Section 7.2 Effects of Termination of Employment on Override Units.

(a) Forfeiture of Override Units upon Termination.

(i) Termination for Cause. Unless otherwise determined by the Board in a manner more favorable to such Management Member, in the event that a Management Member ceases to provide services to the Company or one of its Subsidiaries in connection with any termination for Cause, all of the Override Units issued to such Inactive Management Member shall be forfeited.

(ii) Other Termination. Unless otherwise determined by the Override Unit Committee in a manner more favorable to such Management Member, in the event that a Management Member ceases to provide services to the Company or one of its Subsidiaries in connection with the termination of employment of such Member for any reason other than a termination for Cause, then, in the event that (x) an Exit Event has not yet occurred, and (y) no definitive agreement shall be in effect regarding a transaction, which, if consummated, would result in an Exit Event, then all of the Value Units (other than any Value Units that are exempt from forfeiture pursuant to this Section 7.2.(a)(ii) by virtue of the application of Section 7.2(a)(iii)) issued to such Inactive Management Member shall be forfeited and a percentage of the Operating Units issued to such Inactive Management Member shall be forfeited according to the following schedule (it being understood that in the event that such forfeiture does not occur as a result of the operation of clause (y) but the definitive agreement referred to in such clause (y) subsequently terminates without consummation of an Exit Event, then the forfeiture of all of the Value Units (other than any Value Units that are exempt from forfeiture pursuant to this Section 7.2.(a)(ii) by virtue of the application of Section 7.2(a)(iii)) and of the applicable percentage of Operating Units referred to herein shall thereupon occur):

If the termination occurs	Percentage of such Inactive Management Member's Operating Units to be Forfeited
Before the second anniversary of the Issuance Date of such Inactive Management Member's Operating Units	100%
On or after the second anniversary, but before the third anniversary, of the Issuance Date of such Inactive Management Member's Operating Units	75%
On or after the third anniversary, but before the fourth anniversary, of the Issuance Date of such Inactive Management Member's Operating Units	50%
On or after the fourth anniversary, but before the fifth anniversary, of the Issuance Date of such Inactive Management Member's Operating Units	25%
On or after the fifth anniversary of the Issuance Date of such Inactive Management Member's Operating Units	0%

(iii) Treatment of Value Units upon Death and Disability of a Management Member. In the event that a Management Member ceases to provide services to the Company or one of its Subsidiaries due to such Member's death or Disability, a percentage (determined in accordance with the following schedule) of the Value Units issued to such Inactive Management Member shall not be subject to forfeiture pursuant to Section 7.2(a)(ii):

If death or Disability occurs	Percentage of such Inactive Management Member’s Value Units Not Subject to Forfeiture Pursuant to Section 7.2(a)(ii)
Before the second anniversary of the Issuance Date of such Inactive Management Member’s Value Units	0%
On or after the second anniversary, but before the third anniversary, of the Issuance Date of such Inactive Management Member’s Value Units	25%
On or after the third anniversary, but before the fourth anniversary, of the Issuance Date of such Inactive Management Member’s Value Units	50%
On or after the fourth anniversary, but before the fifth anniversary, of the Issuance Date of such Inactive Management Member’s Value Units	75%
On or after the fifth anniversary of the Issuance Date of such Inactive Management Member’s Value Units	100%

(b) Inactive Management Members. If a Management Member ceases to provide services to or for the benefit of the Company or one of its Subsidiaries in connection with the termination of employment of such Member for any reason, the Common Units held by such Member shall cease to ha**ve voting rights a**nd **such** Member shall be thereafter referred to herein as a “Inactive Management Member” with only the rights of an Inactive Management Member specified herein. Notwithstanding the foregoing,ing, for the avoidance of doubt, for purposes of Article IX hereof).

(c) Effect of Forfeiture. Any Override Unit, which is forfeited, shall be cancelled for no consideration.

ARTICLE VIII

ALLOCATIONS

Section 8.1 Book Allocations of Net Income and Net Loss.

(a) Except as provided in Section 8.2, Net Income and Net Loss of the Company shall be allocated among the Members’ Capital Accounts as of the end of each Accounting Period or portion thereof in a manner that as closely as possible gives effect to the economic provisions of this Agreement.

(b) Except as otherwise provided in Section 8.2, all items of gross income, gain, loss and deduction included in the computation of Net Income and Net Loss shall be allocated in the same proportion as are Net Income and Net Loss.

Section 8.2 Special Book Allocations.

(a) Qualified Income Offset. If any Member unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations section 1.704-1(b)(2)(ii)(d)(4), (5) or

(6) and such adjustment, allocation or distribution causes or increases a deficit in such Member's Capital Account in excess of its obligation to make additional Capital Contributions (a "**Deficit**"), items of gross income and gain for such Accounting Period and each subsequent Accounting Period shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit of such Member as quickly as possible; provided that an allocation pursuant to this Section 8.2(a) shall be made only if and to the extent that such Member would have a Deficit after all other allocations provided for in this Article VIII have been tentatively made as if this Section 8.2(a) were not in this Agreement. This Section 8.2(a) is intended to comply with the qualified income offset provision of Treasury Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(b) Notwithstanding anything to the contrary in this Agreement, items of gross income, gain, loss or deduction shall be specifically allocated to particular Members to the extent necessary to comply with applicable law (including the requirement to make "forfeiture allocations" within the meaning of Prop. Treas. Reg. Section 1. 704-1(b)(4)(xii)).

(c) Restorative Allocations. Any special allocations of items of income or gain pursuant to this Section 8.2 shall be taken into account in computing subsequent allocations pursuant to this Agreement so that the net amount for any item so allocated and all other items allocated to each Member pursuant to this Agreement shall be equal, to the extent possible, to the net amount that would have been allocated to each Member pursuant to the provisions of this Agreement if such special allocations had not occurred.

Section 8.3 Tax Allocations. The income, gains, losses, credits and deductions recognized by the Company shall be allocated among the Members, for U.S. federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Members' Capital Accounts. Notwithstanding the foregoing, the Board shall have the power to make such allocations for U.S. federal, state and local income tax purposes so long as such allocations have substantial economic effect, or are otherwise in accordance with the Members' Interests, in each case within the meaning of the Code and the Treasury Regulations. Notwithstanding the previous sentence, in allocating income, gain, loss, credits, and deductions among the Members for U.S. federal, state, and local income tax purposes, the Board has discretion to: (1) disregard Section 7.1(c); and (2) compute Current Value by assuming that the price per Common Unit will equal the quotient obtained by dividing: (x) the aggregate capital accounts of all Members, by (y) the number of Common Units outstanding, including all Override Units issued and outstanding at the end of the taxable year, whether vested or unvested, other than Override Units (including without limitation, Value Units issued hereunder) that, by their terms would be forfeited in conjunction with the occurrence of an Exit Event if they did not become eligible to participate in distributions pursuant to Section 7.1(b) upon the occurrence of the Exit Event. In accordance with section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for U.S. federal income tax purposes and its Book Value.

ARTICLE IX

DISTRIBUTIONS

Section 9.1 Distributions Generally.

(a) The Company may make distributions to the Members to the extent that the cash available to the Company is in excess of the reasonably anticipated needs of the business (including reserves). In determining the amount distributable to each Member, the provisions of this Section 9.1 shall be applied in an iterative manner.

(b) Subject to Section 9.1(c) and (d), any such distributions shall be made to the Members in proportion to the number of Units held by each Member as of the time of such distribution.

(c) The amount of any proposed distribution to a holder of any Override Unit pursuant to Section 9.1(b) in respect of such Override Unit shall be reduced until the total reductions in proposed distributions pursuant to this Section 9.1(c) in respect of such Override Unit equals the Benchmark Amount in respect of such Override Unit. Any amount that is not distributed to the holder of any Override Unit pursuant to this Section 9.1(c) shall be distributed pursuant to Section 9.1(b) and shall remain subject to this Section 9.1(c).

(d) In the event that pursuant to Section 7.1(b) a Value Unit was not previously entitled to participate in an actual distribution made by the Company under Section 9.1(b) but under the terms of Section 7.1(b) such Value Unit is currently entitled to participate in distributions, then Section 9.1(b) notwithstanding, any distributions by the Company shall be made 100% to the holder of such Value Unit in respect of such Value Unit until the total distributions made pursuant to this Section 9.1(d) in respect of such Value Unit equal the total distributions that would have been made in respect of such Value Unit if such Value Unit (and any other Value Units currently entitled to participate in distributions) had at all times been entitled to participate in distributions to the extent set forth in Section 7.1(b). In the event that this Section 9.1(d) applies to two or more Value Units at the same time, the distributions contemplated by this Section 9.1(d) shall be made in respect of each such Value Unit in proportion to the amounts distributable under this Section 9.1(d) in respect of each such Value Unit. For the avoidance of doubt, this Section 9.1(d) shall not apply to any Value Unit that is forfeited. The Board shall have the power in its sole discretion to make adjustments to the operation of this Section 9.1(d) if the Board determines in its sole discretion that such adjustments will further the intent of this Section 9.1(d).

Section 9.2 Distributions In Kind. In the event of a distribution of Company property, such property shall for all purposes of this Agreement be deemed to have been sold at its Fair Market Value and the proceeds of such sale shall be deemed to have been distributed to the Members.

Section 9.3 No Withdrawal of Capital. Except as otherwise expressly provided in Article XIII, no Member shall have the right to withdraw capital from the Company or to receive any distribution or return of such Member’s Capital Contributions.

Section 9.4 Withholding.

(a) Each Member shall, to the fullest extent permitted by applicable law, indemnify and hold harmless each Person who is or who is deemed to be the responsible withholding agent for U.S. federal, state or local income tax purposes against all claims, liabilities and expenses of whatever nature (other than any claims, liabilities and expenses in the nature of penalties and accrued interest thereon that result from such Person's fraud, willful misfeasance, bad faith or gross negligence) relating to such Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or as a result of such Member's participation in the Company.

(b) Notwithstanding any other provision of this Article IX, (i) each Member hereby authorizes the Company to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or any of its Affiliates with respect to such Member or as a result of such Member's participation in the Company and (ii) if and to the extent that the Company shall be required to withhold or pay any such taxes (including any amounts withheld from amounts payable to the Company to the extent attributable, in the judgment of the Members, to such Member's Interest), such Member shall be deemed for all purposes of this Agreement to have received a payment from the Company as of the time such withholding or tax is required to be paid, which payment shall be deemed to be a distribution with respect to such Member's Interest to the extent that the Member (or any successor to such Member's Interest) is then entitled to receive a distribution. To the extent that the aggregate of such payments to a Member for any period exceeds the distributions to which such Member is entitled for such period, such Member shall make a prompt payment to the Company of such amount. It is the intention of the Members that no amounts will be includible as compensation income to any Management Member, or will give rise to any withholding taxes imposed on compensation income, for United States federal income tax purposes as a result of the receipt, vesting or disposition of, or lapse of any restriction with respect to, any Override Units granted to such Member.

(c) If the Company makes a distribution in kind and such distribution is subject to withholding or other taxes payable by the Company on behalf of any Member, such Member shall make a prompt payment to the Company of the amount of such withholding or other taxes by wire transfer.

Section 9.5 Restricted Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member on account of its Interest if such distribution would violate Section 18-607 of the Delaware Act or other applicable law.

Section 9.6 Tax Distributions. In the event that the Company sells an equity interest in a Subsidiary, resulting in taxable income being recognized by the Members, or the Members are otherwise allocated taxable income from the Company (in each case, other than upon an Exit Event), the Company may make distributions to the Members to the extent of available cash (as determined by the Board in its discretion) in an amount equal to such income multiplied by a reasonable tax rate determined by the Board; it being understood that, if the Members are allocated material taxable income without corresponding cash distributions sufficient to pay the resulting tax liabilities, it is the Company's intention to make the tax distributions referred to herein; provided that the Board in its sole discretion shall determine whether any such tax distributions will be made. Any distributions made to a Member pursuant to this Section 9.6 shall reduce the amount otherwise distributable to such Member pursuant to the other provisions of this Agreement, so that to the maximum extent possible, the total amount of distributions received by each Member pursuant to this Agreement at any time is the same as such Member would have received if no distribution had been made pursuant to this Section 9.6. To the extent the cumulative sum of tax distributions made to a Member under this Section 9.6 has not been applied pursuant to the preceding sentence to reduce other amounts distributable to such Member, such Member shall contribute to the Company the remaining amounts necessary to give full effect to the preceding sentence on the date of the final liquidating distribution made by the Company pursuant to Section 13.2.

ARTICLE X

BOOKS AND RECORDS

Section 10.1 **Books, Records and Financial Statements**. At all times during the continuance of the Company, the Company shall maintain, at its principal place of business, separate books of account for the Company that shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all U.S. income derived in connection with the operation of the Company's business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with this Agreement. Such books of account, together with a copy of this Agreement and the Certificate, shall at all times be maintained at the principal place of business of the Company and shall be open to inspection and examination at reasonable times and upon reasonable notice by each Member and its duly authorized representative for any purpose reasonably related to such Member's Interest; provided that the Company may maintain the confidentiality of Schedule A.

Section 10.2 **Filings of Returns and Other Writings; Tax Matters Partner**.

(a) The Company shall timely file all Company tax returns and shall timely file all other writings required by any governmental authority having jurisdiction to require such filing. Within 90 days after the end of each taxable year (or as soon as reasonably practicable thereafter), the Company shall send to each Person that was a Member at any time during such year copies of Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.", or any successor schedule or form, with respect to such Person, together with such additional information as may be necessary for such Person to file his, her or its United States federal income tax returns.

(b) GSCP Onshore shall be the tax matters partner of the Company, within the meaning of section 6231 of the Code (the "**Tax Matters Partner**") unless a Majority in Interest votes otherwise. Each Member hereby consents to such designation and agrees that upon the request of the Tax Matters Partner, such Member will execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent.

(c) Promptly following the written request of the Tax Matters Partner, the Company shall, to the fullest extent permitted by applicable law, reimburse and indemnify the Tax Matters Partner for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Partner in connection with any administrative or judicial proceeding with respect to the tax liability of the Members, except to the extent arising from the bad faith, gross negligence, willful violation of law, fraud or breach of this Agreement by such Tax Matters Partner.

(d) The provisions of this Section 10.2 shall survive the termination of the Company or the termination of any Member's Interest and shall remain binding on the Members for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the U.S. federal income taxation of the Company or the Members.

Section 10.3 **Accounting Method**. For both financial and tax reporting purposes, the books and records of the Company shall be kept on the accrual method of accounting applied in a consistent manner and shall reflect all Company transactions and be appropriate and adequate for the Company's business.

ARTICLE XI

LIABILITY, EXCULPATION AND INDEMNIFICATION

Section 11.1 **Liability**. Except as otherwise provided by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

Section 11.2 **Exculpation**. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement.

Section 11.3 **Fiduciary Duty**. Any duties (including fiduciary duties) of a Covered Person to the Company or to any other Covered Person that would otherwise apply at law or in equity are hereby eliminated to the fullest extent permitted under the Delaware Act and any other applicable law; provided that (a) the foregoing shall not eliminate the obligation of each Covered Person to act in compliance with the express terms of this Agreement and (b) the foregoing shall not be deemed to eliminate the implied contractual covenant of good faith and fair dealing. Notwithstanding anything to the contrary contained in this Agreement, each of the Members hereby acknowledges and agrees that each of the Directors, in determining whether or not to vote in support of or against any particular decision for which the Board's consent is required, may act in and consider the best interest of the Member who designated such Director and shall not be required to act in or consider the best interests of the Company or the other Members or parties hereto.

Section 11.4 **Indemnification**. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement with respect to such acts or omissions; provided, that any indemnity under this Section 11.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

Section 11.5 **Expenses**. To the fullest extent permitted by applicable law, expenses (including, without limitation, reasonable attorneys' fees, disbursements, fines and amounts paid in settlement) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding relating to or arising out of their performance of their duties on behalf of the Company shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified as authorized in this Section 11.5.

Section 11.6 **Severability**. To the fullest extent permitted by applicable law, if any portion of this Article shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each Director or Officer and may indemnify each employee or agent of the Company as to costs, charges and expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Company, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated.

ARTICLE XII

TRANSFERS OF INTERESTS

Section 12.1 **Restrictions on Transfers of Interests by Members**. No Member may Transfer any Interests including, without limitation, to any other Member, or by gift, or by operation of law or otherwise; provided that, subject to Section 12.2(b) and Section 12.2(c), Interests may be Transferred by a Member (i) pursuant to Section 12.3 ("Estate Planning Transfers, Transfers Upon Death of a Management Member"), (ii) in accordance with Section 12.4 ("Involuntary Transfers"), or (iii) pursuant to the prior written approval of each of the Board and CA, in each case, in its sole discretion. Notwithstanding the forgoing, Interests may be Transferred by an Investor Member to an Affiliate of such Transferring Investor Member without the approval of the Board or CA.

Section 12.2 Overriding Provisions.

(a) Any Transfer in violation of this Article XII shall be null and void ab initio, and the provisions of Section 12.2(e) shall not apply to any such Transfers. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance.

(b) All Transfers permitted under this Article XII are subject to this Section 12.2 and Sections 12.5 and 12.6.

(c) Any proposed Transfer by a Member pursuant to the terms of this Article XII shall, in addition to meeting all of the other requirements of this Agreement, satisfy the following conditions: (i) the Transfer will not be effected on or through an "established securities market" or a "secondary market or the substantial equivalent thereof," as such terms are used in Treasury Regulations section 1.7704-1, and, at the request of the Board, the transferor and the transferee will have each provided the Company a certificate to such effect; and (ii) the proposed transfer will not result in the Company having more than 99 Members, within the meaning of Treasury Regulations section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations section 1.7704-1(h)(3)). The Board may in its sole discretion waive the condition set forth in clause (ii) of this Section 12.2(c).

(d) The Company shall promptly amend Schedule A to reflect any permitted transfers of Interests pursuant to and in accordance with this Article XII.

(e) The Company shall, from the effective date of any permitted assignment of an Interest (or part thereof), thereafter pay all further distributions on account of such Interest (or part thereof) to the assignee of such Interest (or part thereof); provided that such assignee shall have no right or powers as a Member unless such assignee complies with Section 12.6.

Section 12.3 Estate Planning Transfers; Transfers upon Death of a Management Member. Interests held by Management Members may be transferred for estate-planning purposes of such Management Member, to (A) a trust under which the distribution of the Interests may be made only to beneficiaries who are such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants, (B) a charitable remainder trust, the income from which will be paid to such Management Member during his or her life, (C) a corporation, the shareholders of which are only such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants or (D) a partnership or limited liability company, the partners or members of which are only such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants. Interests may be transferred as a result of the laws of descent; provided that, in each such case, such Management Member provides prior written notice to the Board of such proposed Transfer and makes available to the Board documentation, as the Board may reasonably request, in order to verify such Transfer.

Section 12.4 Involuntary Transfers. Any transfer of title or beneficial ownership of Interests upon default, foreclosure, forfeit, divorce, court order or otherwise than by a voluntary decision on the part of a Management Member or Outside Member (each, an "**Involuntary Transfer**") shall be void unless such Management Member or Outside Member complies with this Section 12.4 and enables the Company to exercise in full its rights hereunder. Upon any Involuntary Transfer, the Company shall have the right to purchase such Interests pursuant to this Section 12.4 and the Person to whom such Interests have been Transferred (the "**Involuntary Transferee**") shall have the obligation to sell such Interests in accordance with this Section 12.4. Upon the Involuntary Transfer of any Interest, such Management Member or Outside Member shall promptly (but in no event later than two days after such Involuntary Transfer) furnish written notice to the Company indicating that the Involuntary Transfer has occurred, specifying the name of the Involuntary Transferee, giving a detailed description of the circumstances giving rise to, and stating the legal basis for, the Involuntary Transfer. Upon the receipt of the notice described in the preceding sentence, and for 60 days thereafter, the Company shall have the right to purchase, and the Involuntary Transferee shall have the obligation to sell, all (but not less than all) of the Interests acquired by the Involuntary Transferee for a purchase price equal to the lesser of (i) the Fair Market Value of such Interest and (ii) the amount of the indebtedness or other liability that gave rise to the Involuntary Transfer plus the excess, if any, of the Carrying Value of such Interests over the amount of such indebtedness or other liability that gave rise to the Involuntary Transfer. Notwithstanding anything to the contrary, any Involuntary Transfer of Override Units shall result in the immediate forfeiture of such Override Units and without any compensation therefor, and such Involuntary Transferee shall have no rights with respect to such Override Units.

Section 12.5 Assignments.

(a) Assignment Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the Members hereto and their respective heirs, legal representatives, successors and assigns; provided that no Non-Investor Member may assign any of its rights or obligations hereunder without the consent of GSCP unless such assignment is in connection with a Transfer explicitly permitted by this Agreement and, prior to such assignment, such assignee complies with the requirements of Section 12.6.

Section 12.6 Substitute Members. In the event any Non-Investor Member or Investor Member Transfers its Interest in compliance with the other provisions of this Article XII (other than Section 12.4), the transferee thereof shall have the right to become a substitute Non-Investor Member or substitute Investor Member, as the case may be, but only upon satisfaction of the following:

(a) execution of such instruments as the Board deems reasonably necessary or desirable to effect such substitution; and

(b) acceptance and agreement in writing by the transferee of the Member's Interest to be bound by all of the terms and provisions of this Agreement and assumption of all obligations under this Agreement (including breaches hereof) applicable to the transferor and in the case of a transferee of a Management Member who resides in a state with a community property system, such transferee causes his or her spouse, if any, to execute a Spousal Waiver in the form of Exhibit A attached hereto. Upon the execution of the instrument of assumption by such transferee and, if applicable, the Spousal Waiver by the spouse of such transferee, such transferee shall enjoy all of the rights and shall be subject to all of the restrictions and obligations of the transferor of such transferee.

Section 12.7 **Release of Liability**. In the event any Member shall sell such Member's entire Interest (other than in connection with an Exit Event) in compliance with the provisions of this Agreement, including, without limitation, pursuant to the penultimate sentence of Section 12.4, without retaining any interest therein, directly or indirectly, then the selling Member shall, to the fullest extent permitted by applicable law, be relieved of any further liability arising hereunder for events occurring from and after the date of such Transfer.

ARTICLE XIII

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 **Dissolving Events**. The Company shall be dissolved and its affairs wound up in the manner hereinafter provided upon the happening of any of the following events:

(a) the Board and the Members shall vote or agree in writing to dissolve the Company pursuant to the required votes set forth in Section 3.3(d) and Section 4.3, respectively; or

(b) any event which, under applicable law, would cause the dissolution of the Company; provided that, unless required by applicable law, the Company shall not be wound up as a result of any such event and the business of the Company shall continue.

Notwithstanding the foregoing, the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member in the Company under the Delaware Act shall not, in and of itself, cause the dissolution of the Company. In such event, the remaining Member(s) shall continue the business of the Company without dissolution.

Section 13.2 **Dissolution and Winding-Up**. Upon the dissolution of the Company, the assets of the Company shall be liquidated or distributed under the direction of, and to the extent determined by, the Board, and the business of the Company shall be wound up. Within a reasonable time after the effective date of dissolution of the Company, the Company's assets shall be distributed in the following manner and order:

First, to creditors in satisfaction of indebtedness (other than any loans or advances that may have been made by any of the Members to the Company), whether by payment or the making of reasonable provision for payment, and the expenses of liquidation, whether by payment or the making of reasonable provision for payment, including the establishment of reasonable reserves (which may be funded by a liquidating trust) determined by the Board or the liquidating trustee, as the case may be, to be reasonably necessary for the payment of the Company's expenses, liabilities and other obligations (whether fixed, conditional, unmatured or contingent);

Second, to the payment of loans or advances that may have been made by any of the Members to the Company; and

Third, to the Members in accordance with Section 9.1, taking into account any amounts previously distributed under Section 9.1;

provided that no payment or distribution in any of the foregoing categories shall be made until all payments in each prior category shall have been made in full, and provided, further, that, if the payments due to be made in any of the foregoing categories exceed the remaining assets available for such purpose, such payments shall be made to the Persons entitled to receive the same pro rata in accordance with the respective amounts due to them.

Section 13.3 Distributions in Cash or in Kind. Upon the dissolution of the Company, the Board shall use all commercially reasonable efforts to liquidate all of the Company's assets in an orderly manner and apply the proceeds of such liquidation as set forth in Section 13.2; provided that, if in the good faith judgment of the Board, a Company asset should not be liquidated, the Board shall cause the Company to allocate, on the basis of the Fair Market Value of any Company assets not sold or otherwise disposed of, any unrealized gain or loss based on such value to the Members' Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute such assets in accordance with Section 13.2 as if such Fair Market Value had been received in cash, subject to the priorities set forth in Section 13.2, and provided, further, that the Board shall in good faith attempt to liquidate sufficient Company assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in Section 13.2.

Section 13.4 Termination. The Company shall terminate when the winding up of the Company's affairs has been completed, all of the assets of the Company have been distributed and the Certificate has been canceled, all in accordance with the Delaware Act.

Section 13.5 Claims of the Members. The Members and former Members shall look solely to the Company's assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(a) If to the Company:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: John J. Lipinski
Facsimile No.: 913-981-0000

with copies (which shall not constitute notice) to:

GS Capital Partners V Fund, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
Attention: Kenneth Pontarelli
Facsimile No.: 212-357-5505

and

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel
Steven Steinman
Facsimile No.: (212) 859-4000

and

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Kevin M. Schmidt
Facsimile No.: (212) 909-6836

(b) If to a Member, at the address set forth opposite such Member's name on Schedule A attached hereto, or at such other address as such Member may hereafter designate by written notice to the Company.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received by (w) if by personal delivery, on the day delivered, (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

Section 14.2 Securities Act Matters. Each Member understands that, in addition to the restrictions on transfer contained in this Agreement, he or she must bear the economic risks of his or her investment for an indefinite period because the Interests have not been registered under the Securities Act.

Section 14.3 Headings. The headings to sections in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 14.4 Entire Agreement. This Agreement constitutes the entire agreement among the Members with respect to the subject matter hereof, and supersedes any prior agreement or understanding among them with respect to the matters referred to herein. There are no representations, warranties, promises, inducements, covenants or undertakings relating to the Units, other than those expressly set forth or referred to herein.

Section 14.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 14.6 Governing Law; Attorneys' Fees. This Agreement and the rights and obligations of the Members hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof. The substantially prevailing party in any action or proceeding relating to this Agreement shall be entitled to receive an award of, and to recover from the other party or parties, any fees or expenses incurred by him, her or it (including, without limitation, reasonable attorneys' fees and disbursements) in connection with any such action or proceeding.

Section 14.7 Waivers. Except as may otherwise be provided by applicable law in connection with the winding-up, liquidation and dissolution of the Company, each Member hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Company's property.

Waiver by any Member hereto of any breach or default by any other Member of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the Members hereto or from any failure by any Member to assert its or his or her rights hereunder on any occasion or series of occasions.

EACH MEMBER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.8 Invalidity of Provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

Section 14.9 Further Actions. Each Member shall execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the Company in connection with the continuation of the Company and the achievement of its purposes, including, without limitation, (a) any documents that the Company deems necessary or appropriate to continue the Company as a limited liability company in all jurisdictions in which the Company or its Subsidiaries conduct or plan to conduct business and (b) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Company.

Section 14.10 Amendments.

(a) Subject to the amendment provisions of Section 12.10(a), this Agreement may not be amended, modified or supplemented except by a written instrument signed by each of the Investor Members; provided, however, that the Board may make such modifications to this Agreement, including Schedule A, as are necessary to admit Additional Members who are admitted in accordance with Sections 3.2, 3.6, 6.2 and 12.2. Notwithstanding the foregoing, no amendment, modification or supplement shall adversely affect the Management Members as a class without the consent of a Majority in Interest (exclusive of Override Units) of the Management Members or, to the extent (and only to the extent) any particular Management Member would be uniquely and adversely affected by a proposed amendment, modification or supplement, by such Management Member; provided, further, that, in either case, no such consent shall be required for (i) any amendments, modifications or supplements to Article IV or (ii) for the issuance of additional Units pursuant to Section 3.2. The Company shall notify all Members after any such amendment, modification or supplement, other than any amendments to Schedule A, as permitted herein, has taken effect.

(b) Notwithstanding 14.10(a), each Member shall, and shall cause each of its Affiliates and transferees to, take any action requested by the GSCP Member that is designed to comply with the finalization of proposed Treasury Regulations relating to the issuance of partnership equity for services and any other Treasury Regulation, Revenue Procedure, or other guidance issued with respect thereto. Without limiting the foregoing, such action may include authorizing the Company to make any election, agreeing to any condition imposed on such Member, its Affiliates or its transferee, executing any amendment to this Agreement or other agreements, executing any new agreement, and agreeing not to take any contrary position on any tax return or other filing.

Section 14.11 No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement is not intended to, and does not, confer upon any Person, except for the parties hereto, any rights or remedies hereunder; provided, however, that CA is an express third party beneficiary of Sections 3.2, 3.6, 12.1 and 12.2(a), with a direct right of enforcement.

Section 14.12 Injunctive Relief. The Units cannot readily be purchased or sold in the open market, and for that reason, among others, the Company and the Members will be irreparably damaged in the event this Agreement is not specifically enforced. Each of the Members therefore agrees that, in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of this Agreement. Such remedies shall, however, be cumulative and not exclusive, and shall be in addition to any other remedy which the Company or any Member may have. Each Member hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts in New York for the purposes of any suit, action or other proceeding arising out of, or based upon, this Agreement or the subject matter hereof. Each Member hereby consents to service of process made in accordance with Section 14.1.

Section 14.13 Power of Attorney. Each Member hereby constitutes and appoints GSCP as his or her true and lawful joint representative and attorney-in-fact in his or her name, place and stead to make, execute, acknowledge, record and file the following:

(a) any amendment to the Certificate which may be required by the laws of the State of Delaware because of:

(i) any duly made amendment to this Agreement, or

(ii) any change in the information contained in such Certificate, or any amendment thereto;

(b) any other certificate or instrument which may be required to be filed by the Company under the laws of the State of Delaware or under the applicable laws of any other jurisdiction in which counsel to the Company determines that it is advisable to file;

(c) any certificate or other instrument which GSCP or the Board deems necessary or desirable to effect a termination and dissolution of the Company which is authorized under this Agreement;

(d) any amendments to this Agreement, duly adopted in accordance with the terms of this Agreement; and

(e) any other instruments that GSCP or the Board may deem necessary or desirable to carry out fully the provisions of this Agreement; provided, however, that any action taken pursuant to this power shall not, in any way, increase the liability of the Members beyond the liability expressly set forth in this Agreement, and provided, further, that, where action by a majority of the Board is required, such action shall have been taken.

Such attorney-in-fact is not by the provisions of this Section 14.13 granted any authority on behalf of the undersigned to amend this Agreement, except as provided for in this Agreement. Such power of attorney is coupled with an interest and shall continue in full force and effect notwithstanding the subsequent death or incapacity of the Member granting such power of attorney.

ARTICLE XV

DEFINED TERMS

Section 15.1 Definitions.

"Accounting Period" means, for the first Accounting Period, the period commencing on the date hereof and ending on the next Adjustment Date. All succeeding Accounting Periods shall commence on the day after an Adjustment Date and end on the next Adjustment Date.

"Additional Member" has the meaning given in Section 3.6(a).

"Adjustment Date" means the last day of each fiscal year of the Company or any other date determined by the Board, in its sole discretion, as appropriate for an interim closing of the Company's books.

"Affiliate" means, with respect to a specified Person, any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this First Amended and Restated Limited Liability Company Agreement of the Company, as this agreement may be amended, modified, supplemented or restated from time to time after the date hereof.

"Benchmark Amount" means the amount set with respect to an Override Unit pursuant to Section 7.1(e).

"Board" has the meaning given in Section 4.1(a).

"Book Value" means with respect to any asset, the asset's adjusted basis for U.S. federal income tax purposes, except as follows: (i) the Book Value of any asset contributed or deemed contributed by a Member to the Company shall be the gross fair market value of such asset at the time of contribution as reasonably determined by the Board; (ii) the Book Value of any asset distributed or deemed distributed by the Company to any Member shall be adjusted immediately prior to such distribution to equal its gross fair market value at such time as reasonably determined by the Board; (iii) the Book Values of all Company assets may be adjusted in the discretion of the Board to equal their respective gross fair market values, as reasonably determined by the Board as of (1) the date of the acquisition of an additional interest in the Company by any new or existing Member in exchange for a contribution to the capital of the Company; or (2) upon the liquidation of the Company (including upon interim liquidating distributions), or the distribution by the Company to a retiring or continuing Member of money or other Company property in reduction of such Member's interest in the Company; (iv) any adjustments to the adjusted basis of any asset of the Company pursuant to Sections 734 or 743 of the Code shall be taken into account in determining such asset's Book Value in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(iv)(m); and (v) if the Book Value of an asset has been determined pursuant to clause (i) or adjusted pursuant to clauses (iii) or (iv) above, to the extent and in the manner permitted in the Treasury Regulations, adjustments to such Book Value for depreciation and amortization with respect to such asset shall be calculated by reference to Book Value, instead of tax basis.

"CA" has the meaning given in the recitals to this Agreement.

"Capital Account" has the meaning given in Section 6.1.

"Capital Contribution" means, for any Member, the total amount of cash and the Fair Market Value of any property contributed to the Company by such Member.

"Carrying Value" means, with respect to any Interest purchased by the Company, the value equal to the Capital Contribution, if any, made by the selling Management Member in respect of any such Interest less the amount of distributions made in respect of such Interest.

"Certificate" means the Certificate of Formation of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Delaware pursuant to the Delaware Act.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Units" means a class of Interests in the Company, as described in Section 3.2(a). For the avoidance of doubt, Common Units shall not include Override Units.

"Company" has the meaning given in the introductory paragraph to this Agreement.

"Covered Person" means a current or former Member or Director, an Affiliate of a current or former Member or Director, any officer, director, shareholder, partner, member, employee, advisor, representative or agent of a current or former Member or Director or any of their respective Affiliates, or any current or former officer, employee or agent of the Company or any of its Affiliates.

"Current Value" means, as of any given time, the sum of (A) the aggregate amount of distributions pursuant to Section 9.1 received by the Investor Members prior to such time (including, for the avoidance of doubt, any portion of any distribution with respect to which Current Value is being determined) in respect of Common Units plus (B) if such distribution is to be made in connection with an Exit Event the product of (i) the aggregate amount per Common Unit of distributions pursuant to Section 9.1 to be received by the Investor Members upon such Exit Event, which shall be determined assuming that all Override Units issued and outstanding at the date of the Exit Event (but excluding, any Override Units (including, without limitation, Value Units issued hereunder), which, by their terms, would be forfeited in conjunction with the occurrence of such Exit Event if they did not become eligible to participate in distributions pursuant to Section 7.1(b) upon the occurrence of the Exit Event) are treated as if they were Common Units immediately prior to the Exit Event and (ii) the Investor Member Units outstanding as of the occurrence of such Exit Event.

"Deficit" has the meaning given in Section 8.2(a).

"Delaware Act" means the Delaware Limited Liability Company Act, 6 Del. C. §18-101, et seq., as amended from time to time.

"Director" has the meaning given in Section 4.1(a).

"Disability" means, with respect to a Management Member, the termination of the employment of any Management Member by the Company or any Subsidiary of the Company that employs such individual (or by the Company on behalf of any such Subsidiary) as a result of such Management Member's incapacity due to reasonably documented physical or mental illness that shall have prevented such Management Member from performing his or her duties for the Company on a full-time basis for more than six months and within 30 days after written notice has been given to such Management Member, such Management Member shall not have returned to the full time performance of his or her duties, in which case the date of termination shall be deemed to be the last day of the aforementioned 30-day period; provided that, in the case of any Management Member who, as of the date of determination, is party to an effective services, severance or employment agreement with the Company, "Disability" shall have the meaning, if any, specified in such agreement.

"Exit Event" means a transaction or a combination or series of transactions (other than an Initial Public Offering) resulting in:

(a) the sale, transfer or other disposition by the Investor Members to one or more Persons that are not, immediately prior to such sale, Affiliates of the Company or any Investor Member of all of the Interests of the Company beneficially owned by the Investor Members as of the date of such transaction; or

(b) the sale, transfer or other disposition of all of the assets of the Company and its Subsidiaries, taken as a whole, to one or more Persons that are not, immediately prior to such sale, transfer or other disposition, Affiliates of the Company or any Investor Member.

"Fair Market Value" means, as of any date,

(a) for purposes of determining the value of any property owned by, contributed to or distributed by the Company, (i) in the case of publicly-traded securities, the average of their last sales prices on the applicable trading exchange or quotation system on each trading day during the five trading-day period ending on such date and (ii) in the case of any other property, the fair market value of such property, as determined in good faith by the Board, or

(b) for purposes of determining the value of any Member's Interest in connection with Section 12.4 ("Involuntary Transfers"), (i) the fair market value of such Interest as reflected in the most recent appraisal report prepared, at the request of the Board, by an independent valuation consultant or appraiser of recognized national standing, reasonably satisfactory to the Board, or (ii) in the event no such appraisal exists or the date of such report is more than one year prior to the date of determination, the fair market value of such Interest as determined in good faith by the Board.

"GSCP" means GSCP Onshore, together with GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GSCP Institutional and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

"GSCP Director" means a Director appointed or designated for election solely by GSCP.

“GSCP Institutional” means GS Capital Partners V Institutional, L.P., a Delaware limited partnership.

“GSCP Member” has the meaning given in the introductory paragraph to this Agreement.

“GSCP Onshore” means GS Capital Partners V Fund, L.P., a Delaware limited partnership.

“Inactive Management Member” has the meaning given in Section 7.2(b).

“Initial Price” means the product of (i) the Investor Members’ average cost per each Investor Member Unit times (ii) the total number of Investor Member Units.

“Initial Public Offering” or “IPO” means the first underwritten public offering of the common stock of a successor corporation to the Company or a Subsidiary of the Company to the general public through a registration statement filed with the Securities and Exchange Commission that covers (together with prior effective registrations) (i) not less than 25% of the then outstanding shares of common stock of such successor corporation or such Subsidiary of the Company on a fully diluted basis or (ii) shares of such successor corporation or such Subsidiary of the Company that will be traded on any of the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers Automated Quotation System after the close of any such general public offering.

“Issuance Date” means, with respect to any Interest, the earlier of (i) the date such Interest was issued and (ii) if such Interest was issued in exchanged for a redeemed Interest (as such term is defined in the Second Amended and Restated Limited Liability Company Agreement of CA, dated as of July 25, 2005) of CA, the date on which such redeemed Interest of CA was issued.

“Interest” means a limited liability interest in the Company, which represents the interest of each Member in and to the profits and losses of the Company and such Member’s right to receive distributions of the Company’s assets, as set forth in this Agreement.

“Investor Member Units” means the aggregate member of Units held by the Investor Members at the time of measurement.

“Investor Members” has the meaning given in the introductory paragraph to this Agreement.

“Involuntary Transfer” has the meaning given in Section 12.4.

“Involuntary Transferee” has the meaning given in Section 12.4.

“Majority in Interest” means, as of any given record date or other applicable time, the holders of a majority of the outstanding Units held by Members as of such date that are entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members.

"Management Member" has the meaning given in the introductory paragraph to this Agreement. A Management Member shall be deemed not to be a "manager" within the meaning of the Delaware Act (except to the extent Section 4.1(b) applies).

"Member" has the meaning given in the introductory paragraph to this Agreement and includes (i) any Person admitted as an additional or substitute Member of the Company pursuant to this Agreement and (ii) for the avoidance of doubt, Inactive Management Members.

"Net Income" and "Net Loss" mean, respectively, for any period the taxable income and taxable loss of the Company for the period as determined for U.S. federal income tax purposes, provided that for the purpose of determining Net Income and Net Loss (and for purposes of determining items of gross income, loss, deduction and expense in applying Sections 8.1 and 8.2, but not for income tax purposes): (i) there shall be taken into account any items required to be separately stated under Section 703(a) of the Code, (ii) any income of the Company that is exempt from federal income taxation and not otherwise taken into account in computing Net Income and Net Loss shall be added to such taxable income or loss; (iii) if the Book Value of any asset differs from its adjusted tax basis for federal income tax purposes, any depreciation, amortization or gain or loss resulting from a disposition of such asset shall be calculated with reference to such Book Value; (iv) upon an adjustment to the Book Value of any asset, pursuant to the definition of Book Value, the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (v) any expenditure of the Company described in Section 705(a)(2)(B) of the Code or treated as such an expenditure pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition, shall be subtracted from such taxable income or loss; (vi) to the extent an adjustment to the adjusted tax basis of any asset included in Company property pursuant to Section 734(b) of the Code is required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for the purposes of computing Net Income and Net Loss; and (vii) items allocated pursuant to Section 8.2 shall not be taken into account in computing Net Income or Net Loss.

"Non-Investor Member" has the meaning given in the introductory paragraph to this Agreement.

"Officers" has the meaning given in Section 4.11.

"Operating Unit" means a sub-class of Override Units, as described in Section 3.2(b).

"Original LLC Agreement" has the meaning given in the recitals to this Agreement.

"Outside Member" has the meaning given in the introductory paragraph to this Agreement

"Override Units" means a class of Interest in the Company, as described in Section 3.2(b).

"Person" means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

"resignation for Good Reason" means a voluntary termination of a Management Member's employment with the Company or any Subsidiary of the Company that employs such individual as a result of either of the following:

(a) without the Management Member's prior written consent, a reduction by the Company or any such Subsidiary of his or her current salary, other than any such reduction which is part of a general salary reduction or other concessionary arrangement affecting all employees or affecting the group of employees of which the Management Member is a member (after receipt by the Company of written notice from such Management Member and a 20-day cure period); or

(b) the taking of any action by the Company or any such Subsidiary that would substantially diminish the aggregate value of the benefits provided him or her under the Company's or such Subsidiary's accident, disability, life insurance and any other employee benefit plans in which he or she was participating on the date of his or her execution of this Agreement, other than any such reduction which is (i) required by law, (ii) implemented in connection with a general concessionary arrangement affecting all employees or affecting the group of employees of which the Management Member is a member, (iii) generally applicable to all beneficiaries of such plans (after receipt by the Company of written notice and a 20-day cure period) or (iv) in accordance with the terms of any such plan.

or, if such Management Member is a party to a services, severance or employment agreement with the Company, the meaning as set forth in such services or employment agreement.

"Retirement" means the termination of a Management Member's employment on or after the date the Management Member attains age 65. Notwithstanding the foregoing, (i) with respect to any Management Member who is a party to a services or employment agreement with the Company, "Retirement" shall have the meaning, if any, specified in such Management Member's services, severance or employment agreement and (ii) in the event a Management Member whose employment with the Company terminates due to Retirement continues to serve as a Director, of or a consultant to, the Company, such Management Member's employment with the Company shall not be deemed to have terminated for purposes of Section 7.2 until the date as of which such Management Member's services as a Director, of or consultant to, the Company shall have also terminated, at which time the Management Member shall be deemed to have terminated employment due to retirement.

"Rule 144" has the meaning given in section 5.1(b).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Subsidiary" means any direct or indirect subsidiary of the Company on the date hereof and any direct or indirect subsidiary of the Company organized or acquired after the date hereof and shall be deemed to include CVR Energy, Inc.

"Tax Matters Partner" has the meaning given in Section 10.2(b).

"Termination for Cause" or "Cause" means a termination of a Management Member's employment by the Company or any subsidiary of the Company that employs such individual (or by the Company on behalf of any such subsidiary) due to such Management Member's (i) refusal or neglect to perform substantially his or her employment-related duties, (ii) personal dishonesty, incompetence, willful misconduct or breach of fiduciary duty, (iii) conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony or his or her willful violation of any applicable law (other than a traffic violation or other offense or violation outside of the course of employment which in no way adversely affects the Company and its Subsidiaries or its reputation or the ability of the Management Member to perform his or her employment-related duties or to represent the Company or any Subsidiary of the Company that employs such Management Member) or (iv) material breach of any written covenant or agreement with the Company or any of its Subsidiaries not to disclose any information pertaining to the Company or such subsidiary or not to compete or interfere with the Company or such Subsidiary; provided that, in the case of any Management Member who, as of the date of determination, is party to an effective services, severance or employment agreement with the Company, "termination for Cause" shall have the meaning, if any, specified in such agreement.

"Transfer" means to directly or indirectly transfer, sell, pledge, hypothecate or otherwise dispose of.

"Treasury Regulations" means the Regulations of the Treasury Department of the United States issued pursuant to the Code.

"Units" means any class of Interests provided for herein.

"Value Units" means a sub-class of Override Units, as described in Section 3.2(b)

[Signature page follows]

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

INVESTOR MEMBERS

GS CAPITAL PARTNERS V FUND, L.P.

By: GSCP V Advisors, L.L.C., its General Partner

By: ____________________________
Name:
Title:

GS CAPITAL PARTNERS V OFFSHORE FUND, L.P.

By: GSCP V Offshore Advisors, L.L.C.,
its General Partner

By: ____________________________
Name:
Title:

GS CAPITAL PARTNERS V INSTITUTIONAL, L.P.

By: GS Advisors V, L.L.C., its General Partner

By: ____________________________
Name:
Title:

[Signature page to the Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition II LLC]

GS CAPITAL PARTNERS V GmbH & CO. KG

By: Goldman, Sachs Management GP GmbH,
its General Partner

By: ________________________________
Name:
Title:

[Signature page to the Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition II LLC]

MANAGEMENT MEMBERS

JOHN J. LIPINSKI

THE TARA K. LIPINSKI 2007 EXEMPT TRUST

By:

Name: Tara K. Lipinski
Title: Trustee

THE LIPINSKI 2007 EXEMPT FAMILY TRUST

By:

Name: Patricia E. Lipinski
Title: Trustee

STANLEY A. RIEMANN

JAMES T. RENS

KEITH D. OSBORN

KEVAN A. VICK

[Signature page to the Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition II LLC]

ROBERT W. HAUGEN

WYATT E. JERNIGAN

ALAN K. RUGH

DANIEL J. DALY, JR.

[Signature page to the Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition II LLC]

OUTSIDE MEMBERS

WESLEY CLARK

[Signature page to the Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition II LLC]

SCHEDULE A

Schedule A to the LLC Agreement

GSCP Members

Name	Date of Admission	Mailing Address	Capital Contribution		Common Units
GS Capital Partners V Fund, L.P.	__________, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$	67,303,592.42	5,948,244
GS Capital Partners V Offshore Fund, L.P.	__________, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$	34,766,224.76	3,072,615
GS Capital Partners V Institutional, L.P.	__________, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$	23,079,323.46	2,039,735
GS Capital Partners V GmbH & Co. KG	__________, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$	2,668,359.36	235,827
Total			*$*	*127,817,500.00*	*11,296,421*

Management Members—Initial Contribution

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units	Override Units			
					Issuance Date	Operating Units	Value Units	Benchmark Amount
John J. Lipinski	________, 2007	806 Skimmer Court Sugar Land, TX 77478	$ 325,000	28,723	Jul. 25, 2005	N/A	N/A	N/A
The Tara K. Lipinski 2007 Exempt Trust	________, 2007	806 Skimmer Court Sugar Land, TX 77478	N/A	N/A	Jul. 25, 2005 Dec. 29, 2006	78,954.5 18,123	157,909.25 36,241.5	$ 11.3149 $ 34.72
The Lipinski 2007 Exempt Family Trust	________, 2007	806 Skimmer Court Sugar Land, TX 77478	N/A	N/A	Jul. 25, 2005 Dec. 29, 2006	78,954.5 18,123	157,909.25 36,241.5	$ 11.3149 $ 34.72
Stanley A. Riemann	________, 2007	15714 Quail Ridge Drive Smithville, MO 64089	$ 200,000	17,676	Jul. 25, 2005	70,092.5	140,185.5	$ 11.3149
James T. Rens	________, 2007	8112 NE 73rd Terrace Kansas City, MO 64158	$ 125,000	11,047.5	Jul. 25, 2005	35,982.5	71,965.5	$ 11.3149
Keith D. Osborn	________, 2007	1208 West 2nd Street Coffeyville, KS 67337	$ 125,000	11,047.5	Jul. 25, 2005	35,982.5	71,965.5	$ 11.3149
Kevan A. Vick	________, 2007	4704 Cherry Hills Court Lawrence, KS 66047	$ 125,000	11,047.5	Jul. 25, 2005	35,982.5	71,965.5	$ 11.3149
Robert W. Haugan	________, 2007	5610 Lone Cedar Drive Kingwood, TX 77478	$ 50,000	4,419	Jul. 25, 2005	35,982.5	71,965.5	$ 11.3149
Wyatt E. Jernigan	________, 2007	250 South Post Oak Lane Houston, TX 77056	$ 50,000	4,419	Jul. 25, 2005	35,982.5	71,965.5	$ 11.3149
Alan K. Rugh	________, 2007	2003 Sea King Street Houston, TX 77008	$ 50,000	4,419	Jul. 25, 2005	25,950.5	51,900.5	$ 11.3149
Daniel J. Daly, Jr.	________, 2007	5364 McCulloch Circle Houston, TX 77056	$ 25,000	2,209.5	Jul. 25, 2005	25,950.5	51,900.5	$ 11.3149

Name	Date of Admission	Mailing Address	Capital Contribution		Common Units	Override Units Issuance Date	Override Units Operating Units	Override Units Value Units	Override Units Benchmark Amount
Edmund Gross	________, 2007	8824 Rosewood Drive Prairie Village, KS 66207	$	15,000	1,325.5	Sep 12, 2005	N/A	N/A	N/A
Chris Swanberg	________, 2007	6902 Cherry Hills Road Houston, Texas 77069	$	12,500	1,104.5	Jul. 25, 2005	N/A	N/A	N/A
John Huggins	________, 2007	401 Oldham Street, Waxahachie, Texas 75165	$	35,000	3,093.5	Jul. 25, 2005	N/A	N/A	N/A
Total			$	*1,137,500*	*100,531.75*		*496,061*	*992,465.5*	

Outside Members

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units
Wesley Clark	__________, 2007	[ ]	$125,000	11,047.5

EXHIBIT A

SPOUSAL WAIVER

[INSERT NAME**]** hereby waives and releases any and all equitable or legal claims and rights, actual, inchoate or contingent, which **[**she**]** **[**he**]** may acquire with respect to the disposition, voting or control of the Units subject to the Third Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC, dated as of [__________, 2007], as the same may be amended, modified, supplemented or restated from time to time, except for rights in respect of the proceeds of any disposition of such Units.

____
Name:

Exhibit 10.36

LIMITED LIABILITY COMPANY AGREEMENT

OF

COFFEYVILLE ACQUISITION III LLC

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LIMITED LIABILITY COMPANY AGREEMENT OF
COFFEYVILLE ACQUISITION III LLC

This Limited Liability Company Agreement of Coffeyville Acquisition III LLC (the "**Company**") is dated as of [______ ___,] 2007, among the entities listed under the headings "GSCP Members" and "Kelso Members" on Schedule A hereto (each, respectively, a "**GSCP Member**" or a "**Kelso Member**," and, collectively, the "**Investor Members**"), the individuals listed under the heading "Management Members" on Schedule A hereto (each a "**Management Member**" and collectively, the "**Management Members**," which term shall also include such other management employees of the Company who become members of the Company and are designated "Management Members" after the date hereof in accordance with Section 3.6 of this Agreement) and the Persons listed under the heading "Outside Members" on Schedule A hereto (each an "**Outside Member**" and together with any Persons who become members of the Company and are designated "Outside Members" after the date hereof in accordance with Section 3.6 of this Agreement, the "**Outside Members**"). The Management Members, the Inactive Management Members and the Outside Members are collectively referred to herein as the "**Non-Investor Members**." The Investor Members and the Non-Investor Members are collectively referred to herein as the "**Members**." Any capitalized term used herein without definition shall have the meaning set forth in Article XV.

WHEREAS, the parties hereto desire to enter into this Agreement for the purpose of adopting the terms of this Agreement as the complete expression of the covenants, agreements and undertakings of the parties hereto with respect to the affairs of the Company, the conduct of its business and the rights and obligations of the Members.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

FORMATION OF THE COMPANY

Section 1.1 **Formation**. The Company was formed upon the filing of the Certificate with the Secretary of State of the State of Delaware on [______ ___,] 2007.

Section 1.2 **Company Name**. The name of the Company is Coffeyville Acquisition III LLC. The business of the Company may be conducted under such other names as the Board may from time to time designate; provided that the Company complies with all relevant state laws relating to the use of fictitious and assumed names.

Section 1.3 **The Certificate, etc**. Each Director is hereby authorized to execute, deliver, file and record all such other certificates and documents, including amendments to or restatements of the Certificate, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property, and the conduct of business under the laws of the State of Delaware and any other jurisdiction in which the Company may own property or conduct business.

Section 1.4 **Term of Company**. The term of the Company commenced on the date of the initial filing of the Certificate with the Secretary of State of the State of Delaware. The Company may be terminated in accordance with the terms and provisions hereof, and shall continue unless and until dissolved as provided in Article XIII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate as provided in the Delaware Act.

Section 1.5 **Registered Agent and Office**. The Company's registered agent and office in the State of Delaware is The Corporation Trust Company located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Board may designate another registered agent and/or registered office from time to time in accordance with the then applicable provisions of the Delaware Act and any other applicable laws.

Section 1.6 **Principal Place of Business**. The principal place of business of the Company is located at 10 E. Cambridge Circle, Ste. 250, Kansas City, Kansas 66103. The location of the Company's principal place of business may be changed by the Board from time to time in accordance with the then applicable provisions of the Delaware Act and any other applicable laws.

Section 1.7 **Qualification in Other Jurisdictions**. Any authorized person of the Company shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

Section 1.8 **Fiscal Year; Taxable Year**. The fiscal year of the Company for financial accounting purposes shall end on December 31.

ARTICLE II

PURPOSE AND POWERS OF THE COMPANY

Section 2.1 **Purpose**. The purposes of the Company are, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Delaware Act and engaging in all acts or activities as the Company deems necessary, advisable or incidental to the furtherance of the foregoing.

Section 2.2 **Powers of the Company**. The Company shall have the power and authority to take any and all actions that are necessary, appropriate, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 2.1.

Section 2.3 **Certain Tax Matters**. The Company shall not elect, and the Board shall not permit the Company to elect, to be treated as an association taxable as a corporation for U.S. federal, state or local income tax purposes under Treasury Regulations section 301.7701-3 or under any corresponding provision of state or local law. The Company and the Board shall not permit the registration or listing of the Interests on an "established securities market," as such term is used in Treasury Regulations section 1.7704-1.

ARTICLE III

MEMBERS AND INTERESTS GENERALLY

Section 3.1 Powers of Members. The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to the express terms of this Agreement. The approval or consent of the Members shall not be required in order to authorize the taking of any action by the Company unless and then only to the extent that (a) this Agreement shall expressly provide therefor, (b) such approval or consent shall be required by non-waivable provisions of the Delaware Act or (c) the Board shall have determined in its sole discretion that obtaining such approval or consent would be appropriate or desirable. The Members, as such, shall have no power to bind the Company.

Section 3.2 Interests Generally. As of the date hereof, the Company has two authorized classes of Interests: Common Units and Override Units. Additional classes of Interests denominated in the form of Units may be authorized from time to time by the Board (which authorization must have been approved by at least one GSCP Director and at least one Kelso Director) without obtaining the consent of any Member or class of Members. Except as otherwise provided in this Article III, Units in a particular class may be issued from time to time, at such prices and on such terms as the Board (which issuance, prices and terms must have been approved by at least one GSCP Director and at least one Kelso Director) or, in the case of Override Units, the Override Unit Committee may determine, without obtaining the consent of any Member or class of Members.

(a) Common Units.

(i) General. Subject to the provisions of Section 7.2, the holders of Common Units will have voting rights with respect to their Common Units as provided in Section 3.3(d) and shall have the rights with respect to profits and losses of the Company and distributions from the Company as are set forth herein. The number of Common Units of each Member as of any given time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement.

(ii) Price. Unless otherwise determined by the Board, the Common Units will initially be issued for a Capital Contribution of $10 per Common Unit. The payment terms and schedule for the Capital Contributions applicable to any Common Unit will be determined by the Board upon issuance of such Common Units.

(b) Override Units.

(i) General. Subject to the provisions of Article VII hereof (including the applicable Benchmark Amount), the holders of Override Units will have no voting rights with respect to their Override Units but shall have the rights with respect to profits and losses of the Company and distributions from the Company as are set forth herein; provided that additional terms and conditions applicable to an Override Unit may be established by the Override Unit Committee in connection with the issuance of any such Override Unit to a person who becomes a Management Member at any time after the date of this Agreement in accordance with Section 3.6 hereof. The number of Override Units issued to a Management Member as of any given time shall be set forth on Schedule A, as it may be updated from time to time in accordance with this Agreement.

(ii) Price. The holders of Override Units are not required to make any Capital Contribution to the Company in exchange for their Override Units, it being recognized that, unless otherwise determined by a majority of the Board (which majority must include at least one GSCP Director and at least one Kelso Director), such Units shall be issued only to Management Members who own Common Units and who agree to provide services to the Company pursuant to Section 4.13.

Section 3.3 Meetings of Members.

(a) Meetings; Notice of Meetings. Meetings of the Members, including any special meeting, may be called by the Board from time to time. Notice of any such meeting shall be given to all Members not less than two nor more than 30 business days prior to the date of such meeting and shall state the location, date and hour of the meeting and, in the case of a special meeting, the nature of the business to be transacted. Meetings shall be held at the location (within or without the State of Delaware) at the date and hour set forth in the notice of the meeting.

(b) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) Quorum. Except as otherwise required by applicable law or by the Certificate, the presence in person or by proxy of the holders of record of a Majority in Interest shall constitute a quorum for the transaction of business at such meeting.

(d) Voting. If the Board has fixed a record date, every holder of record of Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members as of such date shall be entitled to one vote for each such Unit outstanding in such Member's name at the close of business on such record date. Holders of record of Override Units will have no voting rights with respect to such Units. If no record date has been so fixed, then every holder of record of such Units entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members shall be entitled to one vote for each Unit outstanding in his name on the close of business on the day next preceding the day on which notice of the meeting is given or the first consent in respect of the applicable action is executed and delivered to the Company, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by applicable law, the Certificate or this

Agreement, the vote of a Majority in Interest at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting.

(e) Proxies. Each Member may authorize any Person to act for such Member by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or such Member's attorney-in-fact. No proxy shall be valid after the expiration of three years from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it unless otherwise provided in such proxy; provided, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(f) Organization. Each meeting of Members shall be conducted by such Person as the Board may designate.

(g) Action Without a Meeting. Unless otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by a Majority in Interest. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Members who have not consented in writing.

Section 3.4 Business Transactions of a Member with the Company. A Member may lend money to, borrow money from, act as surety or endorser for, guarantee or assume one or more specific obligations of, provide collateral for, or transact any other business with the Company or any of its Subsidiaries; provided that any such transaction shall (a) require the approval of a majority of the Directors and (b) have been approved as may be required by Section 4.12.

Section 3.5 No Cessation of Membership upon Bankruptcy. A Person shall not cease to be a Member of the Company upon the happening, with respect to such Person, of any of the events specified in Section 18-304 of the Delaware Act.

Section 3.6 Additional Members.

(a) Admission Generally. Upon the approval of a majority of the Board or the Override Unit Committee (but in each case only to the extent that such majority includes the vote of at least one GSCP Director and at least one Kelso Director), the Company may admit one or more additional Members (each, an "**Additional Member**"), to be treated as a "Member" or one of the "Members" for all purposes hereunder. The Board may designate any such Additional Member as an "Investor Member," a "Management Member" or an "Outside Member" hereunder (but only to the extent that such designation has been approved by at least one GSCP Director and at least one Kelso Director).

(b) Rights of Additional Members. Prior to the admission of an Additional Member, the Board shall determine (but only to the extent that such determination has been approved by at least one GSCP Director and at least one Kelso Director):

(i) the Capital Contribution (if any) of such Additional Member;

(ii) the rights, if any, of such Additional Member to appoint Directors to the Board;

(iii) the number of Units to be granted to such Additional Member and whether such Units shall be Common Units, Override Units or Units of an additional class of Interests authorized by the Board; and in the case of Common Units, the price to be paid therefor and in the case of any Override Units, the applicable Benchmark Amount and terms thereof; and

(iv) whether such Additional Member will be a Management Member or an Investor Member or an Outside Member; provided that (a) an Additional Member may only be designated a GSCP Member with the consent of GSCP, (b) an Additional Member may only be designated a Kelso Member with the consent of Kelso, and (c) the rights and obligations of any Outside Member shall be as specified by the Board in its sole discretion and, if such terms are different from the terms applicable to the Outside Member as provided herein, this Agreement shall be amended, in accordance with Section 14.10, to reflect such terms.

(c) Admission Procedure. Each Person shall be admitted as an Additional Member at the time such Person (i) executes a joinder agreement to this Agreement, (ii) makes Capital Contributions (if any) to the Company in an amount to be determined by the Board, (iii) complies with the applicable Board resolution, if any, with respect to such admission, (iv) is issued Units (if any) by the Company and (v) is named as a Member in Schedule A (as described in Section 12.2) hereto. The Board is authorized to amend Schedule A to reflect any issuance of Units and any such admission and any actions pursuant to this Section 3.6.

Section 3.7 Preemptive Rights.

(a) In the event that the Company proposes to issue any Interests (the "**Proposed Third Party Interests**"), other than (i) to any Management Member, (ii) in connection with any debt financing, (iii) as consideration in connection with (A) an acquisition, directly or indirectly, of all or substantially all of a Person's assets or business, or (B) the merger into or consolidation of a Person, or any other transaction or series of related transactions in which more than fifty percent (50%) of the voting power of a Person immediately prior to such event is transferred to the Company or one of its Subsidiaries, or (iv) Interests (not to exceed in the aggregate 5% of the aggregate Interests outstanding on the date hereof) issued for bona fide commercial purposes to business partners who are not Affiliates of any Investor Member, then each Member (other than any Inactive Management Member) may, but shall not be required to, participate in the manner set forth in Section 3.7(b), on the same terms and conditions (including price), in the purchase of the Proposed Third Party Interests giving rise to these preemptive rights, by purchasing such number of Interests as such Member elects in accordance with Section 3.7(b); provided that, if the consideration for the issuance giving rise to the preemptive rights is not entirely cash, the value of the non-cash consideration will be determined by the Board, and any participating Member shall be required to pay the purchase price for its Interest solely in cash based on such valuation.

(b) Prior to the issuance of Interests by the Company as to which Section 3.7(a) applies, the Company shall give written notice (the "**First Company Notice**") thereof to each eligible Member, which First Company Notice shall state, for each Member, the product of (x) the number of the Proposed Third Party Interests proposed to be issued to the third party or parties giving rise to these preemptive rights and (y) such Member's percentage ownership interest in the Company immediately prior to such notice (the product of (x) and (y), a Member's "**Pro Rata Preemptive Amount**"). Each eligible Member that wishes to exercise its rights under this Section 3.7 shall deliver a written notice to that effect to the Company within 30 days after its receipt of the First Company Notice to exercise its rights on the same terms and conditions as those offered to the third-party purchaser (which Member notice shall state the portion of such Member's Pro Rata Preemptive Amount that such Member elects to purchase pursuant hereto (such portion, the "**Initial Purchase Amount**")); provided that, if a Member either (x) fails to deliver such notice to the Company within 30 days after its receipt of the First Notice or (y) notifies the Company that it elects not to purchase any or a portion of its Pro Rata Preemptive Amount, then such Member shall have rejected its right to purchase all or such portion of its Pro Rata Preemptive Amount (as such, the "**Rejected Amount**") and, promptly after the expiration of such 30 day period or receipt of such notice, as the case may be, the Company shall notify the other Members hereof and of their respective pro rata share in such Rejected Amount (each such notice, a "**Second Company Notice**"). The other Members shall have the right to purchase all or any portion of their respective pro rata share of any Rejected Amount and any Member that wishes to exercise such right with respect to any Rejected Amount shall deliver a written notice to that effect to the Company within ten days after its receipt of the Second Company Notice in respect of such Rejected Amount (which Member notice shall state the portion of the pro rata amount of such Rejected Amount that such Member elects to purchase (any such portion, an "**Additional Purchase Amount**"). The Company shall issue an aggregate number of Proposed Third Party Interests to each Member that has given written notice of the exercise of its rights hereunder equal to the Initial Purchase Amount and the sum of all Additional Purchase Amounts applicable to such Member as soon as practicable, and in no event later than the later of (i) five Business Days after receipt of such notice, and (ii) the closing of the issuance of such Interests to the third-party purchaser, against payment to the Company by such Member of solely cash consideration for such Interests. Any Interests offered or proposed to be issued by the Company on different terms and conditions as those offered to the Members must be re-offered to the Members pursuant to this Section 3.7.

Section 3.8 Other Business for Members.

(a) Existing Business Ventures. Each Member, Director and their respective Affiliates may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company, and the Company, the Directors and the Members shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Company, shall not be deemed wrongful or improper.

(b) Business Opportunities. No Member, Director or any of their respective Affiliates shall be obligated to present any particular investment opportunity to the Company even if such opportunity is of a character that the Company or any of its Subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each Member, Director or any of their respective Affiliates shall have the right to take for such Person's own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

(c) Management Members. For the avoidance of doubt, the provisions of Sections 3.8(a) and (b) shall not in any way limit any non-competition or non-solicitation restrictions contained in an employment, severance, separation or services agreement between any Management Member or any other Member who is an employee of the Company or any of its Subsidiaries and the Company or any of its Subsidiaries.

ARTICLE IV

MANAGEMENT

Section 4.1 Board.

(a) Generally. The business and affairs of the Company shall be managed by or under the direction of a committee of the Company (the "**Board**") consisting of such number of natural persons (each, a "**Director**") as shall be established by mutual consent of GSCP and Kelso from time to time. Subject to any rights that may be granted pursuant to Section 3.6(b), the Directors shall be appointed to the Board upon the vote, approval or consent of a Majority in Interest with all Members agreeing to vote their Units as designated in Section 4.1(b); it being understood and agreed that by executing this Agreement each Member elects the persons listed in Section 4.1(b)(i) to serve as the initial Directors. Directors need not be Members. Subject to the other provisions of this Article IV, the Board shall have full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 2.2 of this Agreement. Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the Delaware Act) of the Company. Except as otherwise provided herein, and notwithstanding the last sentence of Section 18-402 of the Delaware Act, no single Director may bind the Company, and the Board shall have the power to act only collectively in accordance with the provisions and in the manner specified herein. Each Director shall hold office until a successor is appointed in accordance with Section 4.1(b) or until such Director's earlier death, resignation or removal in accordance with the provisions hereof.

(b) Election of Directors.

(i) Initial Directors. Subject to GSCP's and Kelso's right to increase or decrease the authorized number of Directors pursuant to the first sentence of Section 4.1(a), the Board shall consist of five Directors, two of which shall be GSCP Directors and two of which shall be Kelso Directors and the fifth shall be jointly designated by GSCP and Kelso. The two GSCP Directors referenced in the immediately preceding sentence shall be Scott Lebovitz and Kenneth Pontarelli, and the two Kelso Directors referenced in the immediately preceding sentence shall be George E. Matelich and Stanley de J. Osborne. The provisions of Section 4.1(b)(ii) below shall apply mutatis mutandis to the initial Directors pursuant to this Section 4.1(b)(i).

(ii) GSCP and Kelso Directors. GSCP and Kelso shall each have the right to designate two of the Directors for election to the Board for as long as such party continues to hold an amount of Common Units that represents both (x) at least 20% of the Common Units then held by all Members (the "**Requisite Outstanding Amount**") and (y) at least 50% of the Common Units held by such party on the date hereof (the "**Requisite Original Amount**"). GSCP and Kelso shall each have the right to designate one of the Directors for election to the Board for so long as such party continues to hold an amount of Common Units that represents at least 5% of the Common Units then held by all Members (the "**Five Percent Test**"). If either or both of GSCP and Kelso ceases or cease to have the right to designate any Director pursuant to the two immediately preceding sentences, any such Directors that such party no longer has the right to designate shall instead be designated by a Majority in Interest. For so long as GSCP is entitled to designate two of the Directors for election to the Board, one of such Directors shall be designated by GSCP Onshore and one of such Directors shall be designated by GSCP Institutional. For so long as GSCP is entitled to designate one of the Directors for election to the Board, such Director shall be designated by GSCP Institutional.

Each Member shall vote all of the Units over which it exercises voting control and shall take all other necessary or desirable actions within such Member's control (whether in such Member's capacity as a Member, Director, member of a Board committee or officer of the member of a Board committee or Officer or otherwise, and including, without limitation, attendance at meetings in person or by proxy for purposes of obtaining a quorum, execution of written consents in lieu of meetings and approval of amendments and/or restatements of the Certificate or this Agreement), and the Company shall take all necessary and desirable actions within its control (including, without limitation, calling special Board or Member meetings and approval of amendments and/or restatements of the Certificate or this Agreement), so that the Directors designated in accordance with this Section 4.1(b)(ii) will be elected to the Board.

(c) Observer. To the extent that, at any time, GSCP or Kelso, as the case may be, has no Director designation rights pursuant to Section 4.1(b), such party shall have (i) the right to designate an observer to attend any meetings of the Board (which right may be waived by such party in its sole discretion) and (ii) such other rights as are set forth in a letter agreement entered into as of the date hereof between the Company, on the one hand, and each of GSCP Institutional and Kelso, on the other hand, the form of which is attached as Exhibit B hereto.

Section 4.2 Meetings of the Board. The Board shall meet from time to time to discuss the business of the Company. The Board may hold meetings either within or without the State of Delaware. Meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. The Chief Executive Officer of the Company or a majority of the Board may call a meeting of the Board on five business days' notice to each Director, either personally, by telephone, by facsimile or by any other similarly timely means of communication, which notice requirement may be waived by the Directors.

Section 4.3 Quorum and Acts of the Board.

(a) Three Directors (including at least one GSCP Director and at least one Kelso Director) shall constitute a quorum for the transaction of business. Unless the number of Directors is increased or decreased pursuant to Section 4.1(a), in which case the presence of a majority of the then authorized number of Directors shall constitute a quorum. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if a majority of the members of the Board or committee (which majority must include at least one GSCP Director and at least one Kelso Director), as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

(b) Except as otherwise provided in this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. To the extent that this Agreement requires any act of the Board or committee thereof to include the approval of, or any Board or committee majority or any Board or committee quorum to include, at least one GSCP Director and at least one Kelso Director, any such requirement shall continue to apply, with respect to the GSCP Director, for as long as GSCP continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount and, with respect to the Kelso Director, for as long as Kelso continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount.

Section 4.4 Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 4.5 Committees of Directors. The Board (a) shall designate an Override Unit Committee, which shall be comprised of (x) for as long as each of GSCP and Kelso, as the case may be, has the right to designate at least one Director pursuant to Section 4.1(b), one GSCP Director and one Kelso Director and (y) thereafter, such number of persons as may be designated by the Board and (b) may, by resolution passed by a majority of Directors (which majority must include at least one GSCP Director and at least one Kelso Director), designate one or more additional committees. Such resolution shall specify the duties, quorum requirements and qualifications of the members of such additional committees, each such committee to consist of such number of Directors as the Board may fix from time to time. Notwithstanding anything to the contrary in this Section 4.5, each committee designated hereunder shall, for so long as GSCP continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount, include at least one GSCP Director and, for so long as Kelso continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount, include at least one Kelso Director. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 4.6 **Compensation of Directors**. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at such meetings of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as a Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of any committee of the Board may be allowed like compensation for attending committee meetings.

Section 4.7 **Resignation**. Any Director may resign at any time by giving written notice to the Company. The resignation of any Director shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Members or the remaining Directors shall not be necessary to make it effective. In addition, in the event that GSCP or Kelso loses its right to designate a Director or Directors pursuant to Section 4.1(b)(ii) as a result of ceasing to hold the Requisite Outstanding Amount and the Requisite Original Amount or the Five Percent Test, as the case may be, such Director or Directors shall be deemed to have resigned from the Board effective immediately upon the occurrence of such event (it being understood and agreed that if such event only results in the loss of GSCP's or Kelso's right to designate one Director and such party retains the right to designate another Director pursuant to such Section 4.1(b)(ii), then such party shall designate the identity of the Director deemed to have resigned pursuant to this Section 4.7 and the identity of the Director who will remain to serve on the Board). Upon the effectiveness of any such resignation, such Director shall cease to be a "manager" (within the meaning of the Delaware Act).

Section 4.8 **Removal of Directors**. Members shall have the right to remove any Director at any time for cause upon the affirmative vote of a Majority in Interest. In addition, a majority of the Directors then in office shall have the right to remove a Director for cause. Upon the taking of such action, the Director shall cease to be a "manager" (within the meaning of the Delaware Act). Notwithstanding the preceding sentences of this Section 4.8, (a) the removal from the Board of any Director appointed or designated hereunder solely by GSCP shall be only at the written request of GSCP, (b) the removal from the Board of any Directors appointed or designated hereunder solely by Kelso shall be only at the written request of Kelso, (c) the removal from the Board of any unaffiliated Director appointed or designated hereunder jointly by GSCP and Kelso shall be only at the joint written request of GSCP and Kelso and (d) any removal pursuant to clause (a), (b) or (c) may be for cause or without cause. Upon receipt of any such written request, the Board will promptly take all such actions as shall be necessary or desirable to cause the removal of such Director. Any vacancy caused by any such removal shall be filled in accordance with Section 4.9.

Section 4.9 **Vacancies**. If any vacancies shall occur in the Board, by reason of death, resignation, deemed resignation, removal or otherwise, the Directors then in office shall continue to act, and actions that would otherwise be taken by a majority of the Directors may be taken by a majority of the Directors then in office, even if less than a quorum. Except in the case of vacancies caused by deemed resignations pursuant to the penultimate sentence of Section 4.7, any vacancy shall be filled at any time in accordance with Section 4.1(b). A Director elected to fill a vacancy shall hold office until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal.

Section 4.10 **Directors as Agents**. The Directors, to the extent of their powers set forth in this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers shall bind the Company. Except as otherwise provided in Section 1.3 and notwithstanding the last sentence of Section 18-402 of the Delaware Act, no single Director shall have the power to bind the Company and the Board shall have the power to act only collectively in the manner specified herein.

Section 4.11 **Officers**. The Board shall appoint an individual or individuals to serve as the Company's Chief Executive Officer and President and Chief Financial Officer and may, from time to time as it deems advisable, appoint additional officers of the Company (together with the Chief Executive Officer and President and Chief Financial Officer, the "**Officers**") and assign such officers titles (including, without limitation, Vice President, Secretary and Treasurer). Unless otherwise decided by a majority of the Board (which majority must include at least one GSCP Director and at least one Kelso Director), each Management Member shall be an officer of the Company. Unless the Board decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this Section 4.11 may be revoked at any time by the Board. Any Officer may be removed with or without cause by the Board, except as otherwise provided in any services or employment agreement between such Officer and the Company.

Section 4.12 **Certain Covenants**. Notwithstanding anything to the contrary herein, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, take any of the following actions without prior written consent of (i) either GSCP or at least one GSCP Director for so long as GSCP continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount and (ii) either Kelso or at least one Kelso Director for so long as Kelso continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount:

(a) consolidate or merge with or into any Person, sell or transfer all or a substantial portion of its assets to another Person, or enter into any similar business combination transaction or effect any transaction or series of transactions in which more than fifty percent (50%) of its voting securities are transferred to another Person, except any such transaction or series of transactions, as the case may be, involving only wholly-owned Subsidiaries of the Company;

(b) voluntarily liquidate, dissolve or wind up;

(c) purchase, acquire or obtain any capital stock or other proprietary interest, directly or indirectly, in any other Person unless (x) such Person is, prior to such transaction, a wholly-owned Subsidiary of the Company and (y) the aggregate consideration paid by the Company in the transactions does not exceed $5,000,000 in any year;

(d) purchase, acquire or obtain all or a substantial portion of the business or assets of another Person for consideration (including assumed liabilities) in excess of $5,000,000 in any year;

(e) enter into or commit to enter into any joint ventures or any partnerships or establish or acquire any non-wholly-owned Subsidiaries;

(f) enter into the ownership, active management, development, construction or operation of any line of business other than the business that the Company and its Subsidiaries are engaged in on the date hereof and businesses ancillary or incident thereto;

(g) sell, lease, transfer or otherwise dispose of any asset or group of assets, other than dispositions of obsolete equipment, in an aggregate amount (as to the Company and all of its Subsidiaries), with a book value or fair market value in excess of $1,000,000 in any one year;

(h) create, incur, assume or suffer to exist any indebtedness of the Company or any of its Subsidiaries for borrowed money (which shall include for purposes hereof capitalized lease obligations and guarantees or other contingent obligations for indebtedness for borrowed money but exclude indebtedness for borrowed money including credit line capacity existing as of the date hereof) in an aggregate amount (as to the Company and all of its Subsidiaries) in excess of (x) $2,500,000 in any year and (y) $10,000,000 in the aggregate;

(i) mortgage, encumber, or create, incur or suffer to exist liens on, any of its assets other than mortgages, encumbrances or liens (x) securing indebtedness permitted pursuant to Section 4.12(h) or (y) existing as of the date hereof;

(j) create, designate, authorize, issue, sell or grant, or enter into any agreement providing for the issuance (contingent or otherwise) of, any of its Interests or other equity securities (including, without limitation, any notes or debt securities containing equity features) except for the issuance of Interests or other equity securities upon the conversion, exchange or exercise of any Interest or equity securities outstanding as of the date hereof, or upon the conversion, exchange or exercise of any equity securities the creation, designation, authorization, issuance, sale or grant of which is approved pursuant to this Section 4.12;

(k) pay, declare or set aside any sums for the payment of any dividends, or make any distributions, on any of its equity securities or pay, declare or set aside any sums for the payment of any dividends or make any payment on any of its debt securities, except for regularly scheduled payments of principal and interest under the terms of any indebtedness incurred in accordance with this Section 4.12;

(l) redeem, purchase or otherwise acquire (other than pursuant to Section 12.8(a) of this Agreement) any of its Interests or other equity securities or redeem, purchase or make any payments with respect to any equity appreciation rights, phantom equity plans or similar rights or plans relating to the Company or its Subsidiaries;

(m) redeem, purchase or otherwise acquire, in any transaction or series of related transactions, any indebtedness of the Company or any of its Subsidiaries (except to the extent that such indebtedness is due in accordance with its terms);

(n) make or commit to make any capital expenditures in any year in an aggregate amount (as to the Company and all of its Subsidiaries) in excess of $2,500,000 of the aggregate amount provided for in the Company's capital expenditure plan;

(o) grant any registration rights except as expressly contemplated by the Registration Rights Agreement;

(p) enter into any transactions (except as expressly contemplated by this Agreement) with any "affiliate" or "associate" (as such terms are defined under Rule 12b-2 of the Exchange Act) including between the Company and each of Goldman, Sachs & Co. and Kelso & Company, L.P.;

(q) amend or repeal any provision of its Certificate of Incorporation, By-Laws or other organizational documents, including, without limitation, any change in the number of directors comprising its board of directors (except, with respect to the Company, as permitted under Section 4.1);

(r) change its independent certified accountants;

(s) adopt or amend any equity option plan or other employee benefit plan or issue any Interests or other equity securities under any such plan other than capital stock or other securities which it is obligated to issue under the terms of any existing or approved option or any such existing or approved plan;

(t) amend this Agreement or the Registration Rights Agreement, or become a party to any agreement which by its terms restricts or is inconsistent with its performance of its obligations under any of the foregoing agreements;

(u) appoint any person to the position of, amend the terms of any existing employment agreement with its, enter into any new employment agreement with its, or remove its Chief Executive Officer and President, Chief Operating Officer, Chief Financial Officer or similar positions;

(v) appoint or remove any member of the board of directors of any Subsidiary of the Company other than in accordance with this Agreement;

(w) adopt or amend its annual budget or capital expenditure plan;

(x) exercise any right of first offer under Section 12.8(a) of this Agreement;

(y) commence, settle or compromise any proceeding;

(z) amend, cancel or otherwise modify any of its insurance coverage policies (including, without limitation, increasing or decreasing the coverage amounts and/or limits thereunder); or

(aa) agree or otherwise commit to take any actions set forth in the foregoing subparagraphs (a) through (z).

Section 4.13 **Strategic Planning Committee**. The Company shall establish a Strategic Planning Committee to advise the President and Chief Executive Officer of the Company on such matters as he shall request, which shall at a minimum include (but shall not be limited to) assessment of and advice regarding (a) the business affairs and prospects of the Company and its Subsidiaries; (b) developing and implementing corporate and business strategy and planning for the Company and its Subsidiaries, including plans and programs for improving operating, marketing and financial performance, budgeting of future corporate investments, acquisition and divestiture strategies, and reorganization programs and (c) planning for and assessment of strategic opportunities and disposition prospects for the Company and its Subsidiaries. The Strategic Planning Committee shall have no decision-making authority, but instead shall advise and report to, and be chaired by, the President and Chief Executive Officer of the Company. The Strategic Planning Committee shall consist of each Management Member (excluding Inactive Management Members). The Strategic Planning Committee shall meet at least semiannually and in connection with matters that are subject to Section 4.12.

ARTICLE V

INVESTMENT REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 **Representations, Warranties and Covenants of Members**.

(a) Investment Intention and Restrictions on Disposition. Each Member represents and warrants that such Member is acquiring the Interests solely for such Member's own account for investment and not with a view to resale in connection with any distribution thereof. Each Member agrees that such Member will not, directly or indirectly, Transfer any of the Interests (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any of the Interests) or any interest therein or any rights relating thereto or offer to Transfer, except in compliance with the Securities Act, all applicable state securities or "blue sky" laws and this Agreement, as the same shall be amended from time to time. Any attempt by a Member, directly or indirectly, to Transfer, or offer to Transfer, any Interests or any interest therein or any rights relating thereto without complying with the provisions of this Agreement, shall be void and of no effect.

(b) Securities Laws Matters. Each Member acknowledges receipt of advice from the Company that (i) the Interests have not been registered under the Securities Act or qualified under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Interests, (iii) the Interests must be held indefinitely and such Member must continue to bear the economic risk of the investment in the Interests unless the Interests are subsequently registered under the Securities Act and such state laws or an exemption from registration is available, (iv) Rule 144 promulgated under the Securities Act ("**Rule 144**") is not presently available with respect to sales of any securities of the Company and the Company has made no covenant to make Rule 144 available and Rule 144 is not anticipated to be available in the foreseeable future, (v) when and if the Interests may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts and in accordance with the terms and conditions of such Rule and the provisions of this Agreement, (vi) if the exemption afforded by Rule 144 is not available, public sale of the Interests without registration will require the availability of an exemption under the Securities Act, (vii) restrictive legends shall be placed on any certificate representing the Interests and (viii) a notation shall be made in the appropriate records of the Company indicating that the Interests are subject to restrictions on transfer and, if the Company should in the future engage the services of a transfer agent, appropriate stop-transfer instructions will be issued to such transfer agent with respect to the Interests.

(c) Ability to Bear Risk. Each Member represents and warrants that (i) such Member's financial situation is such that such Member can afford to bear the economic risk of holding the Interests for an indefinite period and (ii) such Member can afford to suffer the complete loss of such Member's investment in the Interests.

(d) Access to Information; Sophistication; Lack of Reliance. Each Member represents and warrants that (i) such Member is familiar with the business and financial condition, properties, operations and prospects of the Company and that such Member has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Company and the terms and conditions of the purchase of the Interests and to obtain any additional information that such Member deems necessary, (ii) such Member's knowledge and experience in financial and business matters is such that such Member is capable of evaluating the merits and risk of the investment in the Interests and (iii) such Member has carefully reviewed the terms and provisions of this Agreement and has evaluated the restrictions and obligations contained therein. In furtherance of the foregoing, each Member represents and warrants that (i) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of the Company or as to the desirability or value of an investment in the Company has been made to such Member by or on behalf of the Company, (ii) such Member has relied upon such Member's own independent appraisal and investigation, and the advice of such Member's own counsel, tax advisors and other advisors, regarding the risks of an investment in the Company and (iii) such Member will continue to bear sole responsibility for making its own independent evaluation and monitoring of the risks of its investment in the Company.

(e) Accredited Investor. Each Member represents and warrants that such Member is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as the Board may request.

Section 5.2 Additional Representations and Warranties of Non-Investor Members. Each Non-Investor Member represents and warrants that (i) such Non-Investor Member has duly executed and delivered this Agreement, (ii) all actions required to be taken by or on behalf of the Non-Investor Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken and this Agreement constitutes such Non-

Investor Member's legal, valid and binding obligation, enforceable against such Non-Investor Member in accordance with the terms hereof, (iii) the execution and delivery of this Agreement and the consummation by the Non-Investor Member of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to the Non-Investor Member or by which the Non-Investor Member or any material portion of its properties is bound, (iv) no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by such Non-Investor Member in connection with the execution and delivery of this Agreement or the performance of such Non-Investor Member's obligations hereunder, (v) if such Non-Investor Member is an individual, such Non-Investor Member is a resident of the state set forth opposite such Non-Investor Member's name on Schedule A and (vi) if such Non-Investor Member is not an individual, such Non-Investor Member's principal place of business and mailing address is in the state set forth opposite such Non-Investor Member's name on Schedule A.

Section 5.3 Additional Representations and Warranties of Investor Members.

(a) Due Organization; Power and Authority, etc. GSCP Onshore represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware. GS Capital Partners V Offshore Fund, L.P. represents and warrants that it is an exempted limited partnership duly formed, validly existing and in good standing under the laws of the Cayman Islands. GSCP Institutional represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware. GS Capital Partners V GmbH & Co. KG represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of Germany. Kelso Investment Associates VII, L.P. represents and warrants that it is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware. KEP VI, LLC represents and warrants that it is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. Each Investor Member further represents and warrants that it has all necessary power and authority to enter into this Agreement to carry out the transactions contemplated herein.

(b) Authorization; Enforceability. All actions required to be taken by or on behalf of such Investor Member to authorize it to execute, deliver and perform its obligations under this Agreement have been taken, and this Agreement constitutes the legal, valid and binding obligation of such Investor Member, enforceable against such Investor Member in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

(c) Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation by such Investor Member of the transactions contemplated hereby and thereby in the manner contemplated hereby and thereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to such Investor Member or by which such Investor Member or any material portion of its properties is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon the financial condition, business or operations of such Investor Member or upon such Investor Member's ability to enter into and carry out its obligations under this Agreement.

(d) Executing Parties. The person executing this Agreement on behalf of each Investor Member has full power and authority to bind such Investor Member to the terms hereof and thereof.

Section 5.4 Additional Covenants of Management Members. Each Management Member hereby agrees that, upon the receipt of any Override Unit, it shall make an election pursuant to section 83(b) of the Code.

ARTICLE VI

CAPITAL ACCOUNTS; CAPITAL CONTRIBUTIONS

Section 6.1 Capital Accounts. A separate capital account (a "**Capital Account**") shall be established and maintained for each Member. The initial balance in each Member's Capital Account shall be as set forth on Schedule A.

Section 6.2 Adjustments.

(a) Each of the Members hereby commits to make a cash contribution to the capital of the Company in the amount set forth opposite each Member's name on Schedule A. Any contributions of property after the date hereof shall be valued at their Fair Market Value.

(b) Each Member's Capital Account shall be credited with the amount of cash contributed by such Member on the date hereof, as set forth on Schedule A.

(c) As of the end of each Accounting Period, the balance in each Member's Capital Account shall be adjusted by (i) increasing such balance by (A) such Member's allocable share of Net Income (allocated in accordance with Section 8.1), (B) the items of gross income allocated to such Member pursuant to Section 8.2 and (C) the amount of cash and the Fair Market Value of any property (as of the date of the contribution thereof and net of any liabilities encumbering such property) contributed to the Company by such Member during such Accounting Period, if any, and (ii) decreasing such balance by (A) the amount of cash and the Fair Market Value of any property (as of the date of the distribution thereof and net of any liabilities encumbering such property) distributed to such Member during such Accounting Period, (B) such Member's allocable share of Net Loss (allocated in accordance with Section 8.1) and (C) the items of gross deduction allocated to such Member pursuant to Section 8.2. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations section 1.704-1(b) and section 1.704-2 and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

Section 6.3 Additional Capital Contributions. No Member shall be required to make any additional capital contribution to the Company in respect of the Interests then owned by such Member. A Member may make further capital contributions to the Company, but only with the written consent of the Board acting by majority vote (which majority must include at least one GSCP Director and at least one Kelso Director) in accordance with Section 3.2 or Section 4.12, as applicable. The provisions of this Section 6.3 are intended solely to benefit the Members and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a third party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the Company to make any additional capital contributions or to cause the Board to consent to the making of additional capital contributions.

Section 6.4 Negative Capital Accounts. Except as otherwise required by this Agreement, no Member shall be required to make up a negative balance in its Capital Account.

ARTICLE VII

ADDITIONAL TERMS APPLICABLE TO OVERRIDE UNITS

Section 7.1 Certain Terms.

(a) Valuation of the Override Units. Override Units will not participate in distributions under Article IX until from and after any point in time when the Current Value is at least equal to the Initial Price. All Override Units will participate in distributions from and after any point in time when the Current Value is at least equal to the Initial Price. Any amount that is not distributed to the holder of any Override Unit as a result of this Section 7.1(a) shall be distributed pursuant to Section 9.1(b).

In the event that any portion of the Override Units does not become eligible to participate in distributions pursuant to this Section 7.1(a) upon the occurrence of an Exit Event, such portion of such Override Units shall automatically be forfeited. Any Override Unit which is forfeited, shall be cancelled for no consideration.

(b) Calculations. All calculations required or contemplated by Section 7.1(a) shall be made in the sole determination of the Override Unit Committee and shall be final and binding on the Company and each Management Member.

(c) Benchmark Amount. The Board shall determine the Benchmark Amount with respect to each Override Unit at the time such Override Unit is issued to a Management Member, which shall be reflected on Schedule A. The Benchmark Amount of each issued Override Unit shall be reflected on Schedule A, which (together with the provisions of Sections 9.1(b) and (c)) are intended to result in such Override Unit being treated as a profits interest for U.S. federal income tax purposes as of the date such Override Unit is issued.

Section 7.2 Inactive Management Members. If a Management Member ceases to provide services to or for the benefit of the Company or one of its Affiliates in connection with the termination of employment of such Member for any reason, the Common Units held by such

Member shall cease to have voting rights and such Member shall be thereafter referred to herein as a "**Inactive Management Member**" with only the rights of an Inactive Management Member specified herein. Notwithstanding the foregoing, such Inactive Management Member shall continue to be treated as a Member (including, for the avoidance of doubt, for purposes of Article IX hereof).

ARTICLE VIII

ALLOCATIONS

Section 8.1 Book Allocations of Net Income and Net Loss.

(a) Except as provided in Section 8.2, Net Income and Net Loss of the Company shall be allocated among the Members' Capital Accounts as of the end of each Accounting Period or portion thereof in a manner that as closely as possible gives effect to the economic provisions of this Agreement.

(b) Except as otherwise provided in Section 8.2, all items of gross income, gain, loss and deduction included in the computation of Net Income and Net Loss shall be allocated in the same proportion as are Net Income and Net Loss.

Section 8.2 Special Book Allocations.

(a) Qualified Income Offset. If any Member unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) and such adjustment, allocation or distribution causes or increases a deficit in such Member's Capital Account in excess of its obligation to make additional Capital Contributions (a "**Deficit**"), items of gross income and gain for such Accounting Period and each subsequent Accounting Period shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit of such Member as quickly as possible; provided that an allocation pursuant to this Section 8.2(a) shall be made only if and to the extent that such Member would have a Deficit after all other allocations provided for in this Article VIII have been tentatively made as if this Section 8.2(a) were not in this Agreement. This Section 8.2(a) is intended to comply with the qualified income offset provision of Treasury Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(b) Notwithstanding anything to the contrary in this Agreement, items of gross income, gain, loss or deduction shall be specifically allocated to particular Members to the extent necessary to comply with applicable law (including the requirement to make "forfeiture allocations" within the meaning of Prop. Treas. Reg. Section 1.704-1(b)(4)(xii)).

(c) Restorative Allocations. Any special allocations of items of income or gain pursuant to this Section 8.2 shall be taken into account in computing subsequent allocations pursuant to this Agreement so that the net amount for any item so allocated and all other items allocated to each Member pursuant to this Agreement shall be equal, to the extent possible, to the net amount that would have been allocated to each Member pursuant to the provisions of this Agreement if such special allocations had not occurred.

Section 8.3 **Tax Allocations**. The income, gains, losses, credits and deductions recognized by the Company shall be allocated among the Members, for U.S. federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Members' Capital Accounts. Notwithstanding the foregoing, the Board shall have the power to make such allocations for U.S. federal, state and local income tax purposes so long as such allocations have substantial economic effect, or are otherwise in accordance with the Members' Interests, in each case within the meaning of the Code and the Treasury Regulations. Notwithstanding the previous sentence, in allocating income, gain, loss, credits, and deductions among the Members for U.S. federal, state, and local income tax purposes, the Board has discretion to compute Current Value by assuming that the price per Common Unit will equal the quotient obtained by dividing: (x) the aggregate capital accounts of all Members, by (y) the number of Common Units outstanding, including all Override Units issued and outstanding at the end of the taxable year, other than Override Units that, by their terms would be forfeited in conjunction with the occurrence of an Exit Event if they did not become eligible to participate in distributions pursuant to Section 7.1(a) upon the occurrence of the Exit Event. In accordance with section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for U.S. federal income tax purposes and its Book Value.

ARTICLE IX

DISTRIBUTIONS

Section 9.1 **Distributions Generally**.

(a) The Company may make distributions to the Members to the extent that the cash available to the Company is in excess of the reasonably anticipated needs of the business (including reserves). In determining the amount distributable to each Member, the provisions of this Section 9.1 shall be applied in an iterative manner.

(b) Subject to Sections 9.1(c) and (d), any such distributions shall be made to the Members in proportion to the number of Units held by each Member as of the time of such distribution.

(c) The amount of any proposed distribution to a holder of any Override Unit pursuant to Section 9.1(b) in respect of such Override Unit shall be reduced until the total reductions in proposed distributions pursuant to this Section 9.1(c) in respect of such Override Unit equals the Benchmark Amount in respect of such Override Unit. Any amount that is not distributed to the holder of any Override Unit pursuant to this Section 9.1(c) shall be distributed pursuant to Section 9.1(b) and shall remain subject to this Section 9.1(c).

(d) In the event that pursuant to Section 7.1(a) an Override Unit was not previously entitled to participate in an actual distribution made by the Company under Section 9.1(b) but under the terms of Section 7.1(a) such Override Unit is currently entitled to participate in distributions, then Section 9.1(b) notwithstanding, any distributions by the Company shall be made 100% to the holder of such Override Unit in respect of such Override Unit until the total distributions made pursuant to this Section 9.1(d) in respect of such Override Unit equal the total distributions that would have been made in respect of such Override Unit if such Override Unit (and any other Override Units currently entitled to participate in distributions) had at all times been entitled to participate in distributions to the extent set forth in Section 7.1(a). In the event that this Section 9.1(d) applies to two or more Override Units at the same time, the distributions contemplated by this Section 9.1(d) shall be made in respect of each such Override Unit in proportion to the amounts distributable under this Section 9.1(d) in respect of each such Override Unit. For the avoidance of doubt, this Section 9.1(d) shall not apply to any Override Unit that is forfeited. The Board shall have the power in its sole discretion to make adjustments to the operation of this Section 9.1(d) if the Board determines in its sole discretion that such adjustments will further the intent of this Section 9.1(d).

Section 9.2 **Distributions In Kind**. In the event of a distribution of Company property, such property shall for all purposes of this Agreement be deemed to have been sold at its Fair Market Value and the proceeds of such sale shall be deemed to have been distributed to the Members.

Section 9.3 **No Withdrawal of Capital**. Except as otherwise expressly provided in Article XIII, no Member shall have the right to withdraw capital from the Company or to receive any distribution or return of such Member’s Capital Contributions.

Section 9.4 **Withholding**.

(a) Each Member shall, to the fullest extent permitted by applicable law, indemnify and hold harmless each Person who is or who is deemed to be the responsible withholding agent for U.S. federal, state or local income tax purposes against all claims, liabilities and expenses of whatever nature (other than any claims, liabilities and expenses in the nature of penalties and accrued interest thereon that result from such Person’s fraud, willful misfeasance, bad faith or gross negligence) relating to such Person’s obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or as a result of such Member’s participation in the Company.

(b) Notwithstanding any other provision of this Article IX, (i) each Member hereby authorizes the Company to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company or any of its Affiliates with respect to such Member or as a result of such Member’s participation in the Company and (ii) if and to the extent that the Company shall be required to withhold or pay any such taxes (including any amounts withheld from amounts payable to the Company to the extent attributable, in the judgment of the Members, to such Member’s Interest), such Member shall be deemed for all purposes of this Agreement to have received a payment from the Company as of the time such withholding or tax is required to be paid, which payment shall be deemed to be a distribution with respect to such Member’s Interest to the extent that the Member (or any successor to such Member’s Interest) is then entitled to receive a distribution. To the extent that the aggregate of such payments to a Member for any period exceeds the distributions to which such Member is entitled for such period, such Member shall make a prompt payment to the Company of such amount. It is the intention of the Members that no amounts will be includible as compensation income to any Management

Member, or will give rise to any withholding taxes imposed on compensation income, for United States federal income tax purposes as a result of the receipt, vesting or disposition of, or lapse of any restriction with respect to, any Override Units granted to such Member.

(c) If the Company makes a distribution in kind and such distribution is subject to withholding or other taxes payable by the Company on behalf of any Member, such Member shall make a prompt payment to the Company of the amount of such withholding or other taxes by wire transfer.

Section 9.5 Restricted Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member on account of its Interest if such distribution would violate Section 18-607 of the Delaware Act or other applicable law.

Section 9.6 Tax Distributions. In the event that the Company sells an equity interest in a Subsidiary, resulting in taxable income being recognized by the Members, or the Members are otherwise allocated taxable income from the Company (in each case, other than upon an Exit Event), the Company may make distributions to the Members to the extent of available cash (as determined by the Board in its discretion) in an amount equal to such income multiplied by a reasonable tax rate determined by the Override Unit Committee; it being understood that, if the Members are allocated material taxable income without corresponding cash distributions sufficient to pay the resulting tax liabilities, it is the Company's intention to make the tax distributions referred to herein; provided that the Board in its sole discretion shall determine whether any such tax distributions will be made. Any distributions made to a Member pursuant to this Section 9.6 shall reduce the amount otherwise distributable to such Member pursuant to the other provisions of this Agreement, so that to the maximum extent possible, the total amount of distributions received by each Member pursuant to this Agreement at any time is the same as such Member would have received if no distribution had been made pursuant to this Section 9.6. To the extent the cumulative sum of tax distributions made to a Member under this Section 9.6 has not been applied pursuant to the preceding sentence to reduce other amounts distributable to such Member, such Member shall contribute to the Company the remaining amounts necessary to give full effect to the preceding sentence on the date of the final liquidating distribution made by the Company pursuant to Section 13.2.

ARTICLE X

BOOKS AND RECORDS

Section 10.1 Books, Records and Financial Statements. At all times during the continuance of the Company, the Company shall maintain, at its principal place of business, separate books of account for the Company that shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all U.S. income derived in connection with the operation of the Company's business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with this Agreement. Such books of account, together with a copy of this Agreement and the Certificate, shall at all times be maintained at the principal place of business of the Company and shall be open to inspection and examination at reasonable times and upon reasonable notice by each Member and its duly authorized representative for any purpose reasonably related to such Member's Interest; provided that the Company may maintain the confidentiality of Schedule A.

Section 10.2 **Filings of Returns and Other Writings; Tax Matters Partner**.

(a) The Company shall timely file all Company tax returns and shall timely file all other writings required by any governmental authority having jurisdiction to require such filing. Within 90 days after the end of each taxable year (or as soon as reasonably practicable thereafter), the Company shall send to each Person that was a Member at any time during such year copies of Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.", or any successor schedule or form, with respect to such Person, together with such additional information as may be necessary for such Person to file his, her or its United States federal income tax returns.

(b) GSCP Onshore shall be the tax matters partner of the Company, within the meaning of section 6231 of the Code (the "**Tax Matters Partner**") unless a Majority in Interest votes otherwise; provided that the Tax Matters Partner shall give prompt notice to Kelso of any item or event with respect to taxes, including a proposed administrative or judicial proceeding involving taxes, and any proposed deficiency or similar notice of intention to assess taxes that could have more than an immaterial affect on Kelso. The Tax Matters Partner will not take any action that could be reasonably expected to have an affect on Kelso that is not immaterial without Kelso's consent. Each Member hereby consents to such designation and agrees that upon the request of the Tax Matters Partner, such Member will execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent.

(c) Promptly following the written request of the Tax Matters Partner, the Company shall, to the fullest extent permitted by applicable law, reimburse and indemnify the Tax Matters Partner for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Partner in connection with any administrative or judicial proceeding with respect to the tax liability of the Members, except to the extent arising from the bad faith, gross negligence, willful violation of law, fraud or breach of this Agreement by such Tax Matters Partner.

(d) The provisions of this Section 10.2 shall survive the termination of the Company or the termination of any Member's Interest and shall remain binding on the Members for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the U.S. federal income taxation of the Company or the Members.

Section 10.3 **Accounting Method**. For both financial and tax reporting purposes, the books and records of the Company shall be kept on the accrual method of accounting applied in a consistent manner and shall reflect all Company transactions and be appropriate and adequate for the Company's business.

ARTICLE XI

LIABILITY, EXCULPATION AND INDEMNIFICATION

Section 11.1 **Liability**. Except as otherwise provided by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

Section 11.2 **Exculpation**. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement.

Section 11.3 **Fiduciary Duty**. Any duties (including fiduciary duties) of a Covered Person to the Company or to any other Covered Person that would otherwise apply at law or in equity are hereby eliminated to the fullest extent permitted under the Delaware Act and any other applicable law; provided that (a) the foregoing shall not eliminate the obligation of each Covered Person to act in compliance with the express terms of this Agreement and (b) the foregoing shall not be deemed to eliminate the implied contractual covenant of good faith and fair dealing. Notwithstanding anything to the contrary contained in this Agreement, each of the Members hereby acknowledges and agrees that each of the Directors, in determining whether or not to vote in support of or against any particular decision for which the Board's consent is required, may act in and consider the best interest of the Member who designated such Director and shall not be required to act in or consider the best interests of the Company or the other Members or parties hereto.

Section 11.4 **Indemnification**. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such Covered Person's gross negligence, willful misconduct or willful breach of this Agreement with respect to such acts or omissions; provided, that any indemnity under this Section 11.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

Section 11.5 **Expenses**. To the fullest extent permitted by applicable law, expenses (including, without limitation, reasonable attorneys' fees, disbursements, fines and amounts paid in settlement) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding relating to or arising out of their performance of their duties on behalf of the Company shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified as authorized in this Section 11.5.

Section 11.6 Severability. To the fullest extent permitted by applicable law, if any portion of this Article shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each Director or Officer and may indemnify each employee or agent of the Company as to costs, charges and expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Company, to the fullest extent permitted by any applicable portion of this Article XI that shall not have been invalidated.

ARTICLE XII

TRANSFERS OF INTERESTS

Section 12.1 Restrictions on Transfers of Interests by Members.

(a) Transfers by Investor Members. Other than a Transfer of Interests by an Investor Member (x) to an Affiliate of such Transferring Investor Member or (y) pursuant to (i) Section 12.8(b) ("Tag-Along Rights"), (ii) pursuant to Section 12.8(c) ("Drag-Along Rights") or (iii) pursuant to the Registration Rights Agreement, all Transfers by an Investor Member shall be made subject to Section 12.8(a) ("Right of First Offer") and Section 12.8(b) ("Tag-Along Rights").

(b) Transfers by Management Members. No Management Member may Transfer any Interests including, without limitation, to any other Member, or by gift, or by operation of law or otherwise; provided that, subject to Section 12.2(b) and Section 12.2(c), Interests may be Transferred by a Management Member (i) pursuant to Section 12.3 ("Estate Planning Transfers, Transfers Upon Death of a Management Member"), (ii) in accordance with Section 12.4 ("Involuntary Transfers"), (iii) pursuant to Section 12.8(b) ("Tag-Along Rights"), (iv) pursuant to Section 12.8(c) ("Drag-Along Rights"), (v) pursuant to the Registration Rights Agreement or (vi) pursuant to the prior written approval of the Board in its sole discretion (excluding such Management Member and other members of the Board who are designees of the Management Members).

(c) Transfers by Outside Members. No Outside Member may Transfer any Interests including, without limitation, to any other Member, or by gift, or by operation of law or otherwise; provided that, subject to Section 12.2(b) and Section 12.2(c), Interests may be Transferred by an Outside Member (i) in accordance with Section 12.4 ("Involuntary Transfers"), (ii) pursuant to Section 12.8(b) ("Tag-Along Rights"), (iii) pursuant to Section 12.8(c) ("Drag-Along Rights"), (iv) pursuant to the Registration Rights Agreement or (v) pursuant to the prior written approval of the Board in its sole discretion (which, in the case of Magnetite, must include the approval of at least one GSCP Director and one Kelso Director).

Section 12.2 Overriding Provisions.

(a) Any Transfer in violation of this Article XII shall be null and void ab initio, and the provisions of Section 12.2(e) shall not apply to any such Transfers. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance.

(b) All Transfers permitted under this Article XII are subject to this Section 12.2 and Sections 12.5 and 12.6.

(c) Any proposed Transfer by a Member pursuant to the terms of this Article XII shall, in addition to meeting all of the other requirements of this Agreement, satisfy the following conditions: (i) the Transfer will not be effected on or through an "established securities market" or a "secondary market or the substantial equivalent thereof," as such terms are used in Treasury Regulations section 1.7704-1, and, at the request of the Board, the transferor and the transferee will have each provided the Company a certificate to such effect; and (ii) the proposed transfer will not result in the Company having more than 99 Members, within the meaning of Treasury Regulations section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations section 1.7704-1(h)(3)). The Board may in its sole discretion waive the condition set forth in clause (ii) of this Section 12.2(c).

(d) The Company shall promptly amend Schedule A to reflect any permitted transfers of Interests pursuant to and in accordance with this Article XII.

(e) The Company shall, from the effective date of any permitted assignment of an Interest (or part thereof), thereafter pay all further distributions on account of such Interest (or part thereof) to the assignee of such Interest (or part thereof); provided that such assignee shall have no right or powers as a Member unless such assignee complies with Section 12.6.

Section 12.3 Estate Planning Transfers; Transfers upon Death of a Management Member. Interests held by Management Members may be transferred for estate-planning purposes of such Management Member, to (A) a trust under which the distribution of the Interests may be made only to beneficiaries who are such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants, (B) a charitable remainder trust, the income from which will be paid to such Management Member during his or her life, (C) a corporation, the shareholders of which are only such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants or (D) a partnership or limited liability company, the partners or members of which are only such Management Member, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants. Interests may be transferred as a result of the laws of descent; provided that, in each such case, such Management Member provides prior written notice to the Board of such proposed Transfer and makes available to the Board documentation, as the Board may reasonably request, in order to verify such Transfer.

Section 12.4 Involuntary Transfers. Any transfer of title or beneficial ownership of Interests upon default, foreclosure, forfeit, divorce, court order or otherwise than by a voluntary decision on the part of a Management Member or Outside Member (each, an "**Involuntary Transfer**") shall be void unless the Management Member or Outside Member complies with this Section 12.4 and enables the Company to exercise in full its rights hereunder. Upon any Involuntary Transfer, the Company shall have the right to purchase such Interests pursuant to this Section 12.4 and the Person to whom such Interests have been Transferred (the "**Involuntary Transferee**") shall have the obligation to sell such Interests in accordance with this Section 12.4. Upon the Involuntary Transfer of any Interest, such Management Member or an Outside Member shall promptly (but in no event later than two days after such Involuntary Transfer) furnish written notice to the Company indicating that the Involuntary Transfer has occurred, specifying the name of the Involuntary Transferee, giving a detailed description of the circumstances giving rise to, and stating the legal basis for, the Involuntary Transfer. Upon the receipt of the notice described in the preceding sentence, and for 60 days thereafter, the Company shall have the right to purchase, and the Involuntary Transferee shall have the obligation to sell, all (but not less than all) of the Interests acquired by the Involuntary Transferee for a purchase price equal to the lesser of (i) the Fair Market Value of such Interest and (ii) the amount of the indebtedness or other liability that gave rise to the Involuntary Transfer plus the excess, if any, of the Carrying Value of such Interests over the amount of such indebtedness or other liability that gave rise to the Involuntary Transfer. Notwithstanding anything to the contrary, any Involuntary Transfer of Override Units shall result in the immediate forfeiture of such Override Units and without any compensation therefor, and such Involuntary Transferee shall have no rights with respect to such Override Units.

Section 12.5 Assignments.

(a) Assignment by the Company. The Company shall have the right to assign to GSCP and Kelso, on a pro rata basis, all or any portion of its rights and obligations under Section 12.4; provided that any such assignment or assumption is accepted by both GSCP and Kelso. If the Company has not exercised its right to purchase Interests pursuant to such Section 12.4 within 15 days of receipt by the Company of the letter, notice or other occurrence giving rise to such right, then GSCP and Kelso shall have the right to jointly require the Company to assign such right. GSCP shall have the right to assign to one or more of the GSCP Members all or any of its rights to purchase Interests pursuant to this Section 12.5(a). Kelso shall have the right to assign to one or more of the Kelso Members all or any of its rights to purchase Interests pursuant to this Section 12.5(a).

(b) Assignment Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the Members hereto and their respective heirs, legal representatives, successors and assigns; provided (i) that no Non-Investor Member may assign any of its rights or obligations hereunder without the consent of GSCP and Kelso unless such assignment is in connection with a Transfer explicitly permitted by this Agreement and, prior to such assignment, such assignee complies with the requirements of Section 12.6, (ii) that no Investor Member may assign any of its rights or obligations hereunder without the consent of GSCP (if a Kelso Member is the assigning Investor Member) or Kelso (if GSCP is the assigning Investor Member), as the case may be, unless such assignment is in connection with a Transfer explicitly permitted by this Agreement, and prior to such assignment, such assignee complies with the requirements of Section 12.6 and (iii) that the rights of GSCP and Kelso pursuant to Section 3.7, Section 4.12, Section 12.8 and Section 12.9 may only be assigned as a whole and not in part (and otherwise in accordance with the provisions of clause (ii) of this proviso).

Section 12.6 **Substitute Members**. In the event any Non-Investor Member or Investor Member Transfers its Interest in compliance with the other provisions of this Article XII (other than Section 12.4), the transferee thereof shall have the right to become a substitute Non-Investor Member or substitute Investor Member, as the case may be, but only upon satisfaction of the following:

(a) execution of such instruments as the Board deems reasonably necessary or desirable to effect such substitution; and

(b) acceptance and agreement in writing by the transferee of the Member's Interest to be bound by all of the terms and provisions of this Agreement and assumption of all obligations under this Agreement (including breaches hereof) applicable to the transferor and in the case of a transferee of a Management Member who resides in a state with a community property system, such transferee causes his or her spouse, if any, to execute a Spousal Waiver in the form of Exhibit A attached hereto. Upon the execution of the instrument of assumption by such transferee and, if applicable, the Spousal Waiver by the spouse of such transferee, such transferee shall enjoy all of the rights and shall be subject to all of the restrictions and obligations of the transferor of such transferee.

Section 12.7 **Release of Liability**. In the event any Member shall sell such Member's entire Interest (other than in connection with an Exit Event) in compliance with the provisions of this Agreement, including, without limitation, pursuant to the penultimate sentence of Section 12.4, without retaining any interest therein, directly or indirectly, then the selling Member shall, to the fullest extent permitted by applicable law, be relieved of any further liability arising hereunder for events occurring from and after the date of such Transfer.

Section 12.8 **Right of First Offer; Tag-Along and Drag-Along Rights**.

(a) Right of First Offer. Any Transfers by either GSCP or Kelso (such Investor Member, in such capacity, a "**Transferring Investor Member**"), other than any Transfer described in clauses (x) or (y) of Section 12.1(a), shall be consummated only in accordance with the following procedures:

(i) The Transferring Investor Member shall first deliver to the Company a written notice (a "**First Offer Notice**"), which shall (x) state the Transferring Investor Member's intention to Transfer Interests to one or more Persons, the amount and type of Interests to be sold (the "**Subject Interests**"), the purchase price therefor and a summary of the other material terms of the proposed Transfer and (y) offer to the Company and the Other Investor Member the right to acquire all or a portion of such Subject Interests upon the terms and subject to the conditions of the proposed Transfer as set forth in the First Offer Notice (the "**First Offer**"); provided that such First Offer may provide that it must be accepted by the Company and the Other Investor Members (in the aggregate) on an all or nothing basis (an "**All or Nothing Offer**"). The First Offer shall remain open and irrevocable for the periods set forth below (and, to the extent the First Offer is accepted during such periods, until the consummation of the Transfer contemplated by the First Offer). The Company shall have the right, for a period of 20 days after delivery of the First Offer Notice (the "**Initial First Offer Acceptance Period**"), to accept the First Offer for all or any part of the Subject Interests at the purchase price and on the other terms stated in the First Offer Notice. Such acceptance shall be made by delivering a written notice to the Transferring Investor Member and the Other Investor Member within the Initial First Offer Acceptance Period.

(ii) If the Company shall fail to accept all of the Subject Interests offered for Sale pursuant to, or shall reject in writing, the First Offer (the Company being required to notify in writing the Transferring Investor Member and the Other Investor Member of its rejection or failure to accept in the event of the same), then, upon the earlier of the expiration of the Initial First Offer Acceptance Period or the giving of such written notice of rejection or failure to accept such offer by the Company, the Other Investor Member shall have the right, for a period of 15 days thereafter (the "**Additional First Offer Acceptance Period**"), to accept the First Offer for all or any part of the Subject Interests so offered and not accepted by the Company (the "**Refused Interests**") at the purchase price and on the other terms stated in the First Offer Notice; provided, however, that, if the First Offer is an All or Nothing Offer, the Other Investor Member may accept, during the Additional First Offer Acceptance Period, all, but not less than all, of the Refused Interests, at the purchase price and on the terms stated in the First Offer Notice. Such acceptance shall be made by delivering a written notice to the Company and the Transferring Investor Member within the Additional First Offer Acceptance Period specifying the maximum number of Interests such Other Investor Member will purchase.

(iii) If effective acceptance shall not be received pursuant to Sections 12.8(a)(i) and/or 12.8(a)(ii) above with respect to all of the Subject Interests offered pursuant to the First Offer Notice, then the Transferring Investor Member may Transfer all or any portion of the Interests so offered and not so accepted (or, in the case of an All or Nothing Offer, all of the Subject Interests offered pursuant to the First Offer Notice), at a price not less than the price, and on terms not more favorable to the purchaser thereof than the terms, stated in the First Offer Notice at any time within 90 days (plus a sufficient number of days to allow the expiration or termination of all waiting periods under HSR (as defined below) applicable to such Transfer) after the expiration of the Additional First Offer Acceptance Period (the "**Transfer Period**"). To the extent the Transferring Investor Member Transfers all or any portion of the Interests so offered during the Transfer Period, the Transferring Investor Member shall promptly notify the Company, and the Company shall promptly notify the Other Investor Member, as to (i) the number of Interests, if any, that the Transferring Investor Member then owns, (ii) the number of Interests that the Transferring Investor Member has Transferred, (iii) the terms of such Transfer and (iv) the name of the Person(s) to whom any Interests were Transferred. In the event that all of the Interests are not Transferred by the Transferring Investor Member during the Transfer Period, the right of the Transferring Investor Member to Transfer such Interests which are not Transferred shall expire and the obligations of this Section 12.8(a) shall be reinstated; provided, however, in the event that the Transferring Investor Member determines, at any time during the Transfer Period, that the Transfer of all of the Interests on the terms set forth in the First Offer Notice is impractical, the Transferring Investor Member may terminate the offer and reinstate the procedure provided in this Section 12.8(a) without waiting for the expiration of the Transfer Period; provided that such Transferring Investor Member has not previously done so within the preceding six month period.

(iv) All Transfers of Subject Interests to the Company and/or the Other Investor Member subject to any First Offer Notice shall be consummated contemporaneously at the offices of the Company on the later of (i) a mutually satisfactory business day within 15 days after the expiration of the Initial First Offer Acceptance Period, or the Additional First Offer Acceptance Period, as applicable, and (ii) the fifth business day following the expiration or termination of all waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("**HSR**"), applicable to such Transfers, or at such other time and/or place as the parties to such Transfers may agree. The delivery of certificates or other instruments evidencing such Subject Interests duly endorsed for transfer shall be made on such date against payment of the purchase price for such Subject Interests.

(v) Anything contained herein to the contrary notwithstanding, prior to any Transfer of Interests by a Transferring Investor Member pursuant to this Section 12.8(a), the Transferring Investor Member shall, after complying with the provisions of this Section 12.8(a), comply with the provisions of Section 12.8(b) hereof, if applicable.

(b) Tag-Along Rights. In the event that a Selling Investor Member proposes to Transfer Interests, other than any Transfer to an Affiliate of such Selling Investor Member, and such Interests would represent, together with all Interests previously Transferred by such Selling Investor Member to non-Affiliates of such Selling Investor Member, more than 10% of such Selling Investor Member's Common Units held on the date hereof, then at least thirty (30) days prior to effecting such Transfer, such Selling Investor Member shall give each other Member written notice of such proposed Transfer. Each other Member shall then have the right (the "**Tag-Along Right**"), exercisable by written notice to the Selling Investor Member, to participate pro rata in such sale by selling a pro rata portion of such other Member's Common Units on substantially the same terms (including with respect to representations, warranties and indemnification) as the Selling Investor Member; provided, however, that (x) any representations and warranties relating specifically to any Member shall only be made by that Member; (y) any indemnification provided by the Members (other than with respect to the representations referenced in the foregoing subsection (x)) shall be based on the relative Interests being sold by each Member in the proposed sale, either on a several, not joint, basis or solely with recourse to an escrow established for the benefit of the proposed purchaser (the Members' contributions to such escrow to be on a pro-rata basis in accordance with the proceeds received from such sale), it being understood and agreed that any such indemnification obligation of an Member shall in no event exceed the net proceeds to such Member from such proposed Transfer; and (z) the form of consideration to be received by the Selling Investor Member in connection with the proposed sale may be different from that received by the other Members so long as the value of the consideration to be received by the Selling Member is the same or less than what they would have received had they received the same form of consideration as the other Members. In the event that a sale by the Selling Member does not constitute an Exit Event then, unless otherwise determined by the Override Unit Committee in its sole discretion, Management Members may only participate in such sale with respect to their Common Units.

(c) Drag-Along Rights. (i) In the event that on or after the fifth anniversary hereof a Selling Investor Member owning, alone or together with any other Member, more than 30% of the then outstanding Common Units (A) proposes to Transfer Interests, other than any Transfer to an Affiliate of such Selling Investor Member, and such Interests would represent more than 30% of the then outstanding Common Units, or (B) desires to effect an Exit Event, such Selling Investor Member shall have the right (the "**Drag-Along Right**"), upon written notice to the other Members, to require that each other Member join pro rata in such sale by selling a pro rata portion of such other Member's Common Units on substantially the same terms (including with respect to representations, warranties and indemnification) as such Selling Investor Member; provided, however, that (x) any representations and warranties relating specifically to any Member (other than with respect to the representations referenced in the foregoing subsection (x)) shall only be made by that Member; (y) any indemnification provided by the Members shall be based on the relative purchase price being received by each Member in the proposed sale, either on a several, not joint, basis or solely with recourse to an escrow established for the benefit of the proposed purchaser (the Members' contributions to such escrow to be on a pro rata basis in accordance with the proceeds received from such sale), it being understood and agreed that any such indemnification obligation of a Member shall in no event exceed the net proceeds to such Member from such proposed Transfer; and (z) the form of consideration to be received by the Selling Investor Member in connection with the proposed sale may be different from that received by the other Members so long as the value of the consideration to be received by the Selling Investor Member is the same or less than what they would have received had they received the same form of consideration as the other Members (as reasonably determined by the Board in good faith). For purposes of this Section 12.8, for each Member "joining the Selling Investor Member in such sale" shall include voting its Interests consistently with the Selling Investor Member, transferring its Interests to a corporation organized in anticipation of such sale in exchange for capital stock of such corporation, executing and delivering agreements and documents which are being executed and delivered by the Selling Investor Member and providing such other cooperation as the Selling Investor Member may reasonably request.

(ii) Any Exit Event may be structured as an auction and may be initiated by the delivery to the Company and the other Members of a written notice that the Selling Investor Member has elected to initiate an auction sale procedure. The Selling Investor Member shall be entitled to take all steps reasonably necessary to carry out an auction of the Company, including, without limitation, selecting an investment bank, providing confidential information (pursuant to confidentiality agreements), selecting the winning bidder and negotiating the requisite documentation. The Company and each Member shall provide assistance with respect to these actions as reasonably requested.

(iii) In the event the Selling Investor Member sells less than 100% of its Common Units in the Company, joining "pro rata in such sale" shall be based on relative Common Units unless the Override Unit Committee in its sole discretion determines that the Override Units shall participate in the sale, in which case the principles of clause (iv) of this Section 12.8(c) shall apply.

(iv) In the event that an Exit Event is structured as a sale of Interests by the Members, rather than a sale of the Company's assets with a subsequent distribution of proceeds by the Company, then the purchase agreement governing such Interest sale will have provisions therein which replicate, to the greatest extent possible, the economic result which would have been attained under Articles IX and XIII had the Exit Event been structured as a sale of the Company's assets and a distribution of proceeds.

(d) Any transaction costs, including transfer taxes and legal, accounting and investment banking fees incurred by the Company and the Selling Investor Member in connection with an Exit Event shall, unless the applicable purchaser refuses, be borne by the Company in the event of a merger, consolidation or sale of assets and shall otherwise be borne by the Members on a pro rata basis based on the consideration received by each Member in such Exit Event.

Section 12.9 Initial Public Offering.

(a) Generally. Upon (i) a joint determination by both GSCP and Kelso or (ii) following the third anniversary of the date hereof, a determination by either GSCP or Kelso to effect an Initial Public Offering, the Board and each other Member shall take such actions as are necessary to structure the IPO in a manner acceptable to such Investor Members or such Investor Member, as the case may be, including, without limitation, causing the public offering of the stock of an existing or newly formed Subsidiary of the Company (a "**Subsidiary IPO**") or effecting any Transfers, mergers, consolidations or restructurings pursuant to Section 12.9(b) and making any such amendments to this Agreement as may be deemed by such Investor Members or such Investor Members, as the case may be, to be necessary to facilitate such IPO; provided that, if only one of GSCP or Kelso requests any of the foregoing actions to be taken, any such action, to the extent it would adversely impact the other Investor Member (Kelso or GSCP, as the case may be) in a manner differently than it impacts the requesting Investor Member, shall be subject to the prior approval of such other Investor Member, such approval not to be unreasonably withheld.

(b) IPO of Newco or the Company. In the event that both GSCP and Kelso or either GSCP or Kelso request an IPO pursuant to Section 12.9(a) above, the parties or party requesting such IPO can require in order to facilitate such IPO (i) a Transfer of all or substantially all of (x) the assets of the Company or (y) the Interests to a newly organized stock corporation or other business entity ("**Newco**"), (ii) a merger of the Company into Newco by merger or consolidation or (iii) any other restructuring of the Interests, in any such case in anticipation of an Initial Public Offering, and each Member shall take such steps to effect such Transfer, merger, consolidation or other restructuring as may be requested by such Investor Members or Investor Member, as the case may be, or as may be requested by the Company, including, without limitation, Transferring such Member's Interests to Newco in exchange for capital stock of Newco; provided, that, in the event of such an exchange, each Interest would be exchanged for a number of shares of Newco stock determined in a manner such that each Member is treated no less favorably than such Member would have been treated upon an Exit Event (assuming the value of the consideration to be received by such Investor Members or such Investor Member, as the case may be, in the Exit Event is the mid-point of the filing range in the IPO); and provided, further, in lieu of effecting such exchange of the Common Units (and/or at the option and request of such Investor Members or Investor Member, as the case may be, Override Units) of Management Members, the

Company shall, at the request of such Investor Members or Investor Member, as the case may be, pay to the Management Members cash in an amount equal to the aggregate Fair Market Value of the shares such Management Member would, otherwise, have received pursuant to the preceding proviso. Notwithstanding the preceding sentence, no Member shall be required to take any action or omit to take any action to the extent such action or omission violates applicable law. If GSCP and Kelso or either of them determines to effect an IPO pursuant to this Section 12.9 and the Members receive shares of Newco pursuant to any such Transfer, merger, consolidation or restructuring, (i) each other Member agrees to enter (as an "Investor Stockholder," "Management Stockholder" or "Outside Stockholder," respectively, as set forth therein) into a Registration Rights Agreement substantially in the form of Exhibit B hereto, which Registration Rights Agreement shall set forth the respective rights and obligations of the parties with respect to participating in such IPO of Newco and (ii) this Agreement shall automatically terminate upon an IPO of Newco or the Company.

(c) Subsidiary IPO. In the event that both GSCP and Kelso or either GSCP or Kelso request an IPO pursuant to Section 12.9(a) and elect that such IPO occur through a Subsidiary IPO, then (i) this Agreement shall continue to remain in full force and effect with any amendments or modifications thereto as shall be effectuated by the Investor Members or Investor Member requesting such IPO in accordance with Section 12.9(a) above; provided that, following such Subsidiary IPO (A) the governance provisions herein shall apply only with respect to the Company and not with respect to any Subsidiary of the Company, (B) the Company shall not vote any shares of such existing or newly formed Subsidiary in favor of any action without the prior written consent of (I) either GSCP or at least one GSCP Director for so long as GSCP continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount and (II) either Kelso or at least one Kelso Director for so long as Kelso continues to hold an amount of Common Units that represents both the Requisite Outstanding Amount and the Requisite Original Amount, and (C) the provisions of Article XII (other than this Section 12.9) shall cease to apply, (ii) the Company and such existing or newly formed Subsidiary shall enter into a Registration Rights Agreement that is substantially similar to the Registration Rights Agreement attached as Exhibit B hereto, except that such Registration Rights Agreement will provide for rights of the Company to request registrations of its equity interests in such existing or newly formed Subsidiary (and to piggyback on such registrations) rather than providing for the rights of Members to participate directly in public offerings and (iii) the Members shall amend this Agreement or enter into such ancillary agreements as they deem necessary to permit such Members to achieve liquidity with respect to their Interest in the Company (indirectly, through the Company's exercise of its registration rights in such existing or newly formed Subsidiary and through the Company's use of the proceeds resulting therefrom to redeem Units from Members) to the same extent as they would have been entitled to do had there been an IPO of Newco rather than a Subsidiary IPO.

ARTICLE XIII

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 Dissolving Events. The Company shall be dissolved and its affairs wound up in the manner hereinafter provided upon the happening of any of the following events:

(a) the Board and the Members shall vote or agree in writing to dissolve the Company pursuant to the required votes set forth in Section 3.3(d), Section 4.3 and Section 4.12, respectively; or

(b) any event which, under applicable law, would cause the dissolution of the Company; provided that, unless required by applicable law, the Company shall not be wound up as a result of any such event and the business of the Company shall continue.

Notwithstanding the foregoing, the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member in the Company under the Delaware Act shall not, in and of itself, cause the dissolution of the Company. In such event, the remaining Member(s) shall continue the business of the Company without dissolution.

Section 13.2 **Dissolution and Winding-Up**. Upon the dissolution of the Company, the assets of the Company shall be liquidated or distributed under the direction of, and to the extent determined by, the Board, and the business of the Company shall be wound up. Within a reasonable time after the effective date of dissolution of the Company, the Company's assets shall be distributed in the following manner and order:

First, to creditors in satisfaction of indebtedness (other than any loans or advances that may have been made by any of the Members to the Company), whether by payment or the making of reasonable provision for payment, and the expenses of liquidation, whether by payment or the making of reasonable provision for payment, including the establishment of reasonable reserves (which may be funded by a liquidating trust) determined by the Board or the liquidating trustee, as the case may be, to be reasonably necessary for the payment of the Company's expenses, liabilities and other obligations (whether fixed, conditional, unmatured or contingent);

Second, to the payment of loans or advances that may have been made by any of the Members to the Company; and

Third, to the Members in accordance with Section 9.1, taking into account any amounts previously distributed under Section 9.1;

provided that no payment or distribution in any of the foregoing categories shall be made until all payments in each prior category shall have been made in full, and provided, further, that, if the payments due to be made in any of the foregoing categories exceed the remaining assets available for such purpose, such payments shall be made to the Persons entitled to receive the same pro rata in accordance with the respective amounts due to them.

Section 13.3 **Distributions in Cash or in Kind**. Upon the dissolution of the Company, the Board shall use all commercially reasonable efforts to liquidate all of the Company's assets in an orderly manner and apply the proceeds of such liquidation as set forth in Section 13.2; provided that, if in the good faith judgment of the Board, a Company asset should not be liquidated, the Board shall cause the Company to allocate, on the basis of the Fair Market Value of any Company assets not sold or otherwise disposed of, any unrealized gain or loss based on such value to the Members' Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute such assets in accordance with Section 13.2 as if such Fair Market Value had been received in cash, subject to the priorities set forth in Section 13.2, and provided, further, that the Board shall in good faith attempt to liquidate sufficient Company assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in Section 13.2.

Section 13.4 Termination. The Company shall terminate when the winding up of the Company's affairs has been completed, all of the assets of the Company have been distributed and the Certificate has been canceled, all in accordance with the Delaware Act.

Section 13.5 Claims of the Members. The Members and former Members shall look solely to the Company's assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Members and former Members shall have no recourse against the Company or any other Member.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(a) If to the Company:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: John J. Lipinski
Facsimile No.: (913) 981-0000

with copies (which shall not constitute notice) to:

GS Capital Partners V Fund, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
Attention: Kenneth Pontarelli
Facsimile No.: (212) 357-5505

Kelso & Company, L.P.
320 Park Avenue, 24th Floor
New York, New York 10022
Attention: James J. Connors II
Facsimile No.: (212) 223-2379

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel
Steven Steinman
Facsimile No.: (212) 859-4000

and

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Kevin M. Schmidt
Facsimile No.: (212) 909-6836

(b) If to a Member, at the address set forth opposite such Member's name on Schedule A attached hereto, or at such other address as such Member may hereafter designate by written notice to the Company.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received by (w) if by personal delivery, on the day delivered, (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

Section 14.2 Securities Act Matters. Each Member understands that, in addition to the restrictions on transfer contained in this Agreement, he or she must bear the economic risks of his or her investment for an indefinite period because the Interests have not been registered under the Securities Act.

Section 14.3 Headings. The headings to sections in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 14.4 Entire Agreement. This Agreement constitutes the entire agreement among the Members with respect to the subject matter hereof, and supersedes any prior agreement or understanding among them with respect to the matters referred to herein. There are no representations, warranties, promises, inducements, covenants or undertakings relating to the Units, other than those expressly set forth or referred to herein.

Section 14.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 14.6 Governing Law; Attorneys' Fees. This Agreement and the rights and obligations of the Members hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof. The substantially prevailing party in any action or proceeding relating to this Agreement shall be entitled to receive an award of, and to recover from the other party or parties, any fees or expenses incurred by him, her or it (including, without limitation, reasonable attorneys' fees and disbursements) in connection with any such action or proceeding.

Section 14.7 **Waivers**. Except as may otherwise be provided by applicable law in connection with the winding-up, liquidation and dissolution of the Company, each Member hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Company's property.

Waiver by any Member hereto of any breach or default by any other Member of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the Members hereto or from any failure by any Member to assert its or his or her rights hereunder on any occasion or series of occasions.

EACH MEMBER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.8 **Invalidity of Provision**. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

Section 14.9 **Further Actions**. Each Member shall execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the Company in connection with the continuation of the Company and the achievement of its purposes, including, without limitation, (a) any documents that the Company deems necessary or appropriate to continue the Company as a limited liability company in all jurisdictions in which the Company or its Subsidiaries conduct or plan to conduct business and (b) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Company.

Section 14.10 **Amendments**.

(a) Subject to the amendment provisions of Section 12.9(a), this Agreement may not be amended, modified or supplemented except by a written instrument signed by each of the Investor Members; provided, however, that the Board may, pursuant to Sections 3.2, 3.6, 6.2 and 12.2, make such modifications to this Agreement, including Schedule A, as are necessary to admit Additional Members. Notwithstanding the foregoing, no amendment, modification or supplement shall adversely affect the Management Members as a class without the consent of a Majority in Interest (exclusive of Override Units) of the Management Members or, to the extent (and only to the extent) any particular Management Member would be uniquely and adversely affected by a proposed amendment, modification or supplement, by such Management Member;

provided, however, that, in either case, no such consent shall be required for (i) any amendments, modifications or supplements to Article IV, (ii) any amendments, modifications or supplements effectuated pursuant to Section 12.9, or (iii) for the issuance of additional Units pursuant to Article III. The Company shall notify all Members after any such amendment, modification or supplement, other than any amendments to Schedule A, as permitted herein, has taken effect.

(b) Notwithstanding Section 14.10(a), each Member shall, and shall cause each of its Affiliates and transferees to, take any action jointly requested by the Kelso Member and the GSCP Member that is designed to comply with the finalization of proposed Treasury Regulations relating to the issuance of partnership equity for services and any other Treasury Regulation, Revenue Procedure, or other guidance issued with respect thereto. Without limiting the foregoing, such action may include authorizing the Company to make any election, agreeing to any condition imposed on such Member, its Affiliates or its transferee, executing any amendment to this Agreement or other agreements, executing any new agreement, and agreeing not to take any contrary position on any tax return or other filing.

Section 14.11 No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement is not intended to, and does not, confer upon any Person, except for the parties hereto, any rights or remedies hereunder.

Section 14.12 Injunctive Relief. The Units cannot readily be purchased or sold in the open market, and for that reason, among others, the Company and the Members will be irreparably damaged in the event this Agreement is not specifically enforced. Each of the Members therefore agrees that, in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of this Agreement. Such remedies shall, however, be cumulative and not exclusive, and shall be in addition to any other remedy which the Company or any Member may have. Each Member hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts in New York for the purposes of any suit, action or other proceeding arising out of, or based upon, this Agreement or the subject matter hereof. Each Member hereby consents to service of process made in accordance with Section 14.1.

Section 14.13 Power of Attorney. Each Member hereby constitutes and appoints GSCP and Kelso as his or her true and lawful joint representative and attorney-in-fact in his or her name, place and stead to make, execute, acknowledge, record and file the following:

(a) any amendment to the Certificate which may be required by the laws of the State of Delaware because of:

(i) any duly made amendment to this Agreement, or

(ii) any change in the information contained in such Certificate, or any amendment thereto;

(b) any other certificate or instrument which may be required to be filed by the Company under the laws of the State of Delaware or under the applicable laws of any other jurisdiction in which counsel to the Company determines that it is advisable to file;

(c) any certificate or other instrument which GSCP and Kelso or the Board deems necessary or desirable to effect a termination and dissolution of the Company which is authorized under this Agreement;

(d) any amendments to this Agreement, duly adopted in accordance with the terms of this Agreement; and

(e) any other instruments that GSCP and Kelso or the Board may deem necessary or desirable to carry out fully the provisions of this Agreement; provided, however, that any action taken pursuant to this power shall not, in any way, increase the liability of the Members beyond the liability expressly set forth in this Agreement, and provided, further, that, where action by a majority of the Board is required, such action shall have been taken.

Such attorney-in-fact is not by the provisions of this Section 14.13 granted any authority on behalf of the undersigned to amend this Agreement, except as provided for in this Agreement. Such power of attorney is coupled with an interest and shall continue in full force and effect notwithstanding the subsequent death or incapacity of the Member granting such power of attorney.

Section 14.14 Marketing Materials. The Company grants each Investor Member and their respective Affiliates permission to use the Company's name and logo in marketing materials of such Investor Member or any of its Affiliates. Such Investor Member or its Affiliates, as applicable, shall include a trademark attribution notice giving notice of the Company's ownership of its trademarks in the marketing materials in which the Company's name and logo appear.

Section 14.15 Notice of Events. The Company shall notify each Investor Member, on a reasonably current basis, of any events, discussions, notices or changes with respect to any criminal or regulatory investigation or action involving the Company or any of its subsidiaries (but, excluding traffic violations or similar misdemeanors), and shall reasonably cooperate with such Investor Member or its Affiliates in efforts to mitigate any adverse consequences to such Investor Member or its Affiliates which may arise (including by coordinating and providing assistance in meeting with regulators).

ARTICLE XV

DEFINED TERMS

Section 15.1 Definitions.

"Accounting Period" means, for the first Accounting Period, the period commencing on the date hereof and ending on the next Adjustment Date. All succeeding Accounting Periods shall commence on the day after an Adjustment Date and end on the next Adjustment Date.

"Additional First Offer Acceptance Period" has the meaning given in Section 12.8(a)(ii).

"Additional Member" has the meaning given in Section 3.6(a).

"Additional Purchase Amount" has the meaning given in Section 3.7.

"Adjustment Date" means the last day of each fiscal year of the Company or any other date determined by the Board, in its sole discretion, as appropriate for an interim closing of the Company's books.

"Affiliate" means, with respect to a specified Person, any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Amended and Restated Limited Liability Company Agreement of the Company, as this agreement may be amended, modified, supplemented or restated from time to time after the date hereof.

"All or Nothing Offer" has the meaning given in Section 12.8(a)(ii).

"Benchmark Amount" means the amount set with respect to an Override Unit pursuant to Section 7.1(c).

"Board" has the meaning given in Section 4.1(a).

"Book Value" means with respect to any asset, the asset's adjusted basis for U.S. federal income tax purposes, except as follows: (i) the Book Value of any asset contributed or deemed contributed by a Member to the Company shall be the gross fair market value of such asset at the time of contribution as reasonably determined by the Board; (ii) the Book Value of any asset distributed or deemed distributed by the Company to any Member shall be adjusted immediately prior to such distribution to equal its gross fair market value at such time as reasonably determined by the Board; (iii) the Book Values of all Company assets may be adjusted in the discretion of the Board to equal their respective gross fair market values, as reasonably determined by the Board as of (1) the date of the acquisition of an additional interest in the Company by any new or existing Member in exchange for a contribution to the capital of the Company; or (2) upon the liquidation of the Company (including upon interim liquidating distributions), or the distribution by the Company to a retiring or continuing Member of money or other Company property in reduction of such Member's interest in the Company; (iv) any adjustments to the adjusted basis of any asset of the Company pursuant to Sections 734 or 743 of the Code shall be taken into account in determining such asset's Book Value in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(iv)(m); and (v) if the Book Value of an asset has been determined pursuant to clause (i) or adjusted pursuant to clauses (iii) or (iv) above, to the extent and in the manner permitted in the Treasury Regulations, adjustments to such Book Value for depreciation and amortization with respect to such asset shall be calculated by reference to Book Value, instead of tax basis.

"Capital Account" has the meaning given in Section 6.1.

"Capital Contribution" means, for any Member, the total amount of cash and the Fair Market Value of any property contributed to the Company by such Member.

"Carrying Value" means, with respect to any Interest purchased by the Company, the value equal to the Capital Contribution, if any, made by the selling Management Member in respect of any such Interest less the amount of distributions made in respect of such Interest.

"Certificate" means the Certificate of Formation of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Delaware pursuant to the Delaware Act.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Units" means a class of Interests in the Company, as described in Section 3.2(a). For the avoidance of doubt, Common Units shall not include Override Units.

"Company" has the meaning given in the introductory paragraph to this Agreement.

"Covered Person" means a current or former Member or Director, an Affiliate of a current or former Member or Director, any officer, director, shareholder, partner, member, employee, advisor, representative or agent of a current or former Member or Director or any of their respective Affiliates, or any current or former officer, employee or agent of the Company or any of its Affiliates.

"Current Value" means, as of any given time, the sum of (A) the aggregate amount of distributions pursuant to Section 9.1 received by the Investor Members prior to such time (including, for the avoidance of doubt, any portion of any distribution with respect to which Current Value is being determined) in respect of Common Units plus (B) if such distribution is to be made in connection with an Exit Event the product of (i) the aggregate amount per Common Unit of distributions pursuant to Section 9.1 to be received by the Investor Members upon such Exit Event, which shall be determined assuming that all Override Units issued and outstanding at the date of the Exit Event (but excluding, any Override Units (including, without limitation, Override Units issued hereunder), which, by their terms, would be forfeited in conjunction with the occurrence of such Exit Event if they did not become eligible to participate in distributions pursuant to Section 7.1(a) upon the occurrence of the Exit Event) are treated as if they were Common Units immediately prior to the Exit Event and (ii) the Investor Member Units outstanding as of the occurrence of such Exit Event.

"Deficit" has the meaning given in Section 8.2(a).

"Delaware Act" means the Delaware Limited Liability Company Act, 6 Del. C. §18-101, et seq., as amended from time to time.

"Director" has the meaning given in Section 4.1(a).

"Drag-Along Right" has the meaning given in Section 12.8(c)(i).

"ECI" means income that is "effectively connected with the conduct of a trade or business within the United States" within the meaning of sections 871 and 882 of the Code (including income treated as so effectively connected under section 897 of the Code).

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Exit Event" means a transaction or a combination or series of transactions (other than an Initial Public Offering) resulting in:

(a) the sale, transfer or other disposition by the Investor Members to one or more Persons that are not, immediately prior to such sale, Affiliates of the Company or any Investor Member of all of the Interests of the Company beneficially owned by the Investor Members as of the date of such transaction; or

(b) the sale, transfer or other disposition of all of the assets of the Company and its Subsidiaries, taken as a whole, to one or more Persons that are not, immediately prior to such sale, transfer or other disposition, Affiliates of the Company or any Investor Member.

"Fair Market Value" means, as of any date,

(a) for purposes of determining the value of any property owned by, contributed to or distributed by the Company, (i) in the case of publicly-traded securities, the average of their last sales prices on the applicable trading exchange or quotation system on each trading day during the five trading-day period ending on such date and (ii) in the case of any other property, the fair market value of such property, as determined in good faith by the Board, or

(b) for purposes of determining the value of any Member's Interest in connection with Section 12.4 ("Involuntary Transfers"), (i) the fair market value of such Interest as reflected in the most recent appraisal report prepared, at the request of the Board, by an independent valuation consultant or appraiser of recognized national standing, reasonably satisfactory to each of GSCP and Kelso, or (ii) in the event no such appraisal exists or the date of such report is more than one year prior to the date of determination, the fair market value of such Interest as determined in good faith by the Board.

"First Company Notice" has the meaning given in Section 3.7(b).

"First Offer" has the meaning given in Section 12.8(a)(i).

"First Offer Notice" has the meaning given in Section 12.8(a)(i).

"Five Percent Test" has the meaning given in Section 4.1(b)(ii)(1).

"GSCP" means GSCP Onshore, together with GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GSCP Institutional and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

"GSCP Director" means a Director appointed or designated for election solely by GSCP.

"GSCP Institutional" means GS Capital Partners V Institutional, L.P., a Delaware limited partnership.

"GSCP Member" has the meaning given in the introductory paragraph to this Agreement.

"GSCP Onshore" means GS Capital Partners V Fund, L.P., a Delaware limited partnership.

"HSR" has the meaning given in Section 12.8(a)(iv).

"Inactive Management Member" has the meaning given in Section 7.2.

"Initial First Offer Acceptance Period" has the meaning given in Section 12.8(a)(i).

"Initial Price" means the product of (i) the Investor Members' average cost per each Investor Member Unit times (ii) the total number of Investor Member Units.

"Initial Public Offering" or "IPO" means the first underwritten public offering of the common stock of a successor corporation to the Company or a Subsidiary of the Company to the general public through a registration statement filed with the Securities and Exchange Commission that covers (together with prior effective registrations) (i) not less than 25% of the then outstanding shares of common stock of such successor corporation or such Subsidiary of the Company on a fully diluted basis or (ii) shares of such successor corporation or such Subsidiary of the Company that will be traded on any of the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers Automated Quotation System after the close of any such general public offering.

"Initial Purchase Amount" has the meaning given in Section 3.7(b).

"Interest" means a limited liability interest in the Company, which represents the interest of each Member in and to the profits and losses of the Company and such Member's right to receive distributions of the Company's assets, as set forth in this Agreement.

"Investor Member Units" means the aggregate member of Units held by the Investor Members at the time of measurement.

"Investor Members" has the meaning given in the introductory paragraph to this Agreement.

"Involuntary Transfer" has the meaning given in Section 12.4.

"Involuntary Transferee" has the meaning given in Section 12.4.

“Kelso” means Kelso Investment Associates VII, L.P., a Delaware limited partnership, together with KEP VI, LLC, a Delaware limited liability company.

“Kelso Director” means a Director appointed or designated for election solely by Kelso.

“Kelso Member” has the meaning given in the introductory paragraph to this Agreement.

“Magnetite” means Magnetite Asset Investors III L.L.C., an Outside Member.

“Majority in Interest” means, as of any given record date or other applicable time, the holders of a majority of the outstanding Units held by Members as of such date that are entitled to vote at a meeting of Members or to consent in writing in lieu of a meeting of Members.

“Management Member” has the meaning given in the introductory paragraph to this Agreement. A Management Member shall be deemed not to be a “manager” within the meaning of the Delaware Act (except to the extent Section 4.1(b)(i) applies).

“Member” has the meaning given in the introductory paragraph to this Agreement and includes (i) any Person admitted as an additional or substitute Member of the Company pursuant to this Agreement and (ii) for the avoidance of doubt, Inactive Management Members.

“Net Income” and “Net Loss” mean, respectively, for any period the taxable income and taxable loss of the Company for the period as determined for U.S. federal income tax purposes, provided that for the purpose of determining Net Income and Net Loss (and for purposes of determining items of gross income, loss, deduction and expense in applying Sections 8.1 and 8.2, but not for income tax purposes): (i) there shall be taken into account any items required to be separately stated under Section 703(a) of the Code, (ii) any income of the Company that is exempt from federal income taxation and not otherwise taken into account in computing Net Income and Net Loss shall be added to such taxable income or loss; (iii) if the Book Value of any asset differs from its adjusted tax basis for federal income tax purposes, any depreciation, amortization or gain or loss resulting from a disposition of such asset shall be calculated with reference to such Book Value; (iv) upon an adjustment to the Book Value of any asset, pursuant to the definition of Book Value, the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; (v) any expenditure of the Company described in Section 705(a)(2)(B) of the Code or treated as such an expenditure pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition, shall be subtracted from such taxable income or loss; (vi) to the extent an adjustment to the adjusted tax basis of any asset included in Company property pursuant to Section 734(b) of the Code is required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for the purposes of computing Net Income and Net Loss; and (vii) items allocated pursuant to Section 8.2 shall not be taken into account in computing Net Income or Net Loss.

“Newco” has the meaning given in Section 12.9(b)(i).

"Non-Investor Member" has the meaning given in the introductory paragraph to this Agreement.

"Officers" has the meaning given in Section 4.11.

"Other Investor Member" means, for purposes of Section 12.8(a), Kelso, if GSCP is the Transferring Investor Member, and GSCP, if Kelso is the Transferring Investor Member.

"Outside Member" has the meaning given in the introductory paragraph to this Agreement

"Override Unit Committee" means the committee constituted in accordance with Section 4.5.

"Override Units" means a class of Interest in the Company, as described in Section 3.2(b).

"Person" means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

"Proposed Third Party Interests" has the meaning given in Section 3.7(a).

"Pro Rata Preemptive Amount" has the meaning given in Section 3.7(b).

"Refused Interests" has the meaning given in Section 12.8(a).

"Registration Rights Agreement" means a Registration Rights Agreement, substantially in the form of Exhibit C hereto.

"Rejected Amount" has the meaning given in Section 3.7(b).

"Requisite Original Amount" has the meaning given in Section 4.1(b)(ii)(1).

"Requisite Outstanding Amount" has the meaning given in Section 4.1(b)(ii)(1).

"Rule 144" has the meaning given in section 5.1(b)(iv).

"Second Company Notice" has the meaning given in Section 3.7.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Selling Investor Member" means GSCP or Kelso, as the case may be, in its capacity as an Investor Member proposing a Transfer of Interests or an Exit Event triggering the rights provided in Section 12.8(b) or (c) hereof.

"Subject Interests" has the meaning given in Section 12.8(a)(i).

"Subsidiary" means any direct or indirect subsidiary of the Company on the date hereof and any direct or indirect subsidiary of the Company organized or acquired after the date hereof.

"Subsidiary IPO" has the meaning given in Section 12.9(a)(ii).

"Tag-Along Right" has the meaning given in Section 12.8(b).

"Tax Matters Partner" has the meaning given in Section 10.2(b).

"Transfer" means to directly or indirectly transfer, sell, pledge, hypothecate or otherwise dispose of.

"Transfer Period" has the meaning given in Section 12.8(a)(iii).

"Transferring Investor Member" has the meaning given in Section 12.8(a).

"Treasury Regulations" means the Regulations of the Treasury Department of the United States issued pursuant to the Code.

"UBTI" means "unrelated business taxable income" within the meaning of section 512 of the Code, determined without regard to the special rules contained in section 512(a)(3) of the Code that are applicable solely to organizations described in paragraphs (7), (9), (17) and (20) of section 501(c) of the Code.

"Units" means any class of Interests provided for herein.

[Signature page follows]

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

INVESTOR MEMBERS

GS CAPITAL PARTNERS V FUND, L.P.

By: GSCP V Advisors, L.L.C., its General Partner

By: ______________________________
Name:
Title:

GS CAPITAL PARTNERS V OFFSHORE FUND, L.P.

By: GSCP V Offshore Advisors, L.L.C.,
its General Partner

By: ______________________________
Name:
Title:

GS CAPITAL PARTNERS V INSTITUTIONAL, L.P.

By: GS Advisors V, L.L.C., its General Partner

By: ______________________________
Name:
Title:

[Signature page to the Limited Liability Company Agreement of Coffeyville Acquisition III LLC]

GS CAPITAL PARTNERS V GmbH & CO. KG

By: Goldman, Sachs Management GP GmbH,
its General Partner

By: ____________________________
Name:
Title:

KELSO INVESTMENT ASSOCIATES VII, L.P.

By: Kelso GP VII, L.P., its General Partner

By: Kelso GP VII, LLC,
its General Partner

By: ____________________________
Name:
Title:

KEP VI, LLC

By: ____________________________
Name:
Title:

[Signature page to the Limited Liability Company Agreement of Coffeyville Acquisition III LLC]

MANAGEMENT MEMBERS

JOHN J. LIPINSKI

THE TARA K. LIPINSKI 2007 EXEMPT TRUST

By:

Name: Tara K. Lipinski
Title: Trustee

THE LIPINSKI 2007 EXEMPT FAMILY TRUST

By:

Name: Patricia E. Lipinski
Title: Trustee

STANLEY A. RIEMANN

JAMES T. RENS

KEITH D. OSBORN

KEVAN A. VICK

[Signature page to the Limited Liability Company Agreement of Coffeyville Acquisition III LLC]

ROBERT W. HAUGEN

WYATT E. JERNIGAN

ALAN K. RUGH

DANIEL J. DALY, JR.

[Signature page to the Limited Liability Company Agreement of Coffeyville Acquisition III LLC]

OUTSIDE MEMBERS

MAGNETITE ASSET INVESTORS III L.L.C.

By: BlackRock Financial Management, Inc.,
as Managing Member

By: ______________________________
Name:
Title:

____
WESLEY CLARK

[Signature page to the Limited Liability Company Agreement of Coffeyville Acquisition III LLC]

SCHEDULE A

GSCP Members

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units
GS Capital Partners V Fund, L.P.	________ ___, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$__________	__________
GS Capital Partners V Offshore Fund, L.P.	________ ___, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$__________	__________
GS Capital Partners V Institutional, L.P.	________ ___, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$__________	__________
GS Capital Partners V GmbH & Co. KG	________ ___, 2007	c/o GS Capital Partners V, L.P. 85 Broad Street New York, New York 10004 Attention: Kenneth Pontarelli Facsimile No.: (212) 357-5505	$__________	__________
Total			$__________	__________

Kelso Members

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units
Kelso Investment Associates VII, L.P.	________ ___, 2007	c/o Kelso & Company, L.P. 320 Park Avenue, 24th Floor New York, New York 10022 Attention: James J. Connors II Fax: (212) 223-2379	$__________	__________
KEP VI, LLC	________ ___, 2007	c/o Kelso & Company, L.P. 320 Park Avenue, 24th Floor New York, New York 10022 Attention: James J. Connors II Fax: (212) 223-2379	$__________	__________
Total			$__________	__________

Management Members

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units	Override Units	Benchmark Amount
John J. Lipinski	________ ___, 2007	806 Skimmer Court Sugar Land, TX 77478	$__________	__________	__________	$__________
The Tara K. Lipinski 2007 Exempt Trust	________ ___, 2007	806 Skimmer Court Sugar Land, TX 77478	$__________	__________	__________	$__________
The Lipinski 2007 Exempt Family Trust	________ ___, 2007	806 Skimmer Court Sugar Land, TX 77478	$__________	__________	__________	$__________
Stanley A. Riemann	________ ___, 2007	15714 Quail Ridge Drive Smithville, MO 64089	$__________	__________	__________	$__________
James T. Rens	________ ___, 2007	8112 NE 73rd Terrace Kansas City, MO 64158	$__________	__________	__________	$__________
Keith D. Osborn	________ ___, 2007	1208 West 2nd Street Coffeyville, KS 67337	$__________	__________	__________	$__________
Kevan A. Vick	________ ___, 2007	4704 Cherry Hills Court Lawrence, KS 66047	$__________	__________	__________	$__________
Robert W. Haugan	________ ___, 2007	5610 Lone Cedar Drive Kingwood, TX 77478	$__________	__________	__________	$__________
Wyatt E. Jernigan	________ ___, 2007	250 South Post Oak Lane Houston, TX 77056	$__________	__________	__________	$__________
Alan K. Rugh	________ ___, 2007	2003 Sea King Street Houston, TX 77008	$__________	__________	__________	$__________
Daniel J. Daly, Jr.	________ ___, 2007	5364 McCulloch Circle Houston, TX 77056	$__________	__________	__________	$__________
Total			$__________	__________	__________	

Outside Members

Name	Date of Admission	Mailing Address	Capital Contribution	Common Units
Magnetite Asset Investors III L.L.C.	________ ___, 2007	Magnetite Asset Investors III L.L.C. c/o BlackRock Financial Management, Inc. 40 East 52nd Street New York, New York 10022 Attention: Jeff Gary	$__________	__________
Wesley Clark	________ ___, 2007		$__________	__________

EXHIBIT A

FORM OF SPOUSAL WAIVER

[INSERT NAME**]** hereby waives and releases any and all equitable or legal claims and rights, actual, inchoate or contingent, which **[**she**] [**he**]** may acquire with respect to the disposition, voting or control of the Units subject to the Second Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC, dated as of July 25, 2005, as the same may be amended, modified, supplemented or restated from time to time, except for rights in respect of the proceeds of any disposition of such Units.

____
Name:

EXHIBIT B

FORM OF MANAGEMENT RIGHTS LETTER

EXHIBIT C

FORM OF REGISTRATION RIGHTS AGREEMENT

Exhibit 10.37

REDEMPTION AGREEMENT

REDEMPTION AGREEMENT, effective as of [,] 2007 (this "Agreement"), by and between Coffeyville Acquisition LLC, a Delaware limited liability company, (the "Company"), and the parties set forth on Schedule A hereto (the "Redeemed Parties").

WHEREAS, the Company and the Redeemed Parties are parties to the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of July 25, 2005 (the "LLC Agreement");

WHEREAS, each of the Redeemed Parties holds the units of membership interests in the Company set forth opposite such Redeemed Party's name on Schedule A hereto ("Company Units");

WHEREAS, contemporaneously with this Agreement, the Company is entering into a Limited Liability Company Agreement ("CA II LLC Agreement") with Coffeyville Acquisition II LLC, a Delaware limited liability company ("CA II"), pursuant to which the Company is contributing 50% of its assets in consideration of the issuance by CA II to the Company of 100% of the membership interests in CA II (the "Contribution");

WHEREAS, in connection with the Contribution, the parties hereto desire that the Company purchase and redeem the number and type of Company Units set forth opposite each Redeemed Party's name on Schedule B hereto (the "Redeemed Units") in exchange for the number and type of units of membership interests in CA II set forth opposite such Redeemed Party's name on Schedule C hereto ("CA II Units");

WHEREAS, the redemption shall be treated as a division of the Company within the meaning of section 1.708-1 of the Regulations of the Treasury Department of the United States issued pursuant to the Internal Revenue Code of 1986, as amended with neither the Company nor CA II treated as a continuing partnership; and

WHEREAS, immediately after the consummation of the transactions contemplated by this Agreement, the Company will no longer hold any units of membership interests in CA II.

NOW, THEREFORE, in consideration of the premises and the representations, warranties and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

REDEMPTION AND TRANSFER OF MEMBERSHIP INTERESTS

1.1. Redemption and Transfer of Membership Interests. Upon the terms and subject to the conditions set forth in this Agreement, simultaneously with the execution and delivery of this Agreement, (a) the Redeemed Units shall hereby be redeemed and cancelled in their entirety in exchange for the CA II Units, (b) the Company hereby transfers, conveys and delivers to the Redeemed Parties and each Redeemed Party hereby acquires and accepts, free and clear of all liens, claims, security interest, pledges, charges and other encumbrances, the CA II Units set forth opposite its name on Schedule C hereto and (c) each Redeemed Party shall duly execute and deliver the First Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition II LLC, a form of which is attached hereto as Exhibit I.

1.2. Release of Liability. The parties hereto acknowledge and agree that each of the Redeemed Parties are, to the fullest extent permitted by applicable law, relieved of any further liability arising with respect to such Redeemed Party's Redeemed Units for events occurring from and after the consummation of the transactions contemplated in this Agreement. Nothing in this Agreement shall relieve any Redeemed Party for any liability arising with respect to such Redeemed Party's Redeemed Units for events occurring prior to the consummation of the transactions contemplated in this Agreement, including any liability pursuant to Section 9.4(a) of the LLC Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Redeemed Parties that as of the date the Company executes this Agreement:

2.1. Organization and Good Standing. The Company is an entity duly organized and validly existing under the laws of Delaware and has the requisite corporate power and authority to own, operate and carry on its business as now conducted.

2.2. Authority; Enforceability. All actions required to be taken by or on behalf of the Company to authorize such party to execute, deliver and perform the Company's obligations under this Agreement have been taken, and this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

2.3. Ownership of Units. The Company is the record and beneficial owner of the CA II Units. The Company has the requisite corporate power and authority to transfer the CA II Units as provided in this Agreement and the Company is delivering to each Redeemed Party good and marketable title to the CA II Units, free and clear of any and all liens, claims, charges, security interests, options or other encumbrances, other than those provided under federal or state securities laws or under the CA II LLC Agreement.

2.4. No Violation; Consent. The execution and delivery of this Agreement and the consummation by the Company of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to the Company or by which the Company or any material portion of the properties of the Company is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon the Company's ability to enter into and carry out its obligations under this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE REDEEMED PARTIES

Each Redeemed Party, severally but not jointly, hereby represents and warrants to each other party to this Agreement that as of the date such party executes this Agreement:

3.1. Organization and Good Standing. Such Redeemed Party, if not a natural person, is duly organized and validly existing under the laws of the jurisdiction of its organization. Such Redeemed Party has the requisite power and authority to own, operate and carry on its business as now conducted.

3.2 Authority; Enforceability. All actions required to be taken by or on behalf of such Redeemed Party to authorize such party to execute, deliver and perform such Redeemed Party's obligations under this Agreement have been taken, and this Agreement constitutes the legal, valid and binding obligation of such Redeemed Party, enforceable against such Redeemed Party in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

3.3. Ownership of Units. Such Redeemed Party is the record and beneficial owner of the Company Units purported to be owned by such Redeemed Party with good and marketable title to such Company Units, free and clear of any and all liens, claims, charges, security interests, options or other encumbrances, other than those provided under federal or state securities laws or under the LLC Agreement.

3.4. Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation by such Redeemed Party of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to such Redeemed Party or by which such Redeemed Party or any material portion of the properties of such Redeemed Party is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon the financial condition, business or operations of such Redeemed Party or upon such Redeemed Party's ability to enter into and carry out its obligations under this Agreement.

ARTICLE IV
MISCELLANEOUS AGREEMENTS OF THE PARTIES

4.1. Mutual Cooperation; No Inconsistent Action. Subject to the terms and conditions hereof, each of the parties hereto agree to use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

4.2. Entire Agreement; Amendment; Waiver. This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and may be amended, supplemented or otherwise modified only by a written instrument executed by the parties hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving.

4.3. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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

4.5. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

4.6. Severability. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect.

4.7. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any person not a party to this Agreement. No assignment of this Agreement or of any rights or obligations hereunder may be made by any party hereto (by operation of law or otherwise) without the prior written consent of the other party hereto and any attempted assignment without such required consent shall be void.

[Signature page follows]

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

COFFEYVILLE ACQUISITION LLC

By: ______________________________
Name:
Title:

GS CAPITAL PARTNERS V FUND, L.P.

By: GSCP V Advisors, L.L.C., its General Partner

By: ______________________________
Name:
Title:

GS CAPITAL PARTNERS V OFFSHORE FUND, L.P.

By: GSCP V Offshore Advisors, L.L.C., its General Partner

By: ______________________________
Name:
Title:

[Signature Page to Redemption Agreement]

GS CAPITAL PARTNERS V INSTITUTIONAL, L.P.

By: GS Advisors V, L.L.C., its General Partner

By: ______________________________
Name:
Title:

GS CAPITAL PARTNERS V GmbH & CO. KG

By: Goldman, Sachs Management GP GmbH,
its General Partner

By: ______________________________
Name:
Title:

[Signature Page to Redemption Agreement]

JOHN J. LIPINSKI

THE TARA K. LIPINSKI 2007 EXEMPT TRUST

By:

Name: Tara K. Lipinski
Title: Trustee

THE LIPINSKI 2007 EXEMPT FAMILY TRUST

By:

Name: Patricia E. Lipinski
Title: Trustee

STANLEY A. RIEMANN

JAMES T. RENS

KEITH D. OSBORN

KEVAN A. VICK

WESLEY CLARK

[Signature Page to Redemption Agreement]

Schedule A

Current Ownership in the Company

Name	Units of Membership Interests in the Company		
	Common Units	Operating Units	Value Units
GS Capital Partners V Fund, L.P.	5,948,244	N/A	N/A
GS Capital Partners V Offshore Fund, L.P.	3,072,615	N/A	N/A
GS Capital Partners V Institutional, L.P.	2,039,735	N/A	N/A
GS Capital Partners V GmbH & Co. KG	235,827	N/A	N/A
John J. Lipinski	57,446	N/A	N/A
The Tara K. Lipinski		157,909	315,818.5
2007 Exempt Trust	N/A	36,246	72,483
The Lipinski 2007		157,909	315,818.5
Exempt Family Trust	N/A	36,246	72,483
Stanley A. Riemann	35,352	140,185	280,371
James T. Rens	22,095	71,965	143,931
Keith D. Osborn	22,095	71,965	143,931
Kevan A. Vick	22,095	71,965	143,931
Robert W. Haugan	8,838	71,965	143,931
Wyatt E. Jernigan	8,838	71,965	143,931
Alan K. Rugh	8,838	51,901	103,801
Daniel J. Daly, Jr.	4,419	51,901	103,801
Edmund Gross	2,651	N/A	N/A
Chris Swanberg	2,209	N/A	N/A
John Huggins	6,187	N/A	N/A
Wesley Clark	22,095	N/A	N/A
Total	*11,519,579*	*992,122*	*1,984,231*

Schedule B

Redeemed Company Units

Name	Units of Membership Interests in the Company: Common Units	Operating Units	Value Units
GS Capital Partners V Fund, L.P.	5,948,244	N/A	N/A
GS Capital Partners V Offshore Fund, L.P.	3,072,615	N/A	N/A
GS Capital Partners V Institutional, L.P.	2,039,735	N/A	N/A
GS Capital Partners V GmbH & Co. KG	235,827	N/A	N/A
John J. Lipinski	57,446	N/A	N/A
The Tara K. Lipinski		78,954.5	157,909.25
2007 Exempt Trust	N/A	18,123	36,241.5
The Lipinski 2007		78,954.5	157,909.25
Exempt Family Trust	N/A	18,123	36,241.5
Stanley A. Riemann	17,676	70,092.5	140,185.5
James T. Rens	11,047.5	35,982.5	71,965.5
Keith D. Osborn	11,047.5	35,982.5	71,965.5
Kevan A. Vick	11,047.5	35,982.5	71,965.5
Robert W. Haugan	4,419	35,982.5	71,965.5
Wyatt E. Jernigan	4,419	35,982.5	71,965.5
Alan K. Rugh	4,419	25,950.5	51,900.5
Daniel J. Daly, Jr.	2,209.5	25,950.5	51,900.5
Edmund Gross	1,325.5	N/A	N/A
Chris Swanberg	1,104.5	N/A	N/A
John Huggins	3,093.5	N/A	N/A
Wesley Clark	11,047.50	N/A	N/A
Total	*11,408,000.00*	*496,061*	*992,115.50*

Schedule C

Issued CA II Units

Name	Units of Membership Interests in CA II: Common Units	Operating Units	Value Units
GS Capital Partners V Fund, L.P.	5,948,244	N/A	N/A
GS Capital Partners V Offshore Fund, L.P.	3,072,615	N/A	N/A
GS Capital Partners V Institutional, L.P.	2,039,735	N/A	N/A
GS Capital Partners V GmbH & Co. KG	235,827	N/A	N/A
John J. Lipinski	28,723	N/A	N/A
The Tara K. Lipinski		78,954.5	157,909.25
2007 Exempt Trust	N/A	18,123	36,241.5
The Lipinski 2007		78,954.5	157,909.25
Exempt Family Trust	N/A	18,123	36,241.5
Stanley A. Riemann	17,676	70,092.5	140,185.5
James T. Rens	11,047.5	35,982.5	71,965.5
Keith D. Osborn	11,047.5	35,982.5	71,965.5
Kevan A. Vick	11,047.5	35,982.5	71,965.5
Robert W. Haugan	4,419	35,982.5	71,965.5
Wyatt E. Jernigan	4,419	35,982.5	71,965.5
Alan K. Rugh	4,419	25,950.5	51,900.5
Daniel J. Daly, Jr.	2,209.5	25,950.5	51,900.5
Edmund Gross	1,325.5	N/A	N/A
Chris Swanberg	1,104.5	N/A	N/A
John Huggins	3,093.5	N/A	N/A
Wesley Clark	11,047.50	N/A	N/A
Total	*11,408,000.00*	*496,061*	*992,115.50*

Exhibit I

First Amended and Restated Limited Liability Company Agreement of
Coffeyville Acquisition II LLC

Exhibit 10.38

STOCKHOLDERS AGREEMENT

CVR ENERGY, INC.

Dated as of [__________ ___,] 2007

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STOCKHOLDERS AGREEMENT OF
CVR ENERGY, INC.

This Stockholders Agreement of CVR Energy, Inc., a Delaware corporation (the "Company") is dated as of [___], 2007, by and among the Company, Coffeyville Acquisition LLC, a Delaware limited liability company ("CA"), and Coffeyville Acquisition II LLC, a Delaware limited liability company ("CA II" and, collectively with CA, the "Stockholders"). Any capitalized term used herein without definition shall have the meaning set forth in Article V.

WHEREAS, the Company is proposing to sell shares of common stock, par value $.01 per share, of the Company ("Common Stock") to the public in an initial public offering ("IPO");

WHEREAS, immediately after the completion of the Company's IPO, it is expected that the Stockholders will own approximately 80.6% (78.2% if the underwriters exercise their option to purchase additional shares from the Stockholders) of the issued and outstanding shares of Common Stock;

WHEREAS, the Company and the Stockholders desire to enter into this Agreement on the terms and conditions set forth herein to set forth the respective rights and obligations of the Stockholders upon the consummation of the IPO; and

WHEREAS, contemporaneously with this Agreement, the parties hereto are entering into a registration rights agreement (the "Registration Rights Agreement").

ARTICLE I
REPRESENTATIONS AND WARRANTIES

Each of the parties to this Agreement hereby represents and warrants to each other party to this Agreement that as of the date such party executes this Agreement:

Section 1.1 Due Organization; Power and Authority, etc. Such party, if not a natural person, is duly organized and validly existing under the laws of its jurisdiction of organization. Such party has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder.

Section 1.2 Authorization; Enforceability. All actions required to be taken by or on behalf of such party to authorize such party to execute, deliver and perform such party's obligations under this Agreement have been taken, and this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

Section 1.3 Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation by such party of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to such party or by which such party or any material portion of the properties of such party is bound, except for conflicts, breaches and defaults that, individually or in the aggregate, will not have a material adverse effect upon such party's ability to enter into and carry out its obligations under this Agreement.

ARTICLE II
GOVERNANCE

Section 2.1 Board of Directors.

(a) The Stockholders and the Company shall take all Necessary Action to cause the Board to initially consist of eight (8) directors and thereafter be comprised of not less than three (3) nor more than fifteen (15) directors, two (2) of whom shall be designated by CA, two (2) of whom shall be designated by CA II, one (1) of whom shall be the chief executive officer (or equivalent) of the Company and the remainder of whom shall be elected in accordance with the certificate of incorporation and bylaws of the Company; provided that:

(i) for so long as the Stockholders beneficially own in the aggregate an amount of Common Stock that represents at least 40% of the outstanding shares of Common Stock, if either Stockholder ceases to beneficially own an amount of Common Stock that represents at least 20% of the outstanding shares of Common Stock, then such Stockholder shall only be entitled to designate one (1) director for election to the Board; and provided, further, that if either Stockholder ceases to beneficially own at least 5% of the outstanding shares of Common Stock, then such Stockholder shall not be entitled to designate any directors for election to the Board;

(ii) if the Stockholders beneficially own in the aggregate an amount of Common Stock that represents less than 40% of the outstanding shares of Common Stock, so long as either Stockholder beneficially owns at least 20% of the outstanding shares of Common Stock, in connection with any election of directors to the Board, the Company shall at the request of such Stockholder include two representatives designated by such Stockholder in the slate of directors recommended by the Board to the stockholders for election as directors; and provided, further that if either Stockholder ceases to beneficially own at least 20% of the outstanding shares of Common Stock but shall beneficially owns at least 5% of the outstanding shares of Common Stock, in connection with any election of directors to the Board, the Company shall at the request of such Stockholder include one representative designated by such Stockholder in the slate of directors recommended by the Board to the stockholders for election as directors; and

(iii) within one year after the Company ceases to qualify as a "controlled company" under NYSE rules, the Stockholders shall cause a sufficient number of their designees to qualify as "independent directors" under NYSE rules to ensure that the Board complies with applicable NYSE independence rules.

(b) Except as provided above, each Stockholder shall have the exclusive right to appoint and remove its respective designees to the Board, as well as the exclusive right to fill vacancies created by reason of death, removal or resignation of such designees, and the Stockholders and the Company shall take all Necessary Action to cause the Board to be so constituted.

(c) The initial directors designated by CA pursuant to Section 2.1(a) shall be George E. Matelich and Stanley de J. Osborne. The initial directors designated by CA II pursuant to Section 2.1(a) shall be Scott Lebovitz and Kenneth A. Pontarelli.

(d) Decisions of the Board shall require the approval of a majority of the directors. The Board shall designate a chairman.

(e) The Company shall reimburse the directors for all reasonable out-of-pocket expenses incurred in connection with their attendance at meetings of the Board and any committees thereof, including without limitation travel, lodging and meal expenses. For the avoidance of doubt, Sponsor Directors shall not receive compensation for serving on the Board and on any committees thereof.

(f) The Company shall obtain customary director and officer indemnity insurance on commercially reasonable terms.

(g) Solely for purposes of Section 2.1(a)(i), and in order to secure the performance of each Stockholder's obligations under Section 2.1(a)(i), each Stockholder hereby irrevocably appoints each other Stockholder that qualifies as a Proxy Holder (as defined below) the attorney-in-fact and proxy of such Stockholder (with full power of substitution) to vote or provide a written consent with respect to its shares of Common Stock as described in this paragraph if, and only in the event that, such Stockholder fails to vote or provide a written consent with respect to its shares of Common Stock in accordance with the terms of Section 2.1(a)(i) (each such Stockholder, a "Breaching Stockholder"). Each Breaching Stockholder shall have five (5) Business Days from the date of a request for such vote or written consent (the "Cure Period") to cure such failure. If after the Cure Period the Breaching Stockholder has not cured such failure, any Stockholder whose designees to the Board were required to be approved by the Breaching Stockholder pursuant to Section 2.1(a)(i) but were not approved by the Breaching Stockholder, shall have and is hereby irrevocably granted a proxy to vote or provide a written consent with respect to each such Breaching Stockholder's shares of Common Stock for the purposes of taking the actions required by Section 2.1(a)(i) (such Stockholder, a "Proxy Holder"), and of removing from office any directors elected to the Board in lieu of the designees of the Proxy Holder who should have been elected pursuant to Section 2.1(a)(i). Each Stockholder intends this proxy to be, and it shall be, irrevocable and coupled with an interest, and each Stockholder will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby revoke any proxy previously granted by it with respect to the matters set forth in Section 2.1(a)(i) with respect to the shares of Common Stock owned by such Stockholder. Notwithstanding the foregoing, the conditional proxy granted by this Section 2.1(h) shall be deemed to be revoked upon the termination of Article II in accordance with its terms.

Section 2.2 Additional Management Provisions.

(a) For so long as the Stockholders beneficially own in the aggregate an amount of Common Stock that represents at least 40% of the outstanding shares of Common Stock, (i) each Stockholder that has the right to designate at least two Directors to the Board pursuant to Section 2.1(a)(i) shall have the right to have at least one (1) of its designated directors on any committee (with the exception of the Audit Committee and the Conflicts Committee) of the Board, to the extent such directors are permitted to serve on such committees under SEC and NYSE rules applicable to the Company, (ii) Sponsor Directors shall constitute the majority of each such committee (at least 50% in the case of the Nominating and Corporate Governance Committee and the Compensation Committee), and (iii) the Chairman of each such committee shall be a Sponsor Director. In the event that SEC or NYSE rules applicable to the Company limit the number of Sponsor Directors that can serve on any committee (other than the Audit Committee), the parties shall allocate committee membership among Sponsor Directors in as equitable a manner as possible, taking into account the relative level of ownership of the Stockholders in considering committee preferences.

(b) Each Stockholder agrees and acknowledges that the directors designated by CA and CA II may share confidential, non-public information about the Company with Kelso and GSCP, respectively.

(c) The Stockholders hereby agree, notwithstanding anything to the contrary in any other agreement or at law or in equity, that when CA and/or CA II takes any action under this Agreement to give or withhold its consent, CA and/or CA II, as applicable, shall have no duty (fiduciary or other) to consider the interests of the Company or any other holder of Common Stock and may act exclusively in its own interest and shall have only the duty to act in good faith; provided, however, that the foregoing shall in no way affect the obligations of the parties hereto to comply with the provisions of this Agreement.

ARTICLE III
TRANSFERS

Section 3.1 Limitations on Transfer.

(a) No Stockholder shall be entitled to Transfer its shares of Common Stock at any time if such Transfer would:

(i) violate the Securities Act, or any state (or other jurisdiction) securities or "Blue Sky" laws applicable to the Company or Common Stock;

(ii) cause the Company to become subject to the registration requirements of the U.S. Investment Company Act of 1940, as amended from time to time; or

(iii) be a "prohibited transaction" under ERISA or the Code or cause all or any portion of the assets of the Company to constitute "plan assets" under ERISA or Section 4975 of the Code.

(b) In the event of a purported Transfer by a Stockholder of any shares of Common Stock in violation of the provisions of this Agreement, such purported Transfer will be void and of no effect, and the Company will not give effect to such Transfer.

(c) Each certificate evidencing the shares of Common Stock shall bear the following restrictive legend, either as an endorsement or on the face thereof:

THE SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION OF THE SECURITIES EVIDENCED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF A STOCKHOLDERS' AGREEMENT, DATED AS OF [___ ___], 2007, AS MAY BE AMENDED FROM TIME TO TIME, COPIES OF WHICH ARE ON FILE WITH THE ISSUER OF THIS CERTIFICATE. NO SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION SHALL BE EFFECTIVE UNLESS AND UNTIL THE TERMS AND CONDITIONS OF SUCH STOCKHOLDERS' AGREEMENT HAVE BEEN COMPLIED WITH IN FULL.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE SOLD OR TRANSFERRED OTHER THAN IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (OR OTHER APPLICABLE LAW), OR AN EXEMPTION THEREFROM.

(d) In the event that the restrictive legend set forth in Section 3.1(c) has ceased to be applicable, or upon request by a Stockholder proposing to Transfer shares of Common Stock pursuant to any Transfer permitted under this Agreement, the Company shall provide such Stockholder, or its transferees, at their request, without any expense to such Persons (other than applicable transfer taxes and similar governmental charges, if any), with new certificates for such securities of like tenor not bearing the legend with respect to which the restriction has ceased and terminated (it being understood that the restriction referred to in the first paragraph of the legend in Section 3.1(c) shall cease and terminate upon the termination of this Article III).

Section 3.2 Tag Along Rights.

(a) In the case of a proposed Transfer by a Stockholder (a "Transferring Stockholder") of shares of Common Stock owned by such Stockholder, other than (i) to the Company, (ii) to a Permitted Transferee or (iii) to the public pursuant to an underwritten offering or Rule 144 under the Securities Act (a "Proposed Transfer"), each other Stockholder who exercises its rights under this Section 3.2(a) (a "Tagging Stockholder") shall have the right to require the Transferring Stockholder to cause the proposed transferee (a "Proposed Transferee") to purchase from such Tagging Stockholder up to a number of its shares of Common Stock equal to the product of (i) (A) the number of shares of Common Stock held by the Tagging Stockholder divided by (B) the number of shares of Common Stock held by all Stockholders participating in such Transfer and (ii) the aggregate number of shares of Common Stock proposed to be Transferred to the Proposed Transferee.

(b) The Transferring Stockholder shall give notice to each other Stockholder of a Proposed Transfer not later than five (5) Business Days prior to the closing of the Proposed Transfer, setting forth the number of shares of Common Stock proposed to be so Transferred, the name and address of the Proposed Transferee, the proposed amount and form of consideration (and, if such consideration consists in part or in whole of property other than cash, the Transferring Stockholder shall provide such information, to the extent reasonably available to the Transferring Stockholder, relating to such non-cash consideration as the other Stockholders may reasonably request in order to evaluate such non-cash consideration), and other terms and conditions of payment offered by the Proposed Transferee. The Transferring Stockholder shall deliver or cause to be delivered to each Tagging Stockholder copies of all transaction documents relating to the Proposed Transfer as the same become available. The tag-along rights provided by this Section 3.2 must be exercised by a Stockholder within three (3) Business Days following receipt of the notice required by the first sentence of this Section 3.2(b), by delivery of a written notice to the Transferring Stockholder indicating its desire to exercise its rights and specifying the number of shares of Common Stock it desires to Transfer.

(c) Any Transfer of shares of Common Stock by a Tagging Stockholder to a Proposed Transferee pursuant to this Section 3.2 shall be on the same terms and conditions (including, without limitation, price, time of payment and form of consideration) as to be paid to the Transferring Stockholder; provided that in order to be entitled to exercise its tag along right pursuant to this Section 3.2, each Tagging Stockholder must agree to make to the Proposed Transferee representations, warranties, covenants, indemnities and agreements the same *mutatis mutandis* as those made by the Transferring Stockholder in connection with the Proposed Transfer (other than any non-competition or similar agreements or covenants that would bind the Tagging Stockholder or its Affiliates), and agree to the same conditions to the Proposed Transfer as the Transferring Stockholder agrees, it being understood that all such representations, warranties, covenants, indemnities and agreements shall be made by the Transferring Stockholder and each Tagging Stockholder severally and not jointly and that, except with respect to individual representations, warranties, covenants, indemnities and other agreements of the Tagging Stockholder as to the unencumbered title to its shares of Common Stock and the power, authority and legal right to Transfer such shares of Common Stock, the aggregate amount of the liability of the Tagging Stockholder shall not exceed either (i) such Tagging Stockholder's pro rata portion of any such liability to be determined in accordance with such Tagging Stockholder's portion of the total number of shares of Common Stock included in such Transfer or (ii) the proceeds to such Tagging Stockholder in connection with such Transfer. Each Tagging Stockholder shall be responsible for its proportionate share of the costs of the Proposed Transfer to the extent not paid or reimbursed by the Proposed Transferee or the Company.

Section 3.3 Substitute Stockholder.

(a) Any Transfer of shares of Common Stock to any Permitted Transferee of a Stockholder, which Transfer is otherwise in compliance herewith, shall be permitted hereunder only if such Permitted Transferee of such shares of Common Stock agrees in writing that it shall, upon such Transfer, assume with respect to such shares of Common Stock the transferor's obligations under this Agreement and become a party to this Agreement for such purpose, and any other agreement or instrument executed and delivered by such transferor in respect of the shares of Common Stock.

(c) Notwithstanding the foregoing, Section 3.3(a) shall not apply to any Transfer to (i) the public under a Registration Statement or Rule 144 under the Securities Act or (ii) any general or limited partner, member or stockholder of any Stockholder.

Section 3.4 Release of Liability. In the event a Stockholder shall Transfer all of its shares of Common Stock in compliance with the provisions of this Agreement, without retaining any interest therein, directly or indirectly, then such Stockholder shall, to the fullest extent permitted by applicable law, be relieved of any further liability arising hereunder for events occurring from and after the date of such Transfer.

Section 3.5 Termination of Transfer Restrictions. The provisions of this Article III shall terminate and be of no further force and effect upon the earlier of (i) the fifth anniversary of the IPO or (ii) the date on which the Stockholders cease to hold collectively 25% of their Initial Post-IPO Share Ownership.

ARTICLE IV
GENERAL PROVISIONS

Section 4.1 Termination. The provisions of Article II of this Agreement shall terminate as set forth in such Article. The provisions of Article III of this Agreement shall terminate as set forth in Section 3.5. The remainder of this Agreement shall terminate after each Stockholder shall have transferred all shares of Common Stock owned by it.

Section 4.2 Subsequent Acquisition of Shares. Any securities of the Company acquired subsequent to the date hereof by a Stockholder shall be subject to the terms and conditions of this Agreement and such shares shall be considered to be “shares of Common Stock” as such term is used herein for purposes of this Agreement.

Section 4.3 Waiver by Stockholders. The rights and obligations contained in this Agreement are in addition to the relevant provisions of the Certificate of Incorporation in force from time to time and shall be construed to comply with such provisions. To the extent that this Agreement is determined to be in contravention of the Certificate of Incorporation, this Agreement shall constitute a waiver by each Stockholder, to the fullest extent permissible under applicable laws, of any right such Stockholder may have pursuant to the Certificate of Incorporation that is inconsistent with this Agreement.

Section 4.4 Freedom to Pursue Opportunities. The parties expressly acknowledge and agree that: (i) each Stockholder, Sponsor Director and Affiliated Officer of the Company has the right to, and shall have no duty (contractual or otherwise) to refrain from, directly or indirectly engaging in the same or similar business activities or lines of business as the Company or any of its subsidiaries, including those deemed to be competing with the Company or any of its subsidiaries; and (ii) in the event that a Shareholder, Sponsor Director or Affiliated Officer of the Company acquires knowledge of a potential transaction or matter that both the Corporation or its subsidiaries, on the one hand, and such Stockholder or any other Person, on the other hand, might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, such Stockholder, Sponsor Director or Affiliated Officer of the Company shall have no duty (contractual or otherwise) to communicate or present such corporate opportunity to the Company or any of its subsidiaries, as the case may be, and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the Company or any of its subsidiaries or any holder of Common Stock for breach of any duty (contractual or otherwise) by reason of the fact that such Stockholder, Sponsor Director or Affiliated Officer, directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another Person, or does not present such opportunity to the Company or any of its subsidiaries.

Section 4.5 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(a) If to the Company to:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

(b) If to CA to:

c/o Kelso & Company, L.P.
320 Park Avenue, 24th Floor
New York, New York 10022
Attention: James J. Connors II
Facsimile No.: 212-223-2379

with a copy (which shall not constitute notice) to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Kevin M. Schmidt
Facsimile No.: (212) 909-6836

(c) If to CA II to:

c/o GS Capital Partners V Fund, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
Attention: Kenneth Pontarelli
Facsimile No.: 212-357-5505

with a copy (which shall not constitute notice) to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel
Steven Steinman
Facsimile No.: (212) 859-4000

All such notices, requests, demands, waivers and other communications shall be deemed to have been received by (w) if by personal delivery, on the day delivered, (x) if by certified or registered mail, on the fifth Business Day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

Section 4.6 Securities Act Matters. Each Stockholder understands that, in addition to the restrictions on transfer contained in this Agreement, such Stockholder must bear the economic risks of its investment for an indefinite period because the shares of Common Stock held by such Stockholder have not been registered under the Securities Act.

Section 4.7 Headings. The headings to sections in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 4.8 Entire Agreement. This Agreement and the Registration Rights Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and supersedes any prior agreement or understanding among them with respect to the matters referred to herein. There are no representations, warranties, promises, inducements, covenants or undertakings relating to shares of Common Stock, other than those expressly set forth or referred to herein or in the Registration Rights Agreement.

Section 4.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 4.10 Governing Law; Attorneys' Fees. This Agreement and the rights and obligations of the parties hereto hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 4.11 Waivers. Waiver by any party hereto of any breach or default by any other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by any party to assert its or his or her rights hereunder on any occasion or series of occasions.

EACH PARTY HERETO HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 4.12 Invalidity of Provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

Section 4.13 Amendments. This Agreement may not be amended, modified or supplemented except by a written instrument signed by the parties hereto.

Section 4.14 Assignments. The provisions of this Agreement shall be binding upon and inure to the benefit of parties hereto and their respective heirs, legal representatives, successors and assigns. No Stockholder may assign any of its rights or obligations hereunder without the consent of the Company unless such assignment is in connection with a Transfer permitted by this Agreement and, prior to such assignment, such assignee complies with the requirements of Section 3.2 and Section 3.3, in each case, to the extent applicable.

Section 4.15 No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement is not intended to confer upon any Person, except for the parties hereto, any rights or remedies hereunder.

Section 4.16 Specific Performance. It is hereby agreed and acknowledged that it will be impossible to measure the money damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them by this Agreement and that, in the event of any such failure, an aggrieved party will be irreparably damaged and will not have an adequate remedy at law. Any such party shall, therefore, be entitled (in addition to any other remedy to which such party may be entitled at law or in equity) to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

Section 4.17 Marketing Materials. The Company grants each Stockholder and their respective Affiliates permission to use the Company's name and logo in marketing materials of such Stockholder or any of its Affiliates. Such Stockholder or its Affiliates, as applicable, shall include a trademark attribution notice giving notice of the Company's ownership of its trademarks in the marketing materials in which the Company's name and logo appear.

Section 4.18 Notice of Events. The Company shall notify each Stockholder, on a reasonably current basis, of any events, discussions, notices or changes with respect to any criminal or regulatory investigation or action involving the Company or any of its subsidiaries (but, excluding traffic violations or similar misdemeanors), and shall reasonably cooperate with such Stockholder or its Affiliates in efforts to mitigate any adverse consequences to such Stockholder or its Affiliates which may arise (including by coordinating and providing assistance in meeting with regulators).

ARTICLE V
DEFINED TERMS

"Affiliate" means, with respect to a specified Person, any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Affiliated Officer" means an officer of the Company that is an Affiliate of CA, CA II, GSCP or Kelso.

"Agreement" means this Stockholders Agreement of the Company, as this agreement may be amended, modified, supplemented or restated from time to time after the date hereof.

"Board" mean the board of directors of the Company.

"Breaching Stockholder" has the meaning given in Section 2.1(g).

"Business Day" means any day other than a Saturday, Sunday or day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

"CA" has the meaning given in the introductory paragraph to this Agreement.

"CA II" has the meaning given in the introductory paragraph to this Agreement.

"Certificate of Incorporation" means the certificate of incorporation and by-laws of the Company, as the same may be amended from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" has the meaning given in the recitals to this Agreement.

"Company" has the meaning given in the introductory paragraph to this Agreement.

"Cure Period" has the meaning given in Section 2.1(g).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"GSCP" means GS Capital Partners V Fund, L.P., a Delaware limited partnership, together with GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GS Capital Partners V Institutional, L.P., a Delaware limited partnership, and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

"Initial Post-IPO Share Ownership" means, with respect to CA, [__________] shares of Common Stock, and with respect to CA II, [__________] shares of Common Stock, each as adjusted pursuant to any stock splits, dividends, recapitalizations or other similar events.

"IPO" has the meaning given in the recitals to this Agreement.

"Kelso" means Kelso Investment Associates VII, L.P., a Delaware limited partnership, together with KEP VI, LLC, a Delaware limited liability company.

"Necessary Action" means, with respect to a specified result, all actions (to the extent such actions are permitted by law) necessary to cause such result, including (i) voting or providing a written consent or proxy with respect to shares of Common Stock, (ii) causing the adoption of shareholders' resolutions and amendments to the Certificate of Incorporation, (iii) causing members of the Board (to the extent such members were nominated or designated by the Person obligated to undertake the Necessary Action, and subject to any fiduciary duties that such members may have as directors of the Company) to act in a certain manner or causing them to be removed in the event they do not act in such a manner, (iv) executing agreements and instruments, and (v) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions that are required to achieve such result.

"Permitted Transferee" means (i) in the case of any Stockholder that is a partnership or limited liability company, any Affiliate of such Stockholder, (ii) in the case of any Stockholder that is a corporation, any Person that owns a majority of the voting Stock of such Stockholder, or any Person that is a direct or indirect wholly-owned subsidiary of such Stockholder, (iii) in the case of any Stockholder that is an individual, any successor by death or divorce, or (iv) in the case of any Stockholder that is a trust whose sole beneficiaries are individuals, such individuals or their spouses or lineal descendents.

"Person" means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

“Proposed Transfer” has the meaning given in Section 3.2(a).

“Proposed Transferee” has the meaning given in Section 3.2(a).

“Proxy Holder” has the meaning given in Section 2.1(g).

“Registration Rights Agreement” has the meaning given in the introductory paragraph to this Agreement.

“Registration Statement” means any registration statement of the Company filed with, or to be filed with, the Securities and Exchange Commission under the rules and regulations promulgated under the Securities Act, including any related prospectus, amendments and supplement to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement other than a registration statement (and related prospectus) filed on Form S-8 or any successor form thereto.

“Securities Act” means the Securities Act of 1933, as amended from time to time.

“Sponsor Director” means any director designated by CA or CA II.

“Stockholder” has the meaning given in the introductory paragraph to this Agreement.

“Subsidiary” means any direct or indirect subsidiary of the Company on the date hereof and any direct or indirect subsidiary of the Company organized or acquired after the date hereof.

“Tagging Stockholder” has the meaning given in Section 3.2(a).

“Transfer” means, with respect to any shares of Common Stock, a direct or indirect transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition of such shares of Common Stock, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law; and “Transferred”, “Transferee” and “Transferability” shall each have a correlative meaning. For the avoidance of doubt, a transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition of an interest in any Stockholder, or direct or indirect parent thereof, all or substantially all of whose assets are shares of Common Stock shall constitute a “Transfer” of shares of Common Stock for purposes of this Agreement.

“Transferring Stockholder” has the meaning given in Section 3.2(a).

[Signature page follows]

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

CVR ENERGY, INC.

By: ______________________________

Name:

Title:

COFFEYVILLE ACQUISITION LLC

By: ______________________________

Name:

Title:

COFFEYVILLE ACQUISITION II LLC

By: ______________________________

Name:

Title:

[Signature page to Stockholders Agreement]

Exhibit 10.39

REGISTRATION RIGHTS AGREEMENT

CVR ENERGY, INC.

Dated as of__________, 2007

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REGISTRATION RIGHTS AGREEMENT
OF CVR ENERGY, INC.

REGISTRATION RIGHTS AGREEMENT, dated as of __________, 2007 (the "**Agreement**"), by and among CVR Energy, Inc., a Delaware corporation (the "**Company**"), Coffeyville Acquisition LLC, a Delaware limited liability company ("**CA**"), and Coffeyville Acquisition II LLC, a Delaware limited liability company ("**CA II**" and, collectively with CA, the "**Stockholders**"). Capitalized terms used herein without definition are defined in Section 10.

WHEREAS, the Company is proposing to sell shares of Common Stock to the public in an initial public offering ("**IPO**");

WHEREAS, immediately after the completion of the Company's IPO, it is expected that the Stockholders will own approximately 80.6% (78.2% if the underwriters exercise their option to purchase additional shares from the Stockholders) of the issued and outstanding shares of Common Stock; and

WHEREAS, the parties hereto wish to set forth certain rights and obligations with respect to the registration of the shares of Common Stock under the Securities Act.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in this Agreement, the parties hereto agree as follows:

Section 1. Registrations Upon Request.

1.1. Requests by the Stockholders.

(a) Notice of Request. Each Stockholder shall have the right to make up to three requests (each, a "**Demand Registration**") that the Company effect the registration under the Securities Act of all or a portion of the Registrable Securities Beneficially Owned by such Stockholder (such Stockholder, in such capacity, the "**Initiating Stockholder**"), each such request to specify the number of Registrable Securities to be registered and the intended method or methods of disposition thereof; provided that, with respect to any shelf registration requested by an Initiating Stockholder pursuant to Section 1.1(b) (which initial request shall count as a request for purposes of this Section 1.1), each subsequent request by an Initiating Stockholder that the Company sell Registrable Securities from such Shelf Registration Statement (as such term is defined in part (b) of this Section 1.1) that is not made simultaneously with such initial request shall be counted as an additional request for purposes of this Section 1.1. Upon any such request (each, a "**Demand Request Notice**"), the Company will promptly, but in any event within 5 days, give written notice of such request to all holders of Registrable Securities and thereupon the Company will, subject to Section 1.4:

(i) use its best efforts to effect the prompt registration under the Securities Act of

(A) the Registrable Securities which the Company has been so requested to register by the Initiating Stockholder, and

(B) all other Registrable Securities which the Company has been requested to register by the holders thereof by written request given to the Company by such holders within 30 days after the giving of such written notice by the Company to such holders (or, 15 days if, at the request of the Initiating Stockholder, the Company states in such written notice or gives telephonic notice to each holder of Registrable Securities, with written confirmation to follow promptly thereafter, stating that (i) such registration will be on Form S-3 and (ii) such shorter period of time is required because of a planned filing date),

all to the extent required to permit the disposition of the Registrable Securities so to be registered in accordance with the intended method or methods of disposition of the Initiating Stockholder and any "**Participating Stockholder**," which term shall refer to any Stockholder that exercises its right to participate in the registration initiated by the Initiating Stockholder, which intended method or methods of distribution may include, at the option of the Initiating Stockholder or the Participating Stockholder, as applicable, a distribution of such Registrable Securities to, and resale of such Registrable Securities by, the partners of the members of such Stockholder or Stockholders (a "**Partner Distribution**"); and

(ii) if requested by the Initiating Stockholder or any Participating Stockholder, as applicable, obtain acceleration of the effective date of the registration statement relating to such registration. Notwithstanding anything contained herein to the contrary, the Company shall, at the request of any Initiating Stockholder or any Participating Stockholder, as applicable, seeking to effect a Partner Distribution, file any prospectus supplement or post-effective amendments and shall otherwise take any action necessary to include such language, if such language was not included in the initial registration statement, or revise such language if deemed necessary by such Stockholder or Stockholders, to effect such Partner Distribution.

(b) Shelf Registration. The right of each Stockholder to request a registration of Registrable Securities pursuant to Section 1.1(a) shall include the right from and after the first anniversary of the IPO to request that the Company file a registration statement to permit the requesting holder to sell Registrable Securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (or any similar rule that may be adopted by the Commission) in accordance with the intended method or methods of disposition by such requesting holder (a "**Shelf Registration Statement**"). Notwithstanding anything to the contrary herein,

(i) upon any Shelf Registration Statement having been declared effective, the Company shall use reasonable best efforts to keep such Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be usable by the holders of Registrable Securities until the earlier of (x) such time as all Registrable Securities that could be sold under such Shelf Registration Statement have been sold or are no longer outstanding; (y) two years from the date of effectiveness; and (z) the date that each Stockholder can sell all Registrable Securities Beneficially Owned by it in accordance with Rule 144(k) under the Securities Act;

(ii) if, at any time following the effectiveness of any Shelf Registration Statement, either Stockholder desires to sell Registrable Securities pursuant thereto, such Stockholder shall notify the Company of such intent at least ten Business Days prior to any such sale (any such proposed transaction, a "**Take-down Transaction**"), and the Company thereupon shall prepare and file within ten Business Days after receipt of such notice a prospectus supplement or post-effective amendment to the Shelf Registration Statement, as necessary, to permit the consummation of such Take-down Transaction;

(iii) upon receipt of notice from a Stockholder regarding a Take-down Transaction as provided in clause (ii) of this Section 1.1(b), the Company shall immediately deliver notice to any other holders of Registrable Securities whose Registrable Securities have been included in such Shelf Registration Statement and shall permit such holders to participate in such Take-down Transaction (subject to Section 1.4), it being understood, for the avoidance of doubt, that no holder other the Stockholders shall have the right to initiate a Take-down Transaction;

(iv) each holder who participates in a Take-down Transaction shall be deemed through such participation to have represented to the Company that any information previously supplied by such holder to the Company in writing for inclusion in the Shelf Registration Statement, unless modified by such holder by written notice to the Company, remains accurate as of the date of the prospectus supplement or amendment to the Shelf Registration Statement, as applicable; and

(v) if the continued use of such Shelf Registration Statement at any time would require the Company to make any public disclosure of material, non-public information, disclosure of which, in the Board's good faith judgment, after consultation with independent outside counsel to the Company, (i) would be required to be made in any registration statement filed with the Commission by the Company so that such registration statement would not be materially misleading and (ii) would not be required to be made at such time but for the filing of such registration statement; and the Company has a bona fide business purpose for not disclosing such information publicly, the Company may, upon giving prompt written notice of such action to the holders of Registrable Securities, suspend use of the Shelf Registration Statement (a "**Shelf Suspension**"); provided, however, that the Company shall not be permitted to exercise a Shelf Suspension (x) more than once during any 12 month period or (y) for a period exceeding 45 days on any one occasion. In the case of a Shelf Suspension, the holders of Registrable Securities agree to suspend use of the applicable prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. Upon the written request of either the Initiating Stockholder or any Participating Stockholder, the Company shall provide such holder of Registrable Securities in writing with a general statement of the reasons for such postponement and an approximation of the anticipated delay. The Company shall immediately notify the holders of Registrable Securities upon the termination of any Shelf Suspension, amend or supplement the prospectus, if necessary, so it does not contain any untrue statement of a material fact or omission and furnish to the holders of Registrable Securities such numbers of copies of the prospectus as so amended or supplemented as such holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Shelf Registration Statement, if required by the registration form used by the Company for the shelf registration or by the instructions applicable to such registration form or by the Securities Act or as may reasonably be requested by the Majority Holders.

1.2. Registration Statement Form. A registration requested pursuant to Section 1.1 shall be effected by the filing of a registration statement on a form of the Commission (i) selected by the Majority Holders, which form shall be reasonably acceptable to the Company; provided that the Company agrees that, at the request of the Initiating Stockholder, at such time as the Company becomes a "well-known seasoned issuer," as such term is defined in Rule 405 under the Securities Act, the Company will register an offering pursuant to Section 1.1 on an "automatic shelf registration statement," as such term is defined in Rule 405 under the Securities Act and (ii) which shall permit the disposition of Registrable Securities in accordance with the intended method or methods of disposition specified in such request for registration, including, without limitation, a Partner Distribution or, as provided above, a continuous or delayed basis offering pursuant to Rule 415 under the Securities Act. The Company agrees to include in any such registration statement all information which, in the opinion of counsel to the Initiating Stockholder, counsel to any Participating Stockholder and counsel to the Company, is necessary or desirable to be included therein.

1.3. Expenses. The Company shall pay, and shall be responsible for, all Registration Expenses in connection with any registration requested under Section 1.1; provided that each seller of Registrable Securities shall pay all Registration Expenses to the extent required to be paid by such seller under applicable law and all underwriting discounts and commissions and transfer taxes, if any, in respect of the Registrable Securities being registered for such seller.

1.4. Effective Registration Statement. A registration requested pursuant to this Section 1.1 shall not be deemed a Demand Registration (including for purposes of Section 1.1(a)) unless a registration statement with respect thereto has become effective and has been kept continuously effective for a period of at least 180 days (or such shorter period which shall terminate when all the Registrable Securities covered by such registration statement have been sold pursuant thereto) or, if such registration statement relates to an underwritten offering, such longer period as in the opinion of counsel for the underwriter or underwriters a prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer. Should a Demand Registration not become effective due to the failure of a holder of Registrable Securities participating in such offering of Registrable Securities (a "**Participating Holder**") to perform its obligations under this Agreement, or in the event the Initiating Stockholder withdraws or does not pursue its request for the Demand Registration as provided for in Section 1.6 below (in each of the foregoing cases, provided that at such time the Company is in compliance in all material respects with its obligations under this Agreement), then, such Demand Registration shall be deemed to have been effected (including for purposes of Section 1.1(a)); provided, that, if (i) the Demand Registration does not become effective because a material adverse change has occurred, or is reasonably likely to occur, in the condition (financial or otherwise), prospects, business, assets or results of operations of the Company and its subsidiaries taken as a whole subsequent to the date of the delivery of the Demand Request Notice, (ii) after the Demand Registration has become effective, such registration is interfered with by any stop order, injunction, or other order or requirement of the Commission or other governmental agency or court, (iii) the Demand Registration is withdrawn at the request of the Initiating Stockholder due to the advice of the managing underwriter(s) that the Registrable Securities covered by the registration statement could not be sold in such offering within a price range acceptable to the Initiating Stockholder, or (iv) the Initiating Stockholder reimburses the Company for any and all Registration Expenses incurred by the Company in connection with such request for a Demand Registration that was withdrawn or not pursued, then the Demand Registration shall not be deemed to have been effected and will not count as a Demand Registration.

1.5. Right to Withdraw. Any Participating Holder shall have the right to withdraw its request for inclusion of Registrable Securities in any registration statement pursuant to Section 1.1 at any time prior to the effective date of such registration statement by giving written notice to the Company of its request to withdraw. Upon receipt of notices from all Participating Holders to such effect, the Company shall cease all efforts to obtain effectiveness of the applicable registration statement, and whether the Initiating Stockholder's request for registration pursuant to Section 1.1 shall be counted as a Demand Registration for purposes of Section 1.6 shall be determined in accordance with Section 1.4 above.

1.6. Priority in Demand Registrations. Whenever the Company effects a registration pursuant to Section 1.1 in connection with an underwritten offering, no securities other than Registrable Securities shall be included among the securities covered by such registration unless the Majority Holders consent in writing to the inclusion therein of such other securities, which consent may be subject to terms and conditions determined by the Majority Holders in their sole discretion. If a registration pursuant to Section 1.1 involves an underwritten offering, and the managing underwriter (or, in the case of an offering which is not underwritten, a nationally recognized investment banking firm) shall advise the Company in writing (with a copy to each Person requesting registration of Registrable Securities) that, in its opinion, the number of securities requested, and otherwise proposed to be included in such registration, exceeds the number which can be sold in such offering without materially and adversely affecting the offering price, the Company shall include in such registration, to the extent of the number which the Company is so advised can be sold in such offering without such material adverse effect, first, the Registrable Securities of the Initiating Stockholder and the Participating Stockholders and the Management Stockholders requesting inclusion in such registration, on a *pro rata* basis (based on the number of shares of Registrable Securities owned by each such holder), and second, the securities, if any, being sold by the Company. Notwithstanding the foregoing, the Management Stockholders shall not be entitled to participate in any such registration requested by an Initiating Stockholder to the extent that the managing underwriter (or, in the case of an offering that is not underwritten, a nationally recognized investment banking firm) shall determine in good faith and in writing (with a copy to each affected Person requesting registration of Registrable Securities), that the participation of the Management Stockholders would materially and adversely affect the marketability or offering price of the securities being sold in such registration, it being understood that the Company shall include in such registration that number of shares of the Management Stockholders which can be sold in such offering without materially and adversely affecting the marketability or offering price of the other securities to be sold in such registration. In the event of any such determination under this Section 1.6, the Company shall give the affected holders of Registrable Securities notice of such determination and in lieu of the notice otherwise required under Section 1.1.

Section 2. Incidental Registrations. If the Company at any time proposes to register any of its equity securities under the Securities Act (including, but not limited to, a shelf registration statement on Form S-3, but other than pursuant to a registration on Form S-4 or S-8 or any successor form) whether or not for sale for its own account, then the Company shall give prompt written notice (but in no event less than 30 days prior to the initial filing with respect thereto) to all holders of Registrable Securities regarding such proposed registration. Upon the written request of any such holder made within 15 days after the receipt of any such notice (which request shall specify the number of Registrable Securities intended to be disposed of by such holder and the intended method or methods of disposition thereof), the Company shall use its best efforts to effect the registration under the Securities Act of such Registrable Securities on a *pro rata* basis in accordance with such intended method or methods of disposition; provided that:

(a) (i) the Company shall not include Registrable Securities in such proposed registration to the extent that the Board shall have determined, after consultation with the managing underwriter for such offering, that it would materially and adversely affect the offering price to include any Registrable Securities in such registration and (ii) the Company shall not include Registrable Securities of any Management Stockholder in any proposed registration to the extent that the managing underwriter (or, in the case of an offering that is not underwritten, a nationally recognized investment banker) shall determine in good faith that the participation of such Management Stockholder would materially and adversely affect the marketability or the offering price of the securities being sold in such registration and provided, further, that in the event of any such determination under clause (i) or (ii), the Company shall give the affected holders of Registrable Securities notice of such determination and in lieu of the notice otherwise required by the first sentence of this Section 2;

(b) if, at any time after giving written notice (pursuant to this Section 2) of its intention to register equity securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such equity securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities and, thereupon, shall not be obligated to register any Registrable Securities in connection with such registration (but shall nevertheless pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of the Stockholders that a registration be effected under Section 1.1; and

(c) if in connection with a registration pursuant to this Section 2, the managing underwriter of such registration (or, in the case of an offering that is not underwritten, a nationally recognized investment banking firm) shall advise the Company in writing (with a copy to each holder of Registrable Securities requesting registration thereof) that the number of securities requested and otherwise proposed to be included in such registration exceeds the number which can be sold in such offering without materially and adversely affecting the offering price of the securities being sold in such registration, then in the case of any registration pursuant to this Section 2, the Company shall include in such registration to the extent of the number which the Company is so advised can be sold in such offering without such material adverse effect, first, the securities, if any, being sold by the Company, and second, the Registrable Securities of the Stockholders and the Management Stockholders requesting inclusion in such registration, on a *pro rata* basis (based on the number of shares of Registrable Securities owned by each such Stockholder).

The Company shall pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 2; provided that each seller of Registrable Securities shall pay all Registration Expenses to the extent required to be paid by such seller under applicable law and all underwriting discounts and commissions and transfer taxes, if any, in respect of the Registrable Securities being registered for such seller. No registration effected under this Section 2 shall relieve the Company from its obligation to effect registrations under Section 1.1.

Section 3. Registration Procedures. If and whenever the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Sections 1.1 or 2, the Company shall promptly:

(a) prepare, and as soon as practicable, but in any event within 30 days thereafter, file with the Commission, a registration statement with respect to such Registrable Securities, make all required filings with the NASD and use its best efforts to cause such registration statement to become and remain effective as soon as practicable;

(b) prepare and promptly file with the Commission such amendments and post-effective amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for so long as is required to comply with the provisions of the Securities Act and to complete the disposition of all securities covered by such registration statement in accordance with the intended method or methods of disposition thereof, but in no event for a period of more than six months after such registration statement becomes effective (except as provided in Section 1.1(b)(i));

(c) furnish copies of all documents proposed to be filed with the Commission in connection with such registration to (i) counsel selected by the Initiating Stockholder and counsel selected by any Participating Stockholder either of which counsel may also be counsel to the Company, and (ii) each seller of Registrable Securities (or in the case of the initial filing of a registration statement, within five business days of such initial filing) and such documents shall be subject to the review of such counsel; provided that the Company shall not file any registration statement or any amendment or post-effective amendment or supplement to such registration statement or the prospectus used in connection therewith or any free writing prospectus related thereto to which such counsel shall have reasonably objected on the grounds that such registration statement amendment, supplement or prospectus or free writing prospectus does not comply (explaining why) in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(d) furnish to each seller of Registrable Securities, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits and documents filed therewith) and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, each free writing prospectus utilized in connection therewith, and such other documents, as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller in accordance with the intended method or methods of disposition thereof;

(e) use its best efforts to register or qualify such Registrable Securities and other securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition of such Registrable Securities in such jurisdictions in accordance with the intended method or methods of disposition thereof; provided that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, subject itself to taxation in any jurisdiction wherein it is not so subject, or take any action which would subject it to general service of process in any jurisdiction wherein it is not so subject;

(f) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies, authorities or self-regulatory bodies as may be necessary by virtue of the business and operations of the Company to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities in accordance with the intended method or methods of disposition thereof;

(g) furnish to the Initiating Stockholder and any Participating Stockholder:

(i) an opinion of counsel for the Company experienced in securities law matters, dated the effective date of the registration statement (and, if such registration includes an underwritten public offering, the date of the closing under the underwriting agreement), and

(ii) a "comfort" letter (unless the registration is pursuant to Section 2 and such a letter is not otherwise being furnished to the Company), dated the effective date of such registration statement (and if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), signed by the independent public accountants who have issued an audit report on the Company's financial statements included in the registration statement,

covering such matters as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten public offerings of securities and such other matters as the Initiating Stockholder and any Participating Stockholder may reasonably request;

(h) promptly notify each seller of any Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event or existence of any fact as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and, as promptly as is practicable, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(i) otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable and in any event within 16 months after the effective date of the registration statement, an earnings statement of the Company (in form complying with the provisions of Rule 158 under the Securities Act) covering the period of at least 12 months, but not more than 18 consecutive months, beginning with the first full calendar month after the effective date of such registration statement;

(j) notify each seller of any Registrable Securities covered by such registration statement (i) when the prospectus or any prospectus supplement or post-effective amendment or any “free writing prospectus” has been filed and/or used, and, with respect to such registration statement or any post-effective amendment, when the same has become effective, (ii) of the receipt by the Company of any comments from the Commission or of any request by the Commission for amendments or supplements to such registration statement or to amend or to supplement such prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose and (iv) of the suspension of the qualification of such securities for offering or sale in any jurisdiction, or of the institution of any proceedings for any of such purposes;

(k) use every reasonable effort to obtain the lifting of any stop order that might be issued suspending the effectiveness of such registration statement at the earliest possible moment;

(l) use its best efforts (i) (A) to list such Registrable Securities on any securities exchange on which the equity securities of the Company are then listed or, if no such equity securities are then listed, on an exchange selected by the Company, if such listing is then permitted under the rules of such exchange, or (B) if such listing is not practicable, to secure designation of such securities as a NASDAQ “national market system security” within the meaning of Rule 11Aa2-1 under the Exchange Act or, failing that, to secure NASDAQ authorization for such Registrable Securities, and, without limiting the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD, and (ii) to provide a transfer agent and registrar for such Registrable Securities not later than the effective date of such registration statement and to instruct such transfer agent (A) to release any stop transfer order with respect to the certificates with respect to the Registrable Securities being sold and (B) to furnish certificates without restrictive legends representing ownership of the shares being sold, in such denominations requested by the sellers of the Registrable Securities or the lead underwriter;

(m) enter into such agreements and take such other actions as the sellers of Registrable Securities or the underwriters reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including, without limitation, preparing for, and participating in, such number of "road shows" and all such other customary selling efforts as the underwriters reasonably request in order to expedite or facilitate such disposition;

(n) furnish to any holder of such Registrable Securities such information and assistance as such holder may reasonably request in connection with any "due diligence" effort which such seller deems appropriate;

(o) cooperate with each seller of Registrable Securities and each underwriter and their respective counsel in connection with any filings required to be made with the NASD, New York Stock Exchange, or any other securities exchange on which such Registrable Securities are traded or will be traded;

(p) cooperate with the sellers of the Registrable Securities and the managing underwriter to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the Majority Holders at least five business days prior to any sale of Registrable Securities and instruct any transfer agent and registrar of Registrable Securities to release any stop transfer orders in respect thereof;

(q) cause its officers and employees to participate in, and to otherwise facilitate and cooperate with the preparation of the registration statement and prospectus and any amendments or supplements thereto (including participating in meetings, drafting sessions and due diligence sessions) taking into account the Company's business needs;

(r) use its best efforts to take all other steps necessary to effect the registration of such Registrable Securities contemplated hereby;

(s) take all reasonable action to ensure that any "free writing prospectus" utilized in connection with any registration covered by this agreement complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, prospectus supplement and related documents, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(t) in connection with any underwritten offering, if at any time the information conveyed to a purchaser at the time of sale includes any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, promptly file with the Commission such amendments or supplements to such information as may be necessary so that the statements as so amended or supplemented will not, in light of the circumstances, be misleading.

To the extent the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) (a "WKSI") at the time any Demand Request Notice is submitted to the Company, and such Demand Request Notice requests that the Company file an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "automatic shelf registration statement") on Form S-3, the Company shall file an automatic shelf registration statement which covers those Registrable Securities which are requested to be registered. The Company shall use its commercially reasonable best efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such automatic shelf registration statement is required to remain effective. If the Company does not pay the filing fee covering the Registrable Securities at the time the automatic shelf registration statement is filed, the Company agrees to pay such fee at such time or times as the Registrable Securities are to be sold. If the automatic shelf registration statement has been outstanding for at least three years, at the end of the third year the Company shall refile a new automatic shelf registration statement covering the Registrable Securities. If at any time when the Company is required to re-evaluate its WKSI status the Company determines that it is not a WKSI, the Company shall use its commercially reasonable best efforts to refile the shelf registration statement on Form S-3 and, if such form is not available, Form S-1 and keep such registration statement effective during the period during which such registration statement is required to be kept effective.

If the Company files any shelf registration statement for the benefit of the holders of any of its securities other than the Stockholders, the Company agrees that it shall include in such registration statement such disclosures as may be required by Rule 430B (referring to the unnamed selling security holders in a generic manner by identifying the initial issuance and sale of the securities to the Stockholders) in order to ensure that the Stockholders may be added to such shelf registration statement at a later time through the filing of a prospectus supplement rather than a post-effective amendment.

As a condition to its registration of Registrable Securities of any prospective seller, the Company may require such seller of any Registrable Securities as to which any registration is being effected to execute powers-of-attorney, custody arrangements and other customary agreements appropriate to facilitate the offering and to furnish to the Company such information regarding such seller, its ownership of Registrable Securities and the disposition of such Registrable Securities as the Company may from time to time reasonably request in writing and as shall be required by law in connection therewith. Each such holder agrees to furnish promptly to the Company all information required to be disclosed in such registration statement in order to make the information previously furnished to the Company by such holder and disclosed in such registration statement not materially misleading.

The Company agrees not to file or make any amendment to any registration statement with respect to any Registrable Securities, or any amendment of or supplement to the prospectus used in connection therewith, which refers to any holder of Registrable Securities, or otherwise identifies any holder of Registrable Securities as the holder of any Registrable Securities, without the prior consent of such holder, such consent not to be unreasonably withheld or delayed, unless such disclosure is required by law. Notwithstanding the foregoing, if any such registration statement or comparable statement under "blue sky" laws refers to any holder of Registrable Securities by name or otherwise as the holder of any securities of the Company, then such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder and the Company, to the effect that the holding by such holder of such Registrable Securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name or otherwise is not in the judgment of the Company, as advised by counsel, required by the Securities Act or any similar federal statute or any state "blue sky" or securities law then in force, the deletion of the reference to such holder.

By acquisition of Registrable Securities, each holder of such Registrable Securities shall be deemed to have agreed that upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(h), such holder will promptly discontinue such holder's disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(h). If so directed by the Company, each holder of Registrable Securities will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, in such holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice. In the event that the Company shall give any such notice, the period mentioned in Section 3(a) shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of any Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 3(h).

Section 4. Underwritten Offerings.

4.1. Underwriting Agreement. If requested by the underwriters for any underwritten offering pursuant to a registration requested under Section 1.1 or 2, the Company shall enter into an underwriting agreement with the underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to the underwriters and to any Stockholder participating in such registration (unless none of the Stockholders is participating in such registration, in which case, counsel to the Majority Holders). Any such underwriting agreement shall contain such representations and warranties by, and such other agreements on the part of, the Company and such other terms and provisions as are customarily contained in agreements of this type, including, without limitation, indemnities to the effect and to the extent provided in Section 8. Each Stockholder and each other holder of Registrable Securities to be distributed by such underwriter who owns 10% or more of the Common Stock of the Company (computed on a fully-diluted basis) at the time of such offering shall be a party to such underwriting agreement and may, at such holder's option, require that any or all of the representations and warranties by, and the agreements on the part of, the Company to and for the benefit of such underwriters be made to and for the benefit of such holder of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such holder of Registrable Securities. The Stockholders in their capacities as stockholders and/or controlling persons shall not be required by any underwriting agreement to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such holder, the ownership of such holder's Registrable Securities and such holder's intended method or methods of disposition and any other representation required by law or to furnish any indemnity to any Person which is broader than the indemnity furnished by such holder pursuant to Section 8.2.

4.2. Selection of Underwriters. If the Company at any time proposes to register any of its securities under the Securities Act for sale for its own account pursuant to an underwritten offering, the Company will have the right to select the managing underwriter (which shall be of nationally recognized standing) to administer the offering, but if a Stockholder at such time owns at least 51% of the number of shares of Common Stock it owns on the date hereof, only with the approval of such Stockholder(s), such approval not to be unreasonably withheld. Notwithstanding the foregoing sentence, whenever a registration requested pursuant to Section 1.1 is for an underwritten offering, the Initiating Stockholder will have the right to select the managing underwriter (which shall be of nationally recognized standing and reasonably acceptable to any Participating Stockholder) to administer the offering, but only with the approval of the Company, such approval not to be unreasonably withheld. In connection with an underwritten registered offering pursuant to Section 1.1, if Goldman, Sachs & Co. acts as a managing underwriter in any such registered offering, to the extent required by applicable law, the Company shall retain a Qualified Independent Underwriter reasonably acceptable to Goldman, Sachs & Co., and the Company shall pay all fees and expenses (other than underwriting discounts and commissions) of such Qualified Independent Underwriter.

Section 5. Holdback Agreements.

(a) If and whenever the Company proposes to register any of its equity securities under the Securities Act for its own account (other than on Form S-4 or S-8 or any successor form) or is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 1.1 or 2, each holder of Registrable Securities agrees by acquisition of such Registrable Securities not to effect any offer, sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, or to request registration under Section 1.1 of any Registrable Securities within seven days prior to the reasonably expected effective date of the contemplated registration statement and during the period beginning on the effective date of the registration statement relating to such registration (the "**Trigger Date**") and until 90 days (unless advised by the managing underwriter that a longer period, not to exceed 180 days, is required, or such shorter period as the managing underwriter for any underwritten offering may agree) after the Trigger Date, except as part of such registration or unless, in the case of a sale or distribution not involving a public offering, the transferee agrees in writing to be subject to this Section 5, even if such Registrable Securities cease to be Registrable Securities upon such transfer. If requested by such managing underwriter, each holder of Registrable Securities agrees to execute an agreement to such effect with the Company and consistent with such managing underwriter's customary form of holdback agreement.

(b) The Company agrees not to effect any public offer, sale or distribution of its equity securities or securities convertible into or exchangeable or exercisable for any of such securities within seven days prior to the reasonably expected effective date of the contemplated registration statement and during the period beginning on the Trigger Date and until 90 days (or such longer period, not to exceed 180 days, which may be required by the managing underwriter, or such shorter period as the managing underwriter may agree) after the Trigger Date with respect to any registration statement filed pursuant to Section 1.1 (except (i) as part of such registration, (ii) as permitted by any related underwriting agreement, (iii) pursuant to an employee equity compensation plan, or (iv) pursuant to an acquisition or strategic relationship or similar transaction or (v) pursuant to a registration on Form S-4 or S-8 or any successor form). In addition, if, and to the extent requested by the managing underwriter, the Company shall use its best efforts to cause each holder (other than any holder already subject to Section 5(a)) of its equity securities or any securities convertible into or exchangeable or exercisable for any of such securities, whether outstanding on the date of this Agreement or issued at any time after the date of this Agreement (other than any such securities acquired in a public offering), to agree not to effect any such public offer, sale or distribution of such securities during such period, except as part of any such registration if permitted, and to cause each such holder to enter into an agreement to such effect with the Company and consistent with such managing underwriter's customary form of holdback agreement.

Section 6. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company shall give counsel to the holders of such Registrable Securities so to be registered, the managing underwriter(s), and their respective counsel, accountants and other representatives and agents the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and shall give each of the foregoing parties access to the financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries and opportunities to discuss the business of the Company with its officers and the independent public accountants who have issued audit reports on its financial statements in each case as shall be reasonably requested by each of the foregoing parties in connection with such registration statement.

Section 7. No Grant of Future Registration Rights. The Company shall not grant any other demand or incidental registration rights to any other Person without the prior written consent of each Stockholder who, together with its Affiliates, continues to own at least 20% of the number of shares of Common Stock that such Stockholder owns on the date hereof. Notwithstanding the foregoing, the Company may grant incidental registration rights to John J. Lipinksi pursuant to the Management Registration Rights Agreement.

Section 8. Indemnification.

8.1. Indemnification by the Company. The Company agrees that in the event of any registration of any Registrable Securities pursuant to this Agreement, the Company shall indemnify, defend and hold harmless (a) each holder of Registrable Securities, (b) the Affiliates of such holder and the respective directors, members, stockholders, officers, partners, employees, advisors, representatives, agents of such holder and its Affiliates, (c) each Person who participates as an underwriter or Qualified Independent Underwriter in the offering or sale of such securities and (d) each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) any of the foregoing against any and all losses, penalties, fines, liens, judgments, claims, damages or liabilities (or actions or proceedings in respect thereof) and expenses (including reasonable fees of counsel and any amounts paid in settlement effected with the Company's consent, which consent shall not be unreasonably withheld or delayed if such settlement is solely with respect to monetary damages), jointly or severally, directly or indirectly, based upon or arising out of (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein or used in connection with the offering of securities covered thereby, or any amendment or supplement thereto, or any documents incorporated by reference therein, or any "free writing prospectus," as such term is defined in Rule 405 under the Securities Act, utilized in connection with any related offering, (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any untrue statement or alleged untrue statement of a material fact in the information conveyed to any purchaser at the time of the sale to such purchaser, or the omission or alleged omission to state therein a material fact required to be stated therein; and the Company will reimburse each such indemnified party for any legal or any other expenses reasonably incurred by them in connection with enforcing its rights hereunder or under the underwriting agreement entered into in connection with such offering or investigating, preparing, pursuing or defending any such loss, claim, damage, liability, action or proceeding as such expenses are incurred, except insofar as any such loss, penalty, fine, lien, judgment, claim, damage, liability, action, proceeding or expense arises out of or is based upon an untrue statement of a material fact or omission of a material fact made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, document incorporated by reference therein or "free writing prospectus" utilized in connection with any related offering in reliance upon and in conformity with written information furnished to the Company by such holder expressly for use in the preparation thereof in accordance with the second sentence of Section 8.2. Such indemnity shall remain in full force and effect, regardless of any investigation made by such indemnified party and shall survive the transfer of such Registrable Securities by such seller.

8.2. Indemnification by the Sellers. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 1.1 or 2, that the Company shall have received an undertaking satisfactory to it from each of the prospective sellers of such Registrable Securities to indemnify and hold harmless, severally, not jointly, in the same manner and to the same extent as set forth in Section 8.1, the Company, its directors, officers, employees, agents and each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Company, with respect to any statement of a material fact or alleged statement of a material fact in or omission of a material fact or alleged omission of a material fact from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any "free writing prospectus" utilized in connection with any related offering, but only to the extent such statement or alleged statement or such omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such seller expressly for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement or "free writing prospectus". The Company and the holders of the Registrable Securities in their capacities as stockholders and/or controlling persons hereby acknowledge and agree that, unless otherwise expressly agreed to in writing by such holders, the only information furnished or to be furnished to the Company for use in any registration statement or prospectus relating to the Registrable Securities or in any amendment, supplement or preliminary materials associated therewith or any "free writing prospectus" related thereto are statements specifically relating to (a) transactions between such holder and its Affiliates, on the one hand, and the Company, on the other hand, (b) the beneficial ownership of shares of Common Stock by such holder and its Affiliates and (c) the name and address of such holder. If any additional information about such holder or the plan of distribution (other than for an underwritten offering) is required by law to be disclosed in any such document, then such holder shall not unreasonably withhold its agreement referred to in the immediately preceding sentence of this Section 8.2. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such Registrable Securities by such seller. The indemnity agreement contained in this Section 8.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of such seller (which consent shall not be unreasonably withheld or delayed if such settlement is solely with respect to monetary damages). The indemnity provided by each seller of Registrable Securities under this Section 8.2 shall be limited in amount to the net amount of proceeds (i.e., net of expenses, underwriting discounts and commissions) actually received by such seller from the sale of Registrable Securities pursuant to such registration statement.

8.3. Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 8, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action or proceeding; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 8, except to the extent that the indemnifying party is materially prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof except for the reasonable fees and expenses of any counsel retained by such indemnified party to monitor such action or proceeding. Notwithstanding the foregoing, if such indemnified party reasonably determines, based upon advice of independent counsel, that a conflict of interest may exist between the indemnified party and the indemnifying party with respect to such action and that it is advisable for such indemnified party to be represented by separate counsel, such indemnified party may retain other counsel, reasonably satisfactory to the indemnifying party, to represent such indemnified party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of such indemnified party, which consent shall not be unreasonably withheld, consent to entry of any judgment or enter into any settlement unless such judgment, compromise or settlement (A) includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation, (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party, and (C) does not require any action other than the payment of money by the indemnifying party.

8.4. Other Indemnification. Indemnification similar to that specified in the preceding paragraphs of this Section 8 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration (other than under the Securities Act) or other qualification of such Registrable Securities under any federal or state law or regulation of any governmental authority.

8.5. Indemnification Payments. Any indemnification required to be made by an indemnifying party pursuant to this Section 8 shall be made by periodic payments to the indemnified party during the course of the action or proceeding, as and when bills are received by such indemnifying party with respect to an indemnifiable loss, penalty, fine, lien, judgment, claim, damage, liability or expense incurred by such indemnified party.

8.6. Other Remedies. If for any reason any indemnification specified in the preceding paragraphs of this Section 8 is unavailable, or is insufficient to hold harmless an indemnified party, other than by reason of the exceptions provided therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, penalties, fines, liens, judgments, claims, damages, liabilities, actions, proceedings or expenses in such proportion as is appropriate to reflect the relative benefits to and faults of the indemnifying party on the one hand and the indemnified party on the other and the statements or omissions or alleged statements or omissions which resulted in such loss, penalty, fine, lien, judgment, claim, damage, liability, action, proceeding or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statements or omissions. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 8.6 were to be determined by *pro rata* allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the preceding sentence of this Section 8.6. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Notwithstanding the other provisions of this Section 8, in respect of any claim for indemnification pursuant to this Section 8, no indemnifying party (other than the Company) shall be required to contribute pursuant to this Section 8.6 any amount in excess of (a) the net proceeds (i.e., net of expenses, underwriting discounts and commissions) received and retained by such indemnifying party from the sale of its Registrable Securities covered by the applicable registration statement, preliminary prospectus, final prospectus, or supplement or amendment thereto, filed pursuant hereto minus (b) any amounts previously paid by such indemnifying party pursuant to this Section 8 in respect of such claim, it being understood that insofar as such net proceeds have been distributed by any indemnifying party to its partners, stockholders or members, the amount of such indemnifying party's contribution hereunder shall be limited to the net proceeds which it actually recovers from its partners, stockholders or members based upon their relative fault and that to the extent that such indemnifying party has not distributed such net proceeds, the amount such indemnifying party's contribution hereunder shall be limited by the percentage of such net proceeds which corresponds to the percentage equity interests in such indemnifying party held by those of its partners, stockholders or members who have been determined to be at fault. No party shall be liable for contribution under this Section 8.6 except to the extent and under such circumstances as such party would have been liable for indemnification under this Section 8 if such indemnification were enforceable under applicable law.

Section 9. Representations and Warranties. Each Stockholder represents and warrants to the Company and each other Stockholder that:

(a) such Stockholder has the power, authority and capacity (or, in the case of any Stockholder that is a corporation, limited liability company or limited partnership, all corporate, limited liability company or limited partnership power and authority, as the case may be) to execute, deliver and perform this Agreement;

(b) in the case of a Stockholder that is a corporation, limited liability company or limited partnership, the execution, delivery and performance of this Agreement by such Stockholder has been duly and validly authorized and approved by all necessary corporate, limited liability company or limited partnership action, as the case may be;

(c) this Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a valid and legally binding obligation of such Stockholder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to creditors' rights generally and general principles of equity; and

(d) the execution, delivery and performance of this Agreement by such Stockholder does not and will not violate the terms of or result in the acceleration of any obligation under (i) any material contract, commitment or other material instrument to which such Stockholder is a party or by which such Stockholder is bound or (ii) in the case of a Stockholder that is a corporation, limited liability company or limited partnership, the certificate of incorporation, certificate of formation, certificate of limited partnership, by-laws, limited liability company agreement or limited partnership agreement, as the case may be.

Section 10. Definitions. For purposes of this Agreement, the following terms shall have the following respective meanings:

"Affiliate": a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

"Board": the board of directors of the Company.

"Commission": the Securities and Exchange Commission.

"Common Stock": the common stock of the Company, par value $.01 per share, now or hereafter authorized to be issued, and any and all securities of any kind whatsoever of the Company or any successor thereof (such securities, "**Convertible Securities**") which may be issued on or after the date hereof in respect of, in exchange for, or upon conversion of shares of Common Stock pursuant to a merger, consolidation, stock split, reverse split, stock dividend, recapitalization of the Company or otherwise.

"Exchange Act": the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder which shall be in effect at the time.

"IPO": the initial public offering of Common Stock.

"Majority Holders": the holders of at least 51% of the Registrable Securities that are participating in the registration at issue.

"Majority Voting Holders": the holders of at least 51% of the Registrable Securities.

"Management Registration Rights Agreement": the management registration rights agreement, dated the date hereof, by and among the Company, John J. Lipinski and any other parties added thereto in accordance with Section 7 hereof, as amended from time to time.

"Management Stockholders": employees of the Company or its subsidiaries who hold Common Stock and who have entered into a Management Registration Rights Agreement with the Company.

"NASD": National Association of Securities Dealers, Inc.

"NASDAQ": the Nasdaq National Market.

"Person": an individual, corporation, partnership, limited liability company, joint venture, business association, trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Registrable Securities": the shares of Common Stock Beneficially Owned by the Stockholders, the Management Stockholders or their respective Permitted Transferees (as such term is defined in Section 11.2), as applicable, except for any shares of Common Stock Beneficially Owned by a Management Stockholder that (i) were issued to such Management Stockholder pursuant to an effective registration statement under the Securities Act on Form S-8 or (ii) may be sold by such Management Stockholder pursuant to Rule 144 under the Securities Act, which shares of Common Stock Beneficially Owned by a Management Stockholder shall not be Registrable Securities. For purposes of this Agreement, a Person will be deemed to "**Beneficially Own**" or "**hold**" Registrable Securities whenever such Person has the right to acquire, directly or indirectly, such Registrable Securities (upon conversion, exercise or exchange of any Convertible Securities but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall not be required to convert, exercise or exchange such Convertible Security (or otherwise acquire such Registrable Security) to participate in any registered offering hereunder prior to the closing of such offering. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) a registration statement on Form S-8 with respect to the sale of such securities shall have become effective under the Securities Act, (iii) such securities shall have been sold to the public pursuant to Rule 144 under the Securities Act, or (iv) such securities shall have ceased to be outstanding. Any and all shares of Common Stock which may be issued in respect of, in exchange for, upon conversion of, or in substitution for any Registrable Securities, whether by reason of any stock split, stock dividend, reverse stock split, recapitalization, combination, merger, consolidation or otherwise, shall also be "Registrable Securities" hereunder.

"Registration Expenses": all fees and expenses incurred in connection with the Company's performance of or compliance with any registration pursuant to this Agreement, including, without limitation, (i) registration, filing and applicable Commission and NASD fees, (ii) fees and expenses of complying with securities or blue sky laws, (iii) fees and expenses associated with listing securities on an exchange or NASDAQ, (iv) word processing, duplicating and printing expenses, (v) messenger and delivery expenses, (vi) transfer agents', trustees', depositories', registrars' and fiscal agents' fees, (vii) fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or “cold comfort” letters required by, or incident to, such registration, (viii) reasonable fees and disbursements of any one counsel retained by the Initiating Stockholder and any one counsel retained by the Participating Stockholder, and (ix) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any.

“Securities Act”: the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder which shall be in effect at the time.

Section 11. Miscellaneous.

11.1. Rule 144, etc. If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act relating to any class of equity securities, the Company shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder, and shall take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (b) any successor rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities, the Company shall deliver to such holder a written statement as to whether it has complied with such requirements, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents as such holder may reasonably request in order to avail itself of any rule or regulation of the Commission allowing it to sell any Registrable Securities without registration.

11.2. Successors, Assigns and Transferees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective permitted successors, personal representatives and assigns under this Section 11.2. The Company may not assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the Majority Voting Holders. The provisions of this Agreement which are for the benefit of a holder of Registrable Securities shall be for the benefit of and enforceable by any transferee of such Registrable Securities. Any holder of Registrable Securities may, at its election and at any time or from time to time, assign its rights under this Agreement, in whole or in part, to any Person to whom such holder sells, assigns or otherwise transfers its shares of Registrable Securities; provided that (i) such transferee acquires such Registrable Securities in accordance with any then applicable transfer restrictions in respect of such Registrable Securities, (ii) no such assignment shall be binding upon or obligate the Company to any such transferee unless and until such transferee executes a joinder agreement agreeing to be bound by all of the transferor’s obligations hereunder, including, without limitation, Section 5 hereof, copies of which shall have been delivered to the Company (each such transferee, a “**Permitted Transferee**”) and (iii) the rights of CA and CA II to make a Demand Registration pursuant to Section 1.1 may only be assigned as a whole and not in part (and otherwise in accordance with the other provisions of this proviso).

11.3. Stock Splits, etc. Each holder of Registrable Securities agrees that it will vote to effect a stock split, reverse stock split, recapitalization or combination with respect to any Registrable Securities in connection with any registration of any Registrable Securities hereunder, or otherwise, if (i) the managing underwriter shall advise the Company in writing (or, in connection with an offering that is not underwritten, if an investment banker shall advise the Company in writing) that in its opinion such a stock split, reverse stock split, recapitalization or combination would facilitate or increase the likelihood of success of the offering, and (ii) such stock split, reverse stock split, recapitalization or combination does not impact the respective ownership percentages of each such holder of Registrable Securities in the Company. The Company shall cooperate in all respects in effecting any such stock split, reverse stock split, recapitalization or combination.

11.4. Amendment and Modification. This Agreement may be amended, waived, modified or supplemented by the Company only with the prior written consent of each of CA and CA II and a majority (by number of shares) of any other holders of Registrable Securities whose interests would be adversely affected by such amendment, waiver modification or supplement; provided that the interests of any existing holders of Registrable Securities shall not be adversely affected by an amendment, waiver, modification or settlement of this Agreement that provides for or has the effect of providing for an additional grant of incidental registration rights with a lower or the same priority as the rights held by such existing holders of Registrable Securities, as long as any such grant of incidental registration rights with the same priority are *pari passu* with those held by such existing holders of Registrable Securities. Each holder of Registrable Securities shall be bound by any such amendment, waiver, modification or supplement authorized in accordance with this Section 11.4, whether or not such Registrable Securities shall have been marked to indicate such amendment, waiver, modification or supplement. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The execution of a counterpart signature page to this Agreement by a Permitted Transferee pursuant to Section 11.2 shall not require consent of any party hereto and shall not be deemed an amendment to this Agreement.

11.5. Governing Law; Venue and Service of Process. This Agreement and the rights and obligations of the parties hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of Delaware, without giving effect to the choice of law principles thereof. By execution and delivery of this Agreement, each of the parties hereto hereby irrevocably and unconditionally (i) consents to submit to the exclusive jurisdiction of the courts of the State of New York in New York County and the United States District Court for the Southern District of New York (collectively, the "**Selected Courts**") for any action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, and agrees not to commence any action or proceeding relating thereto except in the Selected Courts, provided, that, a party may commence any action or proceeding in a court other than a Selected Court solely for the purpose of enforcing an order or judgment issued by one of the Selected Courts; (ii) consents to service of any process, summons, notice or document in any action or proceeding by registered first-class mail, postage prepaid, return receipt requested or by nationally recognized courier guaranteeing overnight delivery in accordance with Section 11.8 hereof and agrees that such service of process shall be effective service of process for any action or proceeding brought against it in any such court, provided, that, nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; (iii) waives any objection to the laying of venue of any action or proceeding arising out of this Agreement or the transactions contemplated hereby in the Selected Courts; and (iv) waives and agrees not to plead or claim in any court that any such action or proceeding brought in any such Selected Court has been brought in an inconvenient forum.

11.6. Invalidity of Provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

11.7. Notices. All notices, requests, demands, letters, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows:

(i) If to the Company, to it at:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

with copies (which shall not constitute notice) to the Stockholders and their respective counsel at their respective addresses set forth in clauses (iv) and (v) below.

(ii) If to CA, to it at:

c/o GS Capital Partners V Fund, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Attention: Kenneth Pontarelli
Facsimile No.: 212-357-5505

with a copy (which shall not constitute notice) to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza

New York, New York 10004
Attention: Robert C. Schwenkel
Steven Steinman
Facsimile No.: (212) 859-4000

(iii) If to CA II, to it at:

c/o Kelso & Company, L.P.
320 Park Avenue, 24th Floor
New York, New York 10022
Attention: General Counsel
Facsimile No.: 212-223-2379

with a copy (which shall not constitute notice) to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Kevin M. Schmidt
Facsimile No.: (212) 909-6836

or to such other Person or address as any party shall specify by notice in writing to the Company. All such notices, requests, demands, letters, waivers and other communications shall be deemed to have been received (w) if by personal delivery, at the time delivered by hand (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

11.8. Headings: Execution in Counterparts. The headings and captions contained herein are for convenience and shall not control or affect the meaning or construction of any provision hereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same instrument.

11.9. Injunctive Relief. Each of the parties recognizes and agrees that money damages may be insufficient and, therefore, in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of this Agreement. Such remedies shall, however, be cumulative and not exclusive, and shall be in addition to any other remedy which such party may have.

11.10. Term. This Agreement shall be effective as of the date hereof and shall continue in effect thereafter until the earlier of (a) its termination by the written consent of the parties hereto or their respective successors in interest and (b) the date on which no Registrable Securities remain outstanding.

11.11. Further Assurances. Subject to the specific terms of this Agreement, each of the Company and the Stockholders shall make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as may be reasonably required in order to effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby.

11.12. Entire Agreement. This Agreement and any agreements entered into in connection with this Agreement constitute the entire agreement and the understanding of the parties hereto with respect to the matters referred to herein. This Agreement and the agreements referred to in the preceding sentence supersede all prior agreements and understandings between the parties with respect to such matters.

11.13. No Third Party Beneficiaries. This Agreement is not intended to, and does not, confer upon any Person, except for the parties hereto, any rights or remedies hereunder.

[Signature page follows]

IN WITNESS WHEREOF this Agreement has been signed by each of the parties hereto, and shall be effective as of the date first above written.

CVR ENERGY, INC.

By: ________________________________
Name:
Title:

COFFEYVILLE ACQUISITION LLC

By: ________________________________
Name:
Title:

COFFEYVILLE ACQUISITION II LLC

By: ________________________________
Name:
Title:

[Signature page to Registration Rights Agreement]

Exhibit 10.40

SUBSCRIPTION AGREEMENT

IN MAKING AN INVESTMENT DECISION, EMPLOYEE MUST RELY ON EMPLOYEE'S OWN EXAMINATION OF THE EMPLOYER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE OR NON-U.S. SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. EMPLOYEE SHOULD BE AWARE THAT HE WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

SUBSCRIPTION AGREEMENT (this "Agreement"), dated as of [___], 2007, by and among CVR Energy Inc., a Delaware corporation (the "Employer"), and John J. Lipinski ("Employee").

WHEREAS, on March 9, 2007, Employee purchased 0.21253757 of a share of common stock, par value $,01 per share, of Coffeyville Nitrogen Fertilizers, Inc., a Delaware corporation and an affiliate of the Employer ("CNF" and such stock, the "Nitrogen Stock") and 0.10441996 of a share of common stock, par value $,01 per share, of Coffeyville Refining & Marketing, Inc., a Delaware corporation and an affiliate ("CRM" and such stock, the "Refining Stock");

WHEREAS, on the terms and conditions contained in this Agreement, Employee desires to purchase and Employer desire to issue to Employee, 252,448 shares of common stock, $0.01 par value per share, of Employer (the "Issued Stock") in exchange for Employee's Nitrogen Stock and Employee's Refining Stock (the "Exchanged Stock");

WHEREAS, the boards of directors of each of CNF and CRM has approved the exchange of the Exchanged Stock for the Issued Stock; and

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, Employer and Employee hereby agree as follows:

Section 1 Purchase of Common Stock. Upon the terms and subject to the conditions set forth herein, at the Closing, as defined below, Employer shall issue to Employee, the Issued Stock in exchange for the Exchanged Stock.

Section 2 Closing. The closing of the purchase of the Issued Stock in exchange for the Exchange Stock hereunder (the "Closing") shall take place at the offices of Employer. At the Closing, Employer shall deliver an original stock certificate to Employee representing the Issued Stock and in exchange therefore, Employee shall deliver or cause to be delivered to Employer an original stock certificate or certificates representing the Exchanged Stock, along with duly executed stock powers.

Section 3 Representations and Warranties of Employer. Employer hereby represents and warrants to Employee as follows:

(a) Employer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to execute and deliver this Agreement and to perform its obligations hereunder and thereunder;

(b) Employer has duly executed and delivered this Agreement;

(c) all necessary corporate actions required to be taken by or on behalf of Employer to authorize it to execute, deliver and perform its obligations under this Agreement have been taken and this Agreement constitutes Employer's legal, valid and binding obligation, enforceable against Employer in accordance with the terms hereof;

(d) the execution and delivery of this Agreement and the consummation by Employer of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to Employer or by which Employer or any material portion of its properties is bound;

(e) except for any applicable filings under federal and state securities laws, no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by Employer in connection with the execution and delivery of this Agreement or the performance of Employer's obligations hereunder; and

(f) upon issuance of the Issued Stock, the Issued Stock will represent duly authorized, validly issued and non-assessable shares of Common Stock and Employee shall be the record owner of the Issued Stock

Section 4 Representations and Warranties of Employee. Employee hereby represents, warrants and acknowledges to Employer as follows:

(a) Employee has duly executed and delivered this Agreement;

(b) all actions required to be taken by or on behalf of Employee to authorize him to execute, deliver and perform his obligations under this Agreement have been taken and this Agreement constitutes Employee's legal, valid and binding obligation, enforceable against Employee in accordance with the terms hereof and thereof;

(c) the execution and delivery of this Agreement and the consummation by Employee of the transactions contemplated hereby in the manner contemplated hereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any applicable law, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to Employee or by which Employee or any material portion of his properties is bound;

(d) no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by Employee in connection with the execution and delivery of this Agreement or the performance of Employee's obligations hereunder;

(e) Employee is a resident of Texas;

(f) Employee is receiving the Issued Stock solely for Employee's own account for investment and not with a view to resale in connection with any distribution thereof;

(g) Employee acknowledges receipt of advice from Employer that (i) the Issued Stock has not been registered under the Securities Act or qualified under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Issued Stock, (iii) the Issued Stock must be held indefinitely and Employee must continue to bear the economic risk of the investment in the Issued Stock unless the Issued Stock is subsequently registered under the Securities Act and such state laws or an exemption from registration is available, (iv) Rule 144 promulgated under the Securities Act ("Rule 144") is not presently available with respect to sales of any securities of Employer and Employer has made no covenant to make Rule 144 available and Rule 144 is not anticipated to be available in the foreseeable future, (v) when and if the Issued Stock may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts and in accordance with the terms and conditions of such Rule and the provisions of this Agreement and the Stockholders Agreement, (vi) if the exemption afforded by Rule 144 is not available, public sale of the Issued Stock without registration will require the availability of an exemption under the Securities Act, (vii) restrictive legends shall be placed on any certificate representing the Issued Stock and (viii) a notation shall be made in the appropriate records of Employer indicating that the Issued Stock is subject to restrictions on transfer and, if Employer should in the future engage the services of a transfer agent, appropriate stop-transfer instructions will be issued to such transfer agent with respect to the Issued Stock;

(h) Employee's financial situation is such that Employee can afford to bear the economic risk of holding the Issued Stock for an indefinite period and Employee can afford to suffer the complete loss of Employee's investment in the Issued Stock;

(i) (x) Employee is familiar with the business and financial condition, properties, operations and prospects of Employer and Employee has been granted the opportunity to ask questions of, and receive answers from, representatives of Employer concerning Employer and the terms and conditions of the purchase of the Issued Stock and to obtain any additional information that Employee deems necessary, (y) Employee's knowledge and experience in financial and business matters is such that Employee is capable of evaluating the merits and risk of the investment in the Issued Stock and (z) Employee has carefully reviewed the terms and provisions of this Agreement and the Stockholders Agreement and has evaluated the restrictions and obligations contained therein;

(j) in furtherance of the foregoing, Employee represents and warrants that (i) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of Employer or as to the desirability or value of an investment in Employer has been made to Employee by or on behalf of Employer, (ii) Employee has relied upon Employee's own independent appraisal and investigation, and the advice of Employee's own counsel, tax advisors and other advisors, regarding the risks of an investment in Employer and (iii) Employee will continue to bear sole responsibility for making its own independent evaluation and monitoring of the risks of its investment in Employer;

(k) Employee is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and, in connection with the execution of this Agreement, agrees to deliver such certificates to that effect as the board of directors of Employer may request;

(l) Employee understands and acknowledges that (a) he is being issued the Common Stock in reliance on an exemption under the federal securities laws that permits companies to issue stock to their employees and directors without registration under limited circumstances when such stock is issued in compensatory circumstances, (b) that he is being issued the Common Stock as part of his compensation for services to the Company and its subsidiaries and (c) that he would not be issued the Common Stock if he were not an employee or director of the Company or one of its subsidiaries; and

(m) Employee is the record and beneficial owner of the Exchanged Stock and has requisite power and authority to transfer the Exchanged Stock as provided in this Agreement and Employee is delivering to Employer, good and marketable title to the Exchanged Stock, free and clear of any and all liens, claims, charges, security interests, options or other encumbrances, other than those provided under federal or state securities laws and other than those arising under the CRM Stockholders Agreement and the CFN Stockholders, each dated March 9, 2007 (which will terminate pursuant to Termination Agreements with each of CRM and CFN, each dated the date hereof, immediately after the consummation of the transactions contemplated by this Agreement).

Section 5 Governing Law. This Agreement and the rights and obligations of the parties hereto hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 6 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(a) If to Employer:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

with copies (which shall not constitute notice) to:

GS Capital Partners V Fund, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
Attention: Kenneth Pontarelli
Facsimile No.: 212-357-5505

Kelso & Company, L.P.
320 Park Avenue, 24th Floor
New York, New York 10022
Attention: James J. Connors II
Facsimile No.: 212-223-2379

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel
Steven Steinman
Facsimile No.: (212) 859-4000

and

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Kevin M. Schmidt
Facsimile No.: (212) 909-6836

(b) If to Employee:

2277 Plaza Drive
Suite 500
SugarLand, Tx 77479
Facsimile No.: (281) 207-7747

All such notices, requests, demands, waivers and other communications shall be deemed to have been received by (w) if by personal delivery, on the day delivered, (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

Section 7 Entire Agreement, etc. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and supersedes any prior agreement or understanding among them with respect to the matters referred to herein. There are no representations, warranties, promises, inducements, covenants or undertakings relating to shares of Issued Stock, other than those expressly set forth or referred to herein or in the Management Registration Rights Agreement, by and between Employer and Employee, dated as of the date hereof.

Section 8 Amendments and Waivers. This Agreement may not be modified or amended except by a written instrument signed by authorized representatives of all parties affected by such modification or amendment and referring specifically to this Agreement. Waiver by any party hereto of any breach or default by any other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by any party to assert its or his or her rights hereunder on any occasion or series of occasions.

Section 9 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto.

Section 10 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby and shall continue in full force and effect.

Section 11 Counterparts. For the convenience of the parties hereto, this Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

Section 12 Captions. The Section and paragraph captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

Section 13 Survival of Representations and Warranties; Indemnity. All representations, warranties and covenants contained herein or made in writing by Employee, or by or on behalf of Employer in connection with the transactions contemplated by this Agreement, shall survive the execution and delivery of this Agreement, any investigation at any time made by or on behalf of Employer or Employee, the issue and sale of the Issued Stock. Employee shall and hereby does indemnify and hold harmless Employer from and against any and all losses, claims, damages, expenses and liabilities relating to or arising out of any breach of any representation, warranty or covenant made by Employee in this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto on the date first herein above written.

CVR ENERGY, INC.

By: ____________________________

Name:

Title:

____

JOHN J. LIPINSKI

Exhibit 10.41

Coffeyville Acquisition LLC
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103

________ __, 2007

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Kelso & Company, L.P.
320 Park Avenue, 24th Floor
New York, New York 10022

Ladies and Gentlemen:

Reference is made to that letter agreement, dated June 24, 2005, by and between Coffeyville Acquisition LLC (the "Company") and Goldman, Sachs & Co. ("GS" and such letter, the "GS Letter"), and that letter agreement, dated June 24, 2005, by and between the Company and Kelso & Company, L.P. ("Kelso, and such letter, the "Kelso Letter").

The parties hereto acknowledge that, pursuant to each of the GS Letter and the Kelso Letter (i) each of the GS Letter and the Kelso Letter will automatically terminate upon the consummation of the initial public offering of shares of common stock of CVR Energy, Inc., a Delaware corporation and a direct subsidiary of the Company, and (ii) the Company's obligations under each of the GS Letter and Kelso Letter, including, without limitation, the Company's obligations to indemnify each member of the Goldman Group (as such term is defined in the GS Letter) and each member of the Kelso Group (as such term is defined in the Kelso Letter) and to reimburse the out-of-pocket expenses of the Goldman Group and the Kelso Group, will survive such termination. The parties hereto further acknowledge and agree that the fee payable with respect to such termination shall equal $10,000,000 ($5,000,000 to GS and $5,000,000 to Kelso).

Very truly yours,

COFFEYVILLE ACQUISITION LLC

By ______________________________
Name:
Title:

Agreed and accepted:

GOLDMAN, SACHS & CO.

By: ______________________________
Name:
Title:

KELSO & COMPANY, L.P.

By: Kelso & Companies, Inc.,
its general partner

By: ______________________________
Name:
Title:

[Signature Page to Letter Agreement]

Exhibit 10.42

[Form of Registration Rights Agreement]

REGISTRATION RIGHTS AGREEMENT

CVR PARTNERS, LP

Dated as of __________ ___, 2007

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REGISTRATION RIGHTS AGREEMENT
of CVR Partners, LP

REGISTRATION RIGHTS AGREEMENT, dated as of __________ ___, 2007 (the "**Agreement**"), by and among CVR Partners, LP, a Delaware limited partnership (the "**Partnership**"), CVR Special GP, LLC, a Delaware limited liability company (the "**Special General Partner**") and CVR LP, LLC, a Delaware limited liability company (the "**Organizational Limited Partner**"). The Special General Partner and the Organizational Limited Partner are hereinafter referred to collectively as the "**Unitholders**." Capitalized terms used herein without definition are defined in Section 10.

WHEREAS, as of the date hereof, the Partnership, the Unitholders and certain other parties entered into a Contribution, Conveyance and Assumption Agreement (the "**Contribution Agreement**") pursuant to which the Partnership has agreed to issue to each Holder Special Units;

WHEREAS, to induce the Unitholders to enter into the Contribution Agreement and to consummate the transactions contemplated therein, the Partnership has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Holders;

WHEREAS, the parties hereto wish to set forth certain rights and obligations with respect to the registration of (a) the Common LP Units issuable in exchange for the Special Units under the Partnership Agreement and (b) the Common LP Units issuable upon conversion of any Subordinated Units under the Partnership Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in this Agreement, the parties hereto agree as follows:

Section 1. Registrations Upon Request.

1.1. Requests by the Unitholders.

(a) Notice of Request. Following the Initial Public Offering, each of the Special General Partner and the Organizational Limited Partner shall have the right to make up to three requests (each, a "**Demand Registration**") that the Partnership effect the registration under the Securities Act of all or a portion of the Registrable Securities Beneficially Owned by the Special General Partner or the Organizational Limited Partner, as the case may be (the Special General Partner or the Organizational Limited Partner, in such capacity, the "**Initiating Unitholder**"), each such request to specify the number of Registrable Securities to be registered and the intended method or methods of disposition thereof; provided that, with respect to any shelf registration requested by an Initiating Unitholder pursuant to Section 1.1(b) (which initial request shall count as a request for purposes of this Section 1.1), each subsequent request by an Initiating Unitholder that the Partnership sell Registrable Securities from such Shelf Registration Statement (as such term is defined in part (b) of this Section 1.1) that is not made simultaneously with such initial request shall be counted as an additional request for purposes of this Section 1.1. Upon any such request (each, a "**Demand Request Notice**"), the Partnership will promptly, but in any event within 5 days, give written notice of such request to all holders of Registrable Securities and thereupon the Partnership will, subject to Section 1.4:

(i) use its best efforts to effect the prompt registration under the Securities Act of

(A) the Registrable Securities which the Partnership has been so requested to register by the Initiating Unitholder, and

(B) all other Registrable Securities which the Partnership has been requested to register by the holders thereof by written request given to the Partnership by such holders within 30 days after the giving of such written notice by the Partnership to such holders (or, 15 days if, at the request of the Initiating Unitholder, the Partnership states in such written notice or gives telephonic notice to each holder of Registrable Securities, with written confirmation to follow promptly thereafter, stating that (i) such registration will be on Form S-3 and (ii) such shorter period of time is required because of a planned filing date),

all to the extent required to permit the disposition of the Registrable Securities so to be registered in accordance with the intended method or methods of disposition of the Initiating Unitholder and any "**Participating Unitholders**," which term shall refer to any Unitholder that exercises its right to participate in the registration initiated by the Initiating Unitholder, which intended method or methods of distribution may include, at the option of the Initiating Unitholder or the Participating Unitholders, as applicable, a distribution of such Registrable Securities to, and resale of such Registrable Securities by, the partners of the equity owners of such Unitholder or Unitholders (a "**Partner Distribution**"); and

(ii) if requested by the Initiating Unitholder or any Participating Unitholders, as applicable, obtain acceleration of the effective date of the registration statement relating to such registration. Notwithstanding anything contained herein to the contrary, the Partnership shall, at the request of any Initiating Unitholder or any Participating Unitholders, as applicable, seeking to effect a Partner Distribution, file any prospectus supplement or post-effective amendments and shall otherwise take any action necessary to include such language, if such language was not included in the initial registration statement, or revise such language if deemed necessary by such Unitholder or Unitholders, to effect such Partner Distribution.

(b) Shelf Registration. The right of each of the Special General Partner and the Organizational Limited Partner to request a registration of Registrable Securities pursuant to Section 1.1(a) shall include the right from and after the first anniversary of the Initial Public Offering to request that the Partnership file a registration statement to permit the requesting holder to sell Registrable Securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (or any similar rule that may be adopted by the Commission) in accordance with the intended method or methods of disposition by such requesting holder (a "**Shelf Registration Statement**"). Notwithstanding anything to the contrary herein,

(i) upon any Shelf Registration Statement having been declared effective, the Partnership shall use reasonable best efforts to keep such Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be usable by the holders of Registrable Securities until the earlier of (x) such time as all Registrable Securities that could be sold under such Shelf Registration Statement have been sold or are no longer outstanding; (y) two years from the date of effectiveness; and (z) the date that each Unitholder can sell all Registrable Securities Beneficially Owned by it in accordance with Rule 144(k) under the Securities Act;

(ii) if at any time following the effectiveness of any Shelf Registration Statement either the Special General Partner or the Organizational Limited Partner, as the case may be, desires to sell Registrable Securities pursuant thereto, the Special General Partner or the Organizational Limited Partner, as the case may be, shall notify the Partnership of such intent at least ten Business Days prior to any such sale (any such proposed transaction, a "**Take-down Transaction**"), and the Partnership thereupon shall prepare and file within ten Business Days after receipt of such notice a prospectus supplement or post-effective amendment to the Shelf Registration Statement, as necessary, to permit the consummation of such Take-down Transaction;

(iii) upon receipt of notice from the Special General Partner or the Organizational Limited Partner, as the case may be, regarding a Take-down Transaction as provided in clause (ii) of this Section 1.1(b), the Partnership shall immediately deliver notice to any other holders of Registrable Securities whose Registrable Securities have been included in such Shelf Registration Statement and shall permit such holders to participate in such Take-down Transaction (subject to Section 1.4), it being understood, for the avoidance of doubt, that no holder other than the Special General Partner or the Organizational Limited Partner shall have the right to initiate a Take-down Transaction;

(iv) each holder who participates in a Take-down Transaction shall be deemed through such participation to have represented to the

Partnership that any information previously supplied by such holder to the Partnership in writing for inclusion in the Shelf Registration Statement, unless modified by such holder by written notice to the Partnership, remains accurate as of the date of the prospectus supplement or amendment to the Shelf Registration Statement, as applicable; and

(v) if the continued use of such Shelf Registration Statement at any time would require the Partnership to make any public disclosure of material, non-public information, disclosure of which, in the Managing General Partner's Board of Director's good faith judgment, after consultation with independent outside counsel to the Partnership, (i) would be required to be made in any registration statement filed with the Commission by the Partnership so that such registration statement would not be materially misleading and (ii) would not be required to be made at such time but for the filing of such registration statement; and the Partnership has a bona fide business purpose for not disclosing such information publicly, the Partnership may, upon giving prompt written notice of such action to the holders of Registrable Securities, suspend use of the Shelf Registration Statement (a "**Shelf Suspension**"); provided, however, that the Partnership shall not be permitted to exercise a Shelf Suspension (x) more than once during any 12 month period or (y) for a period exceeding 45 days on any one occasion. In the case of a Shelf Suspension, the holders of Registrable Securities agree to suspend use of the applicable prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. Upon the written request of either the Initiating Unitholder or the Participating Unitholders, the Partnership shall provide such holder of Registrable Securities in writing with a general statement of the reasons for such postponement and an approximation of the anticipated delay. The Partnership shall immediately notify the holders of Registrable Securities upon the termination of any Shelf Suspension, amend or supplement the prospectus, if necessary, so it does not contain any untrue statement of a material fact or omission and furnish to the holders of Registrable Securities such numbers of copies of the prospectus as so amended or supplemented as such holders may reasonably request. The Partnership agrees, if necessary, to supplement or make amendments to the Shelf Registration Statement, if required by the registration form used by the Partnership for the shelf registration or by the instructions applicable to such registration form or by the Securities Act or as may reasonably be requested by the Majority Holders.

1.2. Registration Statement Form. A registration requested pursuant to Section 1.1 shall be effected by the filing of a registration statement on a form of the Commission (i) selected by the Majority Holders, which form shall be reasonably acceptable to the Partnership; provided that the Partnership agrees that, at the request of the Initiating Unitholder, at such time as the Partnership becomes a “well-known seasoned issuer,” as such term is defined in Rule 405 under the Securities Act, the Partnership will register an offering pursuant to Section 1.1 on an “automatic shelf registration statement,” as such term is defined in Rule 405 under the Securities Act; provided, that the Partnership is advised by independent outside counsel that filing an “automatic shelf registration statement” for registration of the Registrable Securities will not cause the Partnership to be an “ineligible issuer,” as such term is defined in Rule 405 under the Securities Act and (ii) which shall permit the disposition of Registrable Securities in accordance with the intended method or methods of disposition specified in such request for registration, including, without limitation, a Partner Distribution or, as provided above, a continuous or delayed basis offering pursuant to Rule 415 under the Securities Act. The Partnership agrees to include in any such registration statement all information which, in the opinion of counsel to the Initiating Unitholder, counsel to any Participating Unitholder and counsel to the Partnership, is necessary or desirable to be included therein.

1.3. Expenses. The Partnership shall pay, and shall be responsible for, all Registration Expenses in connection with any registration requested under Section 1.1; provided that each seller of Registrable Securities shall pay all Registration Expenses to the extent required to be paid by such seller under applicable law and all underwriting discounts and commissions and transfer taxes, if any, in respect of the Registrable Securities being registered for such seller.

1.4. Effective Registration Statement. A registration requested pursuant to Section 1.1 shall not be deemed a Demand Registration (including for purposes of Section 1.1(a)) unless a registration statement with respect thereto has become effective and has been kept continuously effective for a period of at least 180 days (or such shorter period which shall terminate when all the Registrable Securities covered by such registration statement have been sold pursuant thereto) or, if such registration statement relates to an underwritten offering, such longer period as in the opinion of counsel for the underwriter or underwriters a prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer. Should a Demand Registration not become effective due to the failure of a holder of Registrable Securities participating in such offering of Registrable Securities (a “**Participating Holder**”) to perform its obligations under this Agreement, or in the event the Initiating Unitholder withdraws or does not pursue its request for the Demand Registration as provided for in Section 1.6 below (in each of the foregoing cases, provided that at such time the Partnership is in compliance in all material respects with its obligations under this Agreement), then, such Demand Registration shall be deemed to have been effected (including for purposes of Section 1.1(a)); provided, that, if (i) the Demand Registration does not become effective because a material adverse change has occurred, or is reasonably likely to occur, in the condition (financial or otherwise), prospects, business, assets or results of operations of the Partnership and its subsidiaries taken as a whole subsequent to the date of the delivery of the Demand Request Notice, (ii) after the Demand Registration has become effective, such registration is interfered with by any stop order, injunction, or other order or requirement of the Commission or other governmental agency or court, (iii) the Demand Registration is withdrawn at the request of the Initiating Unitholder due to the advice of the managing underwriter(s) that the Registrable Securities covered by the registration statement could not be sold in such offering within a price range acceptable to the Initiating Unitholder, or (iv) the Initiating Unitholder reimburses the Partnership for any and all

Registration Expenses incurred by the Partnership in connection with such request for a Demand Registration that was withdrawn or not pursued, then the Demand Registration shall not be deemed to have been effected and will not count as a Demand Registration.

1.5. Right to Withdraw. Any Participating Holder shall have the right to withdraw its request for inclusion of Registrable Securities in any registration statement pursuant to Section 1.1 at any time prior to the effective date of such registration statement by giving written notice to the Partnership of its request to withdraw. Upon receipt of notices from all Participating Holders to such effect, the Partnership shall cease all efforts to obtain effectiveness of the applicable registration statement, and whether the Initiating Unitholder's request for registration pursuant to Section 1.1 shall be counted as a Demand Registration for purposes of Section 1.6 shall be determined in accordance with Section 1.4 above.

1.6. Priority in Demand Registrations. Whenever the Partnership effects a registration pursuant to Section 1.1 in connection with an underwritten offering, no securities other than Registrable Securities shall be included among the securities covered by such registration unless the Majority Holders consent in writing to the inclusion therein of such other securities, which consent may be subject to terms and conditions determined by the Majority Holders in their sole discretion. If a registration pursuant to Section 1.1 involves an underwritten offering, and the managing underwriter (or, in the case of an offering which is not underwritten, a nationally recognized investment banking firm) shall advise the Partnership in writing (with a copy to each Person requesting registration of Registrable Securities) that, in its opinion, the number of securities requested, and otherwise proposed to be included in such registration, exceeds the number which can be sold in such offering without materially and adversely affecting the offering price, the Partnership shall include in such registration, to the extent of the number which the Partnership is so advised can be sold in such offering without such material adverse effect, first, the Registrable Securities of the Initiating Unitholder and the Participating Unitholders requesting inclusion in such registration, on a *pro rata* basis (based on the number of shares of Registrable Securities owned by each such Unitholder), and second, the securities, if any, being sold by the Partnership. In the event of any such determination under this Section 1.4, the Partnership shall give the affected holders of Registrable Securities notice of such determination and in lieu of the notice otherwise required under Section 1.1.

Section 2. Incidental Registrations. If the Partnership at any time proposes to register any of its equity securities under the Securities Act (other than a registration on Form S-4 or S-8 or any successor form or a an "automatic shelf registration statement" on Form S-3 if the Partnership would otherwise qualify as a "WKSI" and has been is advised by independent outside counsel that filing an "automatic shelf registration statement" for registration of the Registrable Securities would cause the Partnership to be an "ineligible issuer," as such term is defined in Rule 405 under the Securities Act) whether or not for sale for its own account, then the Partnership shall give prompt written notice (but in no event less than 30 days prior to the initial filing with respect thereto) to all holders of Registrable Securities regarding such proposed registration. Upon the written request of any such holder made within 15 days after the receipt of any such notice (which request shall specify the number of Registrable Securities intended to be disposed of by such holder and the intended method or methods of disposition thereof), the Partnership shall use its best efforts to effect the registration under the Securities Act of such

Registrable Securities on a *pro rata* basis in accordance with such intended method or methods of disposition; provided that:

(a) the Partnership shall not include Registrable Securities in such proposed registration to the extent that the Managing General Partner's Board of Directors shall have determined, after consultation with the managing underwriter for such offering, that it would materially and adversely affect the offering price to include any Registrable Securities in such registration and provided, further, that the Partnership shall give the affected holders of Registrable Securities notice of such determination and in lieu of the notice otherwise required by the first sentence of this Section 2;

(b) if, at any time after giving written notice (pursuant to this Section 2) of its intention to register equity securities and prior to the effective date of the registration statement filed in connection with such registration, the Partnership shall determine for any reason not to register such equity securities, the Partnership may, at its election, give written notice of such determination to each holder of Registrable Securities and, thereupon, shall not be obligated to register any Registrable Securities in connection with such registration (but shall nevertheless pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of the Special General Partner and the Organizational Limited Partner that a registration be effected under Section 1.1; and

(c) if in connection with a registration pursuant to this Section 2, the managing underwriter of such registration (or, in the case of an offering that is not underwritten, a nationally recognized investment banking firm) shall advise the Partnership in writing (with a copy to each holder of Registrable Securities requesting registration thereof) that the number of securities requested and otherwise proposed to be included in such registration exceeds the number which can be sold in such offering without materially and adversely affecting the offering price of the securities being sold in such registration, then in the case of any registration pursuant to this Section 2, the Partnership shall include in such registration to the extent of the number which the Partnership is so advised can be sold in such offering without such material adverse effect, first, the securities, if any, being sold by the Partnership, and second, the Registrable Securities of the Unitholders requesting inclusion in such registration and Partnership Securities of other Persons who have been granted registration rights or are granted registration rights on or after the date of this Agreement, to the extent such other Persons have been granted registration rights that are *pari passu* to the rights of the Unitholders hereunder, on a *pro rata* basis (based on the number of shares of Registrable Securities owned by each such Unitholder and the number Partnership Securities of any such other Persons).

The Partnership shall pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 2; provided that each seller of Registrable Securities shall pay all Registration Expenses to the extent required to be paid by such seller under applicable law and all underwriting discounts and commissions and transfer taxes, if any, in respect of the Registrable Securities being registered for such seller. No registration effected under this Section 2 shall relieve the Partnership from its obligation to effect registrations under Section 1.1.

Section 3. Registration Procedures. If and whenever the Partnership is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Sections 1.1 or 2, the Partnership shall promptly:

(a) prepare, and as soon as practicable, but in any event within 30 days thereafter, file with the Commission, a registration statement with respect to such Registrable Securities, make all required filings with the NASD and use its best efforts to cause such registration statement to become and remain effective as soon as practicable;

(b) prepare and promptly file with the Commission such amendments and post-effective amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for so long as is required to comply with the provisions of the Securities Act and to complete the disposition of all securities covered by such registration statement in accordance with the intended method or methods of disposition thereof, but in no event for a period of more than six months after such registration statement becomes effective (except as provided in Section 1.1(b)(i));

(c) furnish copies of all documents proposed to be filed with the Commission in connection with such registration to (i) counsel selected by the Initiating Unitholder and counsel selected by any Participating Unitholders either of which counsel may also be counsel to the Partnership, and (ii) each seller of Registrable Securities (or in the case of the initial filing of a registration statement, within five business days of such initial filing) and such documents shall be subject to the review of such counsel; provided that the Partnership shall not file any registration statement or any amendment or post-effective amendment or supplement to such registration statement or the prospectus used in connection therewith or any free writing prospectus related thereto to which such counsel shall have reasonably objected on the grounds that such registration statement amendment, supplement or prospectus or free writing prospectus does not comply (explaining why) in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(d) furnish to each seller of Registrable Securities, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits and documents filed therewith) and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, each free writing prospectus utilized in connection therewith, and such other documents, as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller in accordance with the intended method or methods of disposition thereof;

(e) use its best efforts to register or qualify such Registrable Securities and other securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition of such Registrable Securities in such jurisdictions in accordance with the intended method or methods of disposition thereof; provided that the Partnership shall not for any such purpose be required to qualify generally to do business in any jurisdiction wherein it is not so qualified, subject itself to taxation in any jurisdiction wherein it is not so subject, or take any action which would subject it to general service of process in any jurisdiction wherein it is not so subject;

(f) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies, authorities or self-regulatory bodies as may be necessary by virtue of the business and operations of the Partnership to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities in accordance with the intended method or methods of disposition thereof;

(g) furnish to the Initiating Unitholder and any Participating Unitholders:

(i) an opinion of counsel for the Partnership experienced in securities law matters, dated the effective date of the registration statement (and, if such registration includes an underwritten public offering, the date of the closing under the underwriting agreement), and

(ii) a "comfort" letter (unless the registration is pursuant to Section 2 and such a letter is not otherwise being furnished to the Partnership), dated the effective date of such registration statement (and if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), signed by the independent public accountants who have issued an audit report on the Partnership's financial statements included in the registration statement,

covering such matters as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten public offerings of securities and such other matters as the Initiating Unitholder and any Participating Unitholders may reasonably request;

(h) promptly notify each seller of any Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event or existence of any fact as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and, as promptly as is practicable, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(i) otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable and in any event within 16 months after the effective date of the registration statement, an earnings statement of the Partnership (in form complying with the provisions of Rule 158 under the Securities Act) covering the period of at least 12 months, but not more than 18 consecutive months, beginning with the first full calendar month after the effective date of such registration statement;

(j) notify each seller of any Registrable Securities covered by such registration statement (i) when the prospectus or any prospectus supplement or post-effective amendment or any free writing prospectus has been filed and/or used, and, with respect to such registration statement or any post-effective amendment, when the same has become effective, (ii) of the receipt by the Partnership of any comments from the Commission or of any request by the Commission for amendments or supplements to such registration statement or to amend or to supplement such prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose and (iv) of the suspension of the qualification of such securities for offering or sale in any jurisdiction, or of the institution of any proceedings for any of such purposes;

(k) use every reasonable effort to obtain the lifting of any stop order that might be issued suspending the effectiveness of such registration statement at the earliest possible moment;

(l) use its best efforts (i) (A) to list such Registrable Securities on any securities exchange on which the equity securities of the Partnership are then listed or, if no such equity securities are then listed, on an exchange selected by the Partnership, if such listing is then permitted under the rules of such exchange, or (B) if such listing is not practicable, to secure designation of such securities as a NASDAQ “national market system security” within the meaning of Rule 11Aa2-1 under the Exchange Act or, failing that, to secure NASDAQ authorization for such Registrable Securities, and, without limiting the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD, and (ii) to provide a transfer agent and registrar for such Registrable Securities not later than the effective date of such registration statement and to instruct such transfer agent (A) to release any stop transfer order with respect to the certificates with respect to the Registrable Securities being sold and (B) to furnish certificates without restrictive legends (other than those that apply generally to all Partnership Securities) representing ownership of the shares being sold, in such denominations requested by the sellers of the Registrable Securities or the lead underwriter;

(m) enter into such agreements and take such other actions as the sellers of Registrable Securities or the underwriters reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including, without limitation, preparing for, and participating in, such number of “road shows” and all such other customary selling efforts as the underwriters reasonably request in order to expedite or facilitate such disposition;

(n) furnish to any holder of such Registrable Securities such information and assistance as such holder may reasonably request in connection with any “due diligence” effort which such seller deems appropriate;

(o) cooperate with each seller of Registrable Securities and each underwriter and their respective counsel in connection with any filings required to be made with the NASD, New York Stock Exchange, or any other securities exchange on which such Registrable Securities are traded or will be traded;

(p) cooperate with the sellers of the Registrable Securities and the managing underwriter to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends (other than those that apply generally to all Partnership Securities) representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the Majority Holders at least five business days prior to any sale of Registrable Securities and instruct any transfer agent and registrar of Registrable Securities to release any stop transfer orders in respect thereof;

(q) cause its officers and employees to participate in, and to otherwise facilitate and cooperate with the preparation of the registration statement and prospectus and any amendments or supplements thereto (including participating in meetings, drafting sessions and due diligence sessions) taking into account the Partnership's business needs;

(r) use its best efforts to take all other steps necessary to effect the registration of such Registrable Securities contemplated hereby;

(s) take all reasonable action to ensure that any free writing prospectus utilized in connection with any registration covered by this agreement complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, prospectus supplement and related documents, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(t) in connection with any underwritten offering, if at any time the information conveyed to a purchaser at the time of sale includes any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, promptly file with the Commission such amendments or supplements to such information as may be necessary so that the statements as so amended or supplemented will not, in light of the circumstances, be misleading.

To the extent the Partnership is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) (a "WKSI") at the time any Demand Request Notice is submitted to the Partnership, and such Demand Request Notice requests that the Partnership file an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "automatic shelf registration statement") on Form S-3 and the Partnership has been advised by independent outside counsel that filing an "automatic shelf registration statement" for registration of the Registrable Securities will not cause the Partnership to be an "ineligible issuer," as such term is defined in Rule 405 under the Securities Act, the Partnership shall file an automatic shelf registration statement which covers those Registrable Securities which are requested to be registered. The Partnership shall use its commercially reasonable best efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such automatic shelf registration statement is required to remain effective. If the Partnership does not pay the filing fee covering the Registrable Securities at the time the automatic shelf registration statement is filed, the Partnership agrees to pay such fee at such time or times as the Registrable Securities are to be sold. If the automatic shelf registration statement has been outstanding for at least three years, at the end of the third year the Partnership shall refile a new automatic shelf registration statement covering the Registrable Securities. If at any time when the Partnership is required to re-evaluate its WKSI status the Partnership determines that it is not a WKSI, the Partnership shall use its commercially reasonable best efforts to refile the shelf registration statement on Form S-3 and, if such form is not available, Form S-1 and keep such registration statement effective during the period during which such registration statement is required to be kept effective.

If the Partnership files any shelf registration statement for the benefit of the holders of any of its securities other than the Unitholders, the Partnership agrees that it shall give prior written notice to each Unitholder and, upon request of any Unitholder, include in such registration statement such disclosures as may be required by Rule 430B (referring to the unnamed selling security holders in a generic manner by identifying the initial issuance and sale of the securities to the Unitholders) in order to ensure that the requesting Unitholder may be added to such shelf registration statement at a later time through the filing of a prospectus supplement rather than a post-effective amendment.

As a condition to its registration of Registrable Securities of any prospective seller, the Partnership may require such seller of any Registrable Securities as to which any registration is being effected to execute powers-of-attorney, custody arrangements and other customary agreements appropriate to facilitate the offering and to furnish to the Partnership such information regarding such seller, its ownership of Registrable Securities and the disposition of such Registrable Securities as the Partnership may from time to time reasonably request in writing and as shall be required by law in connection therewith. Each such holder agrees to furnish promptly to the Partnership all information required to be disclosed in such registration statement in order to make the information previously furnished to the Partnership by such holder and disclosed in such registration statement not materially misleading.

The Partnership agrees not to file or make any amendment to any registration statement with respect to any Registrable Securities, or any amendment of or supplement to the prospectus used in connection therewith, which refers to any holder of Registrable Securities, or otherwise identifies any holder of Registrable Securities as the holder of any Registrable Securities, without the prior consent of such holder, such consent not to be unreasonably withheld or delayed, unless such disclosure is required by law. Notwithstanding the foregoing, if any such registration statement or comparable statement under "blue sky" laws refers to any holder of Registrable Securities by name or otherwise as the holder of any securities of the Partnership, then such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder and the Partnership, to the effect that the holding by such holder of such Registrable Securities is not to be construed as a recommendation by such holder of the investment quality of the Partnership's securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Partnership, or (ii) in the event that such reference to such holder by name or otherwise is not in the judgment of the Partnership, as advised by counsel, required by the Securities Act or any similar federal statute or any state "blue sky" or securities law then in force, the deletion of the reference to such holder.

By acquisition of Registrable Securities, each holder of such Registrable Securities shall be deemed to have agreed that upon receipt of any notice from the Partnership of the happening of any event of the kind described in Section 3(h), such holder will promptly discontinue such holder's disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(h). If so directed by the Partnership, each holder of Registrable Securities will deliver to the Partnership (at the Partnership's expense) all copies, other than permanent file copies, in such holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice. In the event that the Partnership shall give any such notice, the period mentioned in Section 3(a) shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of any Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 3(h).

Section 4. Underwritten Offerings.

4.1. Underwriting Agreement. If requested by the underwriters for any underwritten offering pursuant to a registration requested under Section 1.1 or 2, the Partnership shall enter into an underwriting agreement with the underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to the underwriters and to any Unitholder participating in such registration. Any such underwriting agreement shall contain such representations and warranties by, and such other agreements on the part of, the Partnership and such other terms and provisions as are customarily contained in agreements of this type, including, without limitation, indemnities to the effect and to the extent provided in Section 8. Each Unitholder and each other holder of Registrable Securities to be distributed by such underwriter shall be a party to such underwriting agreement and may, at such holder's option, require that any or all of the representations and warranties by, and the agreements on the part of, the Partnership to and for the benefit of such underwriters be made to and for the benefit of such holder of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such holder of Registrable Securities. The Unitholders in their capacities as Partners and/or controlling persons shall not be required by any underwriting agreement to make any representations or warranties to or agreements with the Partnership or the underwriters other than representations, warranties or agreements regarding such holder, the ownership of such holder's Registrable Securities and such holder's intended method or methods of disposition and any other representation required by law or to furnish any indemnity to any Person which is broader than the indemnity furnished by such holder pursuant to Section 8.2.

4.2. Selection of Underwriters. If the Partnership at any time proposes to register any of its securities under the Securities Act for sale for its own account pursuant to an underwritten offering, the Partnership will have the right to select the managing underwriter (which shall be of nationally recognized standing) to administer the offering. Notwithstanding the foregoing sentence, whenever a registration requested pursuant to Section 1.1 is for an underwritten offering, the Initiating Unitholder will have the right to select the managing underwriter (which shall be of nationally recognized standing and reasonably acceptable to any Participating Unitholders) to administer the offering, but only with the approval of the Partnership, such approval not to be unreasonably withheld. In connection with an underwritten registered offering pursuant to Section 1.1, if Goldman, Sachs & Co. acts as a managing underwriter in any such registered offering, to the extent required by applicable law, the Partnership shall retain a Qualified Independent Underwriter reasonably acceptable to Goldman, Sachs & Co., and the

Partnership shall pay all fees and expenses (other than underwriting discounts and commissions) of such Qualified Independent Underwriter.

Section 5. Holdback Agreements.

(a) If and whenever the Partnership proposes to register any of its equity securities under the Securities Act for its own account (other than on Form S-4 or S-8 or any successor form) or is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 1.1 or 2, each holder of Registrable Securities agrees by acquisition of such Registrable Securities not to effect any offer, sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, or to request registration under Section 1.1 of any Registrable Securities within seven days prior to the reasonably expected effective date of the contemplated registration statement and during the period beginning on the effective date of the registration statement relating to such registration (the "**Trigger Date**") and until 90 days (unless advised by the managing underwriter that a longer period, not to exceed 180 days, is required, or such shorter period as the managing underwriter for any underwritten offering may agree) after the Trigger Date, except as part of such registration or unless, in the case of a sale or distribution not involving a public offering, the transferee agrees in writing to be subject to this Section 5, even if such Registrable Securities cease to be Registrable Securities upon such transfer. If requested by such managing underwriter, each holder of Registrable Securities agrees to execute an agreement to such effect with the Partnership and consistent with such managing underwriter's customary form of holdback agreement.

(b) The Partnership agrees not to effect any public offer, sale or distribution of its equity securities or securities convertible into or exchangeable or exercisable for any of such securities within seven days prior to the reasonably expected effective date of the contemplated registration statement and during the period beginning on the Trigger Date and until 90 days (or such longer period, not to exceed 180 days, which may be required by the managing underwriter, or such shorter period as the managing underwriter may agree) after the Trigger Date with respect to any registration statement filed pursuant to Section 1.1 (except (i) as part of such registration, (ii) as permitted by any related underwriting agreement, (iii) pursuant to an employee equity compensation plan, or (iv) pursuant to an acquisition or strategic relationship or similar transaction or (v) pursuant to a registration on Form S-4 or S-8 or any successor form). In addition, if, and to the extent requested by the managing underwriter, the Partnership shall use its best efforts to cause each holder (other than any holder already subject to Section 5(a)) of its equity securities or any securities convertible into or exchangeable or exercisable for any of such securities, whether outstanding on the date of this Agreement or issued at any time after the date of this Agreement (other than any such securities acquired in a public offering), to agree not to effect any such public offer, sale or distribution of such securities during such period, except as part of any such registration if permitted, and to cause each such holder to enter into an agreement to such effect with the Partnership and consistent with such managing underwriter's customary form of holdback agreement.

Section 6. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Partnership shall give counsel to the holders of such Registrable Securities so to be registered, the managing underwriter(s), and their respective counsel, accountants and other representatives and agents the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and shall give each of the foregoing parties access to the financial and other records, pertinent corporate documents and properties of the Partnership and its subsidiaries and opportunities to discuss the business of the Partnership with its officers and the independent public accountants who have issued audit reports on its financial statements in each case as shall be reasonably requested by each of the foregoing parties in connection with such registration statement.

Section 7. Reserved.

Section 8. Indemnification.

8.1. Indemnification by the Partnership. The Partnership agrees that in the event of any registration of any Registrable Securities pursuant to this Agreement, the Partnership shall indemnify, defend and hold harmless (a) each holder of Registrable Securities, (b) the Affiliates of such holder and the respective directors, members, stockholders, officers, partners, employees, advisors, representatives, agents of such holder and its Affiliates, (c) each Person who participates as an underwriter or Qualified Independent Underwriter in the offering or sale of such securities and (d) each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) any of the foregoing against any and all losses, penalties, fines, liens, judgments, claims, damages or liabilities (or actions or proceedings in respect thereof) and expenses (including reasonable fees of counsel and any amounts paid in settlement effected with the Partnership's consent, which consent shall not be unreasonably withheld or delayed if such settlement is solely with respect to monetary damages), jointly or severally, directly or indirectly, based upon or arising out of (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein or used in connection with the offering of securities covered thereby, or any amendment or supplement thereto, or any documents incorporated by reference therein, or any "free writing prospectus," as such term is defined in Rule 405 under the Securities Act, utilized in connection with any related offering, (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any untrue statement or alleged untrue statement of a material fact in the information conveyed to any purchaser at the time of the sale to such purchaser, or the omission or alleged omission to state therein a material fact required to be stated therein; and the Partnership will reimburse each such indemnified party for any legal or any other expenses reasonably incurred by them in connection with enforcing its rights hereunder or under the underwriting agreement entered into in connection with such offering or investigating, preparing, pursuing or defending any such loss, claim, damage, liability, action or proceeding as such expenses are incurred, except insofar as any such loss, penalty, fine, lien, judgment, claim, damage, liability, action, proceeding or expense arises out of or is based upon an untrue statement of a material fact or omission of a material fact made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, document incorporated by reference therein or "free writing prospectus" utilized in connection with any related offering in reliance upon and in conformity with written information furnished to the Partnership by such holder expressly for use in the preparation thereof in accordance with the second sentence of Section 8.2. Such indemnity shall remain in full force and effect, regardless of any investigation made by such indemnified party and shall survive the transfer of such Registrable Securities by such seller.

8.2. Indemnification by the Sellers. The Partnership may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 1.1 or 2, that the Partnership shall have received an undertaking satisfactory to it from each of the prospective sellers of such Registrable Securities to indemnify and hold harmless, severally, not jointly, in the same manner and to the same extent as set forth in Section 8.1, the Partnership, the Managing General Partner, the Managing General Partners' directors, officers, employees, agents and each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Partnership, with respect to any statement of a material fact or alleged statement of a material fact in or omission of a material fact or alleged omission of a material fact from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any "free writing prospectus" utilized in connection with any related offering, but only to the extent such statement or alleged statement or such omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Partnership by such seller expressly for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement or free writing prospectus. The Partnership and the holders of the Registrable Securities in their capacities as stockholders and/or controlling persons hereby acknowledge and agree that, unless otherwise expressly agreed to in writing by such holders, the only information furnished or to be furnished to the Partnership for use in any registration statement or prospectus relating to the Registrable Securities or in any amendment, supplement or preliminary materials associated therewith or any free writing prospectus related thereto are statements specifically relating to (a) transactions between such holder and its Affiliates, on the one hand, and the Partnership, on the other hand, (b) the beneficial ownership of Partnership Securities by such holder and its Affiliates and (c) the name and address of such holder. If any additional information about such holder or the plan of distribution (other than for an underwritten offering) is required by law to be disclosed in any such document, then such holder shall not unreasonably withhold its agreement referred to in the immediately preceding sentence of this Section 8.2. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Partnership or any such director, officer or controlling person and shall survive the transfer of such Registrable Securities by such seller. The indemnity agreement contained in this Section 8.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of such seller (which consent shall not be unreasonably withheld or delayed if such settlement is solely with respect to monetary damages). The indemnity provided by each seller of Registrable Securities under this Section 8.2 shall be limited in amount to the net amount of proceeds (i.e., net of expenses, underwriting discounts and commissions) actually received by such seller from the sale of Registrable Securities pursuant to such registration statement.

8.3. Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 8, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action or proceeding; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 8, except to the extent that the indemnifying party is materially prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof except for the reasonable fees and expenses of any counsel retained by such indemnified party to monitor such action or proceeding. Notwithstanding the foregoing, if such indemnified party reasonably determines, based upon advice of independent counsel, that a conflict of interest may exist between the indemnified party and the indemnifying party with respect to such action and that it is advisable for such indemnified party to be represented by separate counsel, such indemnified party may retain other counsel, reasonably satisfactory to the indemnifying party, to represent such indemnified party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of such indemnified party, which consent shall not be unreasonably withheld, consent to entry of any judgment or enter into any settlement unless such judgment, compromise or settlement (A) includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation, (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party, and (C) does not require any action other than the payment of money by the indemnifying party.

8.4. Other Indemnification. Indemnification similar to that specified in the preceding paragraphs of this Section 8 (with appropriate modifications) shall be given by the Partnership and each seller of Registrable Securities with respect to any required registration (other than under the Securities Act) or other qualification of such Registrable Securities under any federal or state law or regulation of any governmental authority.

8.5. Indemnification Payments. Any indemnification required to be made by an indemnifying party pursuant to this Section 8 shall be made by periodic payments to the indemnified party during the course of the action or proceeding, as and when bills are received by such indemnifying party with respect to an indemnifiable loss, penalty, fine, lien, judgment, claim, damage, liability or expense incurred by such indemnified party.

8.6. Other Remedies. If for any reason any indemnification specified in the preceding paragraphs of this Section 8 is unavailable, or is insufficient to hold harmless an indemnified party, other than by reason of the exceptions provided therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, penalties, fines, liens, judgments, claims, damages, liabilities, actions, proceedings or expenses in such proportion as is appropriate to reflect the relative benefits to and faults of the indemnifying party on the one hand and the indemnified party on the other and the statements or omissions or alleged statements or omissions which resulted in such loss, penalty, fine, lien, judgment, claim, damage, liability, action, proceeding or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statements or omissions. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 8.6 were to be determined by *pro rata* allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the preceding sentence of this Section 8.6. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Notwithstanding the other provisions of this Section 8, in respect of any claim for indemnification pursuant to this Section 8, no indemnifying party (other than the Partnership) shall be required to contribute pursuant to this Section 8.6 any amount in excess of (a) the net proceeds (i.e., net of expenses, underwriting discounts and commissions) received and retained by such indemnifying party from the sale of its Registrable Securities covered by the applicable registration statement, preliminary prospectus, final prospectus, or supplement or amendment thereto, filed pursuant hereto minus (b) any amounts previously paid by such indemnifying party pursuant to this Section 8 in respect of such claim, it being understood that insofar as such net proceeds have been distributed by any indemnifying party to its partners, stockholders or members, the amount of such indemnifying party's contribution hereunder shall be limited to the net proceeds which it actually recovers from its partners, stockholders or members based upon their relative fault and that to the extent that such indemnifying party has not distributed such net proceeds, the amount such indemnifying party's contribution hereunder shall be limited by the percentage of such net proceeds which corresponds to the percentage equity interests in such indemnifying party held by those of its partners, stockholders or members who have been determined to be at fault. No party shall be liable for contribution under this Section 8.6 except to the extent and under such circumstances as such party would have been liable for indemnification under this Section 8 if such indemnification were enforceable under applicable law.

Section 9. Representations and Warranties. Each Unitholder represents and warrants to the Partnership and each other Unitholder that:

(a) such Unitholder has the power, authority and capacity (or, in the case of any Unitholder that is a corporation, limited liability company or limited partnership, all corporate, limited liability company or limited partnership power and authority, as the case may be) to execute, deliver and perform this Agreement;

(b) in the case of a Unitholder that is a corporation, limited liability company or limited partnership, the execution, delivery and performance of this Agreement by such Unitholder has been duly and validly authorized and approved by all necessary corporate, limited liability company or limited partnership action, as the case may be;

(c) this Agreement has been duly and validly executed and delivered by such Unitholder and constitutes a valid and legally binding obligation of such Unitholder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to creditors' rights generally and general principles of equity; and

(d) the execution, delivery and performance of this Agreement by such Unitholder does not and will not violate the terms of or result in the acceleration of any obligation under (i) any material contract, commitment or other material instrument to which such Unitholder is a party or by which such Unitholder is bound or (ii) in the case of a Unitholder that is a corporation, limited liability company or limited partnership, the certificate of incorporation, certificate of formation, certificate of limited partnership, by-laws, limited liability company agreement or limited partnership agreement, as the case may be.

Section 10. Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Partnership Agreement (as hereinafter defined). For purposes of this Agreement, the following terms shall have the following respective meanings:

"Affiliate": a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

"Commission": the Securities and Exchange Commission.

"Exchange Act": the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder which shall be in effect at the time.

"Majority Holders": the holders of at least 51% of the Registrable Securities that are participating in the registration at issue.

"Majority Voting Holders": the holders of at least 51% of the Registrable Securities.

"NASD": National Association of Securities Dealers, Inc.

"NASDAQ": the Nasdaq National Market.

"Partnership Agreement" means the Agreement of Limited Partnership of CVR Partners, LP, dated as of the date hereof, as amended and/or restated from time to time.

"Person": an individual, corporation, partnership, limited liability company, joint venture, business association, trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Registrable Securities": the Common LP Units issuable to the Unitholder pursuant to Sections 5.6, 5.7 or 5.8 of the Partnership Agreement. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) a registration statement on Form S-8 with respect to the sale of such securities shall have become effective under the Securities Act, (iii) such securities shall have been sold to the public pursuant to Rule 144 under the Securities Act, or (iv) such securities shall have ceased to be outstanding. Any and all Common LP Units which may be issued in respect of, in exchange for, upon conversion of, or in substitution for any Registrable Securities, whether by reason of any stock split, stock dividend, reverse stock split, recapitalization, combination, merger, consolidation or otherwise, shall also be "Registrable Securities" hereunder.

"Registration Expenses": all fees and expenses incurred in connection with the Partnership's performance of or compliance with any registration pursuant to this Agreement, including, without limitation, (i) registration, filing and applicable Commission and NASD fees, (ii) fees and expenses of complying with securities or blue sky laws, (iii) fees and expenses associated with listing securities on an exchange or NASDAQ, (iv) word processing, duplicating and printing expenses, (v) messenger and delivery expenses, (vi) transfer agents', trustees', depositories', registrars' and fiscal agents' fees, (vii) fees and disbursements of counsel for the Partnership and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by, or incident to, such registration, (viii) reasonable fees and disbursements of any one counsel retained by the Initiating Unitholder and any one counsel retained by the Participating Unitholders, and (ix) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any.

"Securities Act": the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder which shall be in effect at the time.

Section 11. Miscellaneous.

11.1. Rule 144, etc. If the Partnership shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act relating to any class of equity securities, the Partnership shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder, and shall take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (b) any successor rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities, the Partnership shall deliver to such holder a written statement as to whether it has complied with such requirements, a copy of the most recent annual or quarterly report of the Partnership, and such other reports and documents as such holder may reasonably request in order to avail itself of any rule or regulation of the Commission allowing it to sell any Registrable Securities without registration.

11.2. Successors, Assigns and Transferees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective permitted successors, personal representatives and assigns under this Section 11.2. The Partnership may not assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the Majority Voting Holders. The provisions of this Agreement which are for the benefit of a holder of Registrable Securities shall be for the benefit of and enforceable by any transferee of such Registrable Securities. Any holder of Registrable Securities may, at its election and at any time or from time to time, assign its rights under this Agreement, in whole or in part, to any Person to whom such holder sells, assigns or otherwise transfers its shares of Registrable Securities; provided that (i) such transferee acquires such Registrable Securities in accordance with any then applicable transfer restrictions in respect of such Registrable Securities, (ii) no such assignment shall be binding upon or obligate the Partnership to any such transferee unless and until such transferee executes a joinder agreement agreeing to be bound by all of the transferor’s obligations hereunder, including, without limitation, Section 5 hereof, copies of which shall have been delivered to the Partnership (each such transferee, a “**Permitted Transferee**”) and (iii) the rights of the Special General Partner and the Organizational Limited Partner to make a Demand Registration pursuant to Section 1.1 may only be assigned as a whole and not in part (and otherwise in accordance with the other provisions of this proviso).

11.3. Splits, etc. Each holder of Registrable Securities agrees that it will vote to effect a split, reverse split, recapitalization or combination with respect to any Registrable Securities in connection with any registration of any Registrable Securities hereunder, or otherwise, if (i) the managing underwriter shall advise the Partnership in writing (or, in connection with an offering that is not underwritten, if an investment banker shall advise the Partnership in writing) that in its opinion such a split, reverse split, recapitalization or combination would facilitate or increase the likelihood of success of the offering, and (ii) such split, reverse split, recapitalization or combination does not impact the respective Percentage Interests of each such holder of Registrable Securities in the Partnership. The Partnership shall cooperate in all respects in effecting any such split, stock split, recapitalization or combination.

11.4. Amendment and Modification. This Agreement may be amended, waived, modified or supplemented by the Partnership only with the prior written consent of each of the Special General Partner and the Organizational Limited Partner and a majority (by number of shares) of any other holders of Registrable Securities whose interests would be adversely affected by such amendment, waiver modification or supplement; provided that the interests of any existing holders of Registrable Securities shall not be adversely affected by an amendment, waiver, modification or settlement of this Agreement that provides for or has the effect of providing for an additional grant of incidental registration rights with a lower or the same priority as the rights held by such existing holders of Registrable Securities, as long as any such grant of incidental registration rights with the same priority are *pari passu* with those held by such existing holders of Registrable Securities. Each holder of Registrable Securities shall be bound by any such amendment, waiver, modification or supplement authorized in accordance with this Section 11.4, whether or not such Registrable Securities shall have been marked to indicate such amendment, waiver, modification or supplement. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The execution of a counterpart signature page to this Agreement by a Permitted Transferee pursuant to Section 11.2 shall not require consent of any party hereto and shall not be deemed an amendment to this Agreement.

11.5. Governing Law; Venue and Service of Process. This Agreement and the rights and obligations of the parties hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of Delaware, without giving effect to the choice of law principles thereof. By execution and delivery of this Agreement, each of the parties hereto hereby irrevocably and unconditionally (i) consents to submit to the exclusive jurisdiction of the courts of the State of New York in New York County and the United States District Court for the Southern District of New York (collectively, the "**Selected Courts**") for any action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, and agrees not to commence any action or proceeding relating thereto except in the Selected Courts, provided, that, a party may commence any action or proceeding in a court other than a Selected Court solely for the purpose of enforcing an order or judgment issued by one of the Selected Courts; (ii) consents to service of any process, summons, notice or document in any action or proceeding by registered first-class mail, postage prepaid, return receipt requested or by nationally recognized courier guaranteeing overnight delivery in accordance with Section 11.8 hereof and agrees that such service of process shall be effective service of process for any action or proceeding brought against it in any such court, provided, that, nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; (iii) waives any objection to the laying of venue of any action or proceeding arising out of this Agreement or the transactions contemplated hereby in the Selected Courts; and (iv) waives and agrees not to plead or claim in any court that any such action or proceeding brought in any such Selected Court has been brought in an inconvenient forum.

11.6. Invalidity of Provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

11.7. Reserved.

11.8. Notices. All notices, requests, demands, letters, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows:

(i) If to the Partnership, to it at:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

(ii) If to the Special General Partner, to it at:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

(iii) If to the Organizational Limited Partner, to it at:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

or to such other Person or address as any party shall specify by notice in writing to the Partnership. All such notices, requests, demands, letters, waivers and other communications shall be deemed to have been received (w) if by personal delivery, at the time delivered by hand (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

11.9. Headings: Execution in Counterparts. The headings and captions contained herein are for convenience and shall not control or affect the meaning or construction of any provision hereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same instrument.

11.10. Injunctive Relief. Each of the parties recognizes and agrees that money damages may be insufficient and, therefore, in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of this Agreement. Such remedies shall, however, be cumulative and not exclusive, and shall be in addition to any other remedy which such party may have.

11.11. Term. This Agreement shall be effective as of the date hereof and shall continue in effect thereafter until the earlier of (a) its termination by the written consent of the parties hereto or their respective successors in interest and (b) the date on which no Registrable Securities remain outstanding.

11.12. Further Assurances. Subject to the specific terms of this Agreement, each of the Partnership and the Unitholders shall make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as may be reasonably required in order to effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby.

11.13. Entire Agreement. This Agreement and any agreements entered into in connection with this Agreement constitute the entire agreement and the understanding of the parties hereto with respect to the matters referred to herein. This Agreement and the agreements referred to in the preceding sentence supersede all prior agreements and understandings between the parties with respect to such matters.

[Signature page follows]

IN WITNESS WHEREOF this Agreement has been signed by each of the parties hereto, and shall be effective as of the date first above written.

CVR PARTNERS, LP

By: CVR GP, LLC,
its General Partner

By: ____________________________
Name:
Title:

CVR Special GP, LLC

By: ____________________________
Name:
Title:

CVR LP, LLC

By: ____________________________
Name:
Title:

Exhibit 10.43

CVR GP, LLC
PROFIT BONUS PLAN

1. Purpose; Operation. The purpose of the CVR GP, LLC Profit Bonus Plan (the "Plan") is to provide an incentive to employees of an Employer who contribute to the Company's success to increase their efforts on behalf of the Company and to promote the success of the Company's business. Participants in the Plan have the opportunity to receive cash payments in respect of their interests in the Plan in the event of certain distributions pursuant to the Parent LLC Agreement to the "Members" (as defined in the Parent LLC Agreement) of Coffeyville Acquisition III LLC. Whether payments will be made hereunder will depend on the amount of net proceeds realized in connection with the event that gives rise to such distributions. Defined terms are defined in Exhibit A hereto.

2. Administration. The Plan shall be administered by the Committee. The Committee shall have the authority in its discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation:

   - the authority to grant Bonus Points;
   - to determine the persons to whom and the time or times at which Bonus Points shall be granted;
   - to determine the number of Bonus Points to be granted and the terms, conditions and restrictions relating thereto;
   - to determine whether, to what extent, and under what circumstances Bonus Points may be settled, cancelled, forfeited, exchanged, or surrendered;
   - to make adjustments in the terms and conditions applicable to Bonus Points;
   - to determine the size of the Bonus Pool subject to the terms of the Plan;
   - to construe and interpret the Plan and Award Agreements;
   - to prescribe, amend and rescind rules and regulations relating to the Plan;
   - to determine the terms and provisions of the Award Agreements;
   - to determine the amounts allocable for payment pursuant to this Plan; and
   - to make all other determinations deemed necessary or advisable for the administration of the Plan.

All determinations made by the Committee in respect of the Plan shall be final and binding on all Participants and their beneficiaries. No manager or member of the

Company or member of the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Bonus Points granted hereunder. The Committee, with the consent of CVR GP, shall make determinations with respect to cash amounts allocated, if any, to the Plan, with reference to the applicable definitions set forth in Exhibit A; provided that any and all determinations with respect to cash amounts allocated to the Plan shall be made in the Committee's discretion and may vary from such definitions. The Committee may make adjustments in the operation of provisions of the Plan if the Committee determines in its sole discretion that such adjustments will further the intent of such provisions.

3. Eligibility. Bonus Points may be granted at any time to directors, employees (including officers) and service providers of an Employer, in the discretion of the Committee.

4. Bonus Points; Payment.

(a) Awards of Bonus Points. The Committee shall grant Bonus Points to Participants pursuant to Award Agreements. The total number of Bonus Points available for grant hereunder shall initially be 1,000,000 but may be increased in the discretion of the Committee at any time.

(b) Creation of Bonus Pool. Upon each Distribution, a Bonus Pool shall be created, which shall equal 4.069% of the amount distributed to the Members in the Distribution. Bonus Points shall represent the right to receive a cash payment from the Employer within thirty (30) days following the date on which a Distribution is made.

(c) Bonus Point Payments. The cash amount payable to a Participant in respect of his or her Bonus Points at any time that a Distribution is made shall be determined by multiplying the amount of the Bonus Pool by a fraction, the numerator of which is the total number of Bonus Points held by the Participant and the denominator of which is 1,000,000; provided that the Committee may in an Award Agreement provide for a limitation on the amount payable in respect of any Participant's Bonus Points based on such criteria as the Committee in its sole discretion may determine. Any portion of a Bonus Pool that is not distributed to Participants in connection with any Distribution for any reason (e.g. there are Bonus Points that have not yet been awarded or have been forfeited or are otherwise not outstanding) shall revert to the Company and no Participant shall have any right to such undistributed amount. For the avoidance of doubt, the forgoing is simply a calculation of the amount of cash payment payable to a Participant holding Bonus Points, and in no event shall such Participant, in its capacity as such, have any rights to receive a payment or distribution from Parent.

5. Additional Awards; Adjustments.

(a) Additional Awards. An Employer may determine that a Participant's performance warrants an award of additional Bonus Points, in which case the Employer may recommend to the Committee that an additional award be made.

(b) In the event of any material acquisition, disposition, merger, recapitalization, capital contribution or other similar event, the Committee may make such adjustment(s) to the terms of the Plan or any awards granted under the Plan as the Committee shall determine appropriate in its sole discretion.

6. Termination of Employment. If a Participant ceases to be employed by an Employer (other than in connection with a transfer to another Employer), such Participant shall forfeit all Bonus Points granted to the Participant.

7. General Provisions.

(a) Nontransferability. Unless otherwise provided in an Award Agreement, Bonus Points shall not be transferable by a Participant under any circumstances.

(b) No Right to Continued Employment, etc. Nothing in the Plan or in any Award Agreement entered into pursuant the Plan shall confer upon any Participant the right to continue in the employ of or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement, or to interfere with or limit in any way the right of an Employer to terminate such Participant's employment.

(c) Taxes. The Company or any Affiliate is authorized to withhold from any payment relating to Bonus Points under the Plan amounts of withholding and other taxes due to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations.

(d) Excise Tax. To the extent that, in the Committee's determination, payment to a Participant in respect of his or her Bonus Points would result in application of an excise tax to the Participant pursuant to Section 4999 of the Code, then the payment shall be reduced to such extent to avoid the application of such excise tax; provided that the Company shall use its reasonable best efforts to obtain shareholder approval of the payment in respect of Bonus Points in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Participant in respect of his or her Bonus Points without the application of the excise tax.

(e) Amendment and Termination. The Plan shall take effect on the date of its adoption by CVR GP. CVR GP may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part, including but not limited to, amending the Plan and awards to alter the structure of the Plan if CVR GP determines that the Plan is not meeting its objectives. Following any amendment of the Plan, Participants will have only such rights as are provided under such amended Plan and in the event of the termination of the Plan, Participants will have only such rights, if any, as are provided in connection with such termination.

(f) No Rights to Awards; No Stockholder or Member Rights. No Participant shall have any claim to be granted any Bonus Points under the Plan, and there is no obligation for uniformity of treatment of Participants. A Participant or a transferee of Bonus Points shall have no rights as a stockholder or member of the Company, an Employer or any Affiliate of any of them.

(g) Unfunded Status of Awards. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an award, nothing contained in the Plan or any Award Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company.

(h) Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

(i) Beneficiary. Upon the death of a Participant, all of his of her rights under the Plan shall inure to his or her designated beneficiary or, if no beneficiary has been designated for purposes of this Plan, to his or her estate.

(j) No Guarantee or Assurances. There can be no guarantee that any Distributions will occur under the Parent LLC Agreement or that any payment to any Participant will result under the Plan.

(k) Expiration of Plan. Unless otherwise determined by CVR GP, the Plan shall expire on [__________], 2017 and all outstanding Bonus Points shall then expire and be forfeited with no consideration paid in respect of such forfeiture.

EXHIBIT A

Plan Definitions

For purposes of the Plan, the following terms shall be defined as set forth below.

"Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Securities Exchange Act of 1934.

"Award Agreement" means any written agreement, contract, or other instrument or document evidencing a grant of Bonus Points.

"Bonus Points" means points available for allocation to Participants by the Committee. Each Bonus Point represents a right to receive payment from the Bonus Pool, if any, established upon a Distribution on the terms and conditions set forth herein.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the compensation committee of CVR GP, or if there is no such committee, CVR GP.

"Company" means Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company and wholly owned subsidiary of the MLP, or any successor corporation.

"CVR GP" means CVR GP, LLC, a Delaware limited liability company and general partner of the MLP.

"Distributions" means distributions to Members pursuant to the Parent LLC Agreement in excess of distributions to Members of amounts representing all capital contributions made by the Members to Parent.

"Employer" means the Company or any Affiliate of the Company or any entity providing services to the MLP or the Company.

"Members" has the meaning given to such term in Section 1 of this Plan.

"MLP" means CVR Partners, LP.

"MLP Agreement" means the Agreement of Limited Partnership of CVR Partners, LP, dated as of [__________], 2007, as may be amended and/or restated from time to time.

"Parent" means Coffeyville Acquisition III LLC.

"Parent LLC Agreement" means the limited liability company agreement of Parent, dated as of [__________], 2007.

"Participant" means an individual who has been granted Bonus Points pursuant to the Plan and who continues to hold Bonus Points.

“Plan” means this CVR GP, LLC Profit Bonus Plan, as amended from time to time.

Exhibit 10.44

[Form of Contribution, Conveyance and Assumption Agreement]

CVR PARTNERS, LP

CONTRIBUTION, CONVEYANCE AND ASSUMPTION AGREEMENT

CONTRIBUTION, CONVEYANCE AND ASSUMPTION AGREEMENT

This Contribution, Conveyance and Assumption Agreement, dated as of __________, 2007, is entered into by and among COFFEYVILLE RESOURCES, LLC, a Delaware limited liability company ("CR"), CVR GP, LLC., a Delaware limited liability company (the "Managing General Partner"), CVR SPECIAL GP, LLC, a Delaware limited liability company (the "Special General Partner"), CVR LP, LLC, a Delaware limited liability company (the "Organizational Limited Partner") and CVR PARTNERS, LP, a Delaware limited partnership (the "Partnership"). The above-named entities are sometimes referred to in this Agreement each as a "Party" and collectively as the "Parties." Capitalized terms used herein shall have the meanings assigned to such terms in Section 1.1.

RECITALS:

WHEREAS, CR, the Managing General Partner, the Special General Partner and the Organizational Limited Partner have formed the Partnership pursuant to the Delaware Revised Uniform Limited Partnership Act (the "Delaware LP Act") for the purpose of engaging in any business activity that is approved by and that lawfully may be conducted by a limited partnership organized pursuant to the Delaware LP Act in accordance with the terms of the Partnership Agreement.

WHEREAS, in order to accomplish the objectives and purposes in the preceding recital, each of the following actions have been taken prior to the date hereof:

1. CR formed the Managing General Partner under the terms of the Delaware Limited Liability Company Act (the "Delaware LLC Act") and contributed $1,000 to the Managing General Partner in exchange for all of the member interests in the Managing General Partner.

2. CR formed the Special General Partner under the terms of the Delaware LLC Act and contributed $1,000 to the Special General Partner in exchange for all of the member interests in the Special General Partner.

3. CR formed the Organizational Limited Partner under the terms of the Delaware LLC Act and contributed $1,000 to the Organizational Limited Partner in exchange for all of the member interests in the Organizational Limited Partner.

4. The Managing General Partner, the Special General Partner and the Organizational Limited Partner formed the Partnership under the terms of the Delaware LP Act and (a) the Managing General Partner contributed $1000 to the Partnership in exchange for a managing general partner interest in the Partnership, (b) the Special General Partner contributed $1000 to the Partnership in exchange for a non-managing

general partner interest in the Partnership and (c) the Organizational Limited Partner contributed $1000 to the Partnership in exchange for a nominal limited partner interest in the Partnership.

WHEREAS, concurrently with the consummation of the transactions contemplated hereby, each of the following shall occur:

1. CR will convey:

(a) 99.9% of the Fertilizer Interests the Partnership, on behalf of the Special General Partner, in exchange for 30,303,000 Special GP Units, representing a 99.9% special general partner interest in the Partnership; and

(b) 0.1% of the Fertilizer Interests to the Partnership, on behalf of the Organizational Limited Partner, in exchange for 30,333 Special LP Units, representing a 0.1% limited partner interest in the Partnership.

2. As additional consideration for the Fertilizer Interests, the Partnership will issue a $75 million intercompany note to CR (the "Intercompany Note").

WHEREAS, it is the intent of the Parties that the Managing General Partner have the discretion to effect an Initial Offering, consistent with provisions of the Partnership Agreement, and it may be necessary for the Parties to take reasonable actions to effect the Initial Offering.

NOW, THEREFORE, in consideration of their mutual undertakings and agreements hereunder, the Parties undertake and agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Terms. Capitalized terms used herein but not defined shall have the meanings given them in the Partnership Agreement. The following defined terms shall have the meanings given below:

"Agreement" means this Contribution, Conveyance and Assumption Agreement.

"Code" means Internal Revenue Code of 1986, as amended.

"Coffeyville Credit Agreement" has the meaning as set forth in the Partnership Agreement.

"CR" has the meaning as set forth in the opening paragraph of this Agreement.

"Delaware LLC Act" has the meaning as set forth in the Recitals of this Agreement.

"Delaware LP Act" has the meaning as set forth in the Recitals of this Agreement.

"Effective Time" means 8:00 a.m. prevailing Eastern Time on __________, 2007.

"Fertilizer Interests" means the membership interests in Fertilizers.

"Fertilizer Interest Liabilities" means all liabilities arising out of or related to the ownership of the Fertilizer Interests to the extent arising or accruing on and after the Effective Time, whether known or unknown, accrued or contingent, and whether or not reflected on the books and records of Fertilizers or their affiliates.

"Fertilizers" means Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company.

"Intercompany Note" has the meaning set forth in the recitals of this Agreement.

"Managing General Partner" has the meaning as set forth in the opening paragraph of this Agreement.

"Managing General Partner Interest" has the meaning as set forth in the Partnership Agreement.

"Organizational Limited Partner" has the meaning as set forth in the opening paragraph of this Agreement.

"Partnership" has the meaning as set forth in the opening paragraph of this Agreement.

"Party" or "Parties" has the meaning as set forth in the opening paragraph of this Agreement.

"Special General Partner" has the meaning as set forth in the opening paragraph of this Agreement.

"Special GP Units" has the meaning as set forth in the Partnership Agreement.

"Special LP Units" has the meaning as set forth in the Partnership Agreement.

ARTICLE II
CONTRIBUTION

CR hereby grants, contributes, bargains, conveys, assigns, transfers, sets over and delivers the Fertilizer Interests to the Partnership, its successors and assigns, for its and their own use forever, on behalf of the Managing General Partner, the Special General Partner and the Organizational Limited Partner as described in the recitals hereto, in exchange for (a) the issuance to the Special General Partner of 30,303,000 Special GP Units, representing a 99.9% general partner interest in the Partnership, (b) the issuance to the Organizational Limited Partner of 30,333 Special LP Units, representing a 0.1% limited partner interest in the Partnership and (c) the issuance of the Intercompany Note, and the Partnership hereby accepts such Fertilizer Interests as contributions to the capital of the Partnership.

The Partnership agrees to refund the initial $1,000 contributed by each of the Special General Partner and the Organizational Limited Partner promptly following the issuance of Special GP Units and Special LP Units described above.

ARTICLE III
ASSUMPTIONS OF CERTAIN LIABILITIES

Section 3.1 **Assumption of Fertilizer Interest Liabilities by the Partnership**. In connection with the contribution and transfer by CR of the Fertilizer Interest to the Partnership, as set forth in Article II above, the Partnership hereby assumes and agrees to duly and timely pay, perform and discharge the Fertilizer Interest Liabilities, to the full extent that CR has been heretofore or would have been in the future obligated to pay, perform and discharge the Fertilizer Interest Liabilities were it not for the execution and delivery of this Agreement; provided, however, that said assumption and agreement to duly and timely pay, perform and discharge the Fertilizer Interest Liabilities shall not (a) increase the obligation of the Partnership with respect to the Fertilizer Interest Liabilities beyond that of CR, (b) waive any valid defense that was available to CR with respect to the Fertilizer Interest Liabilities or (c) enlarge any rights or remedies of any third party, if any, under any of the Fertilizer Interest Liabilities.

ARTICLE IV
ADDITIONAL TRANSACTIONS

Section 4.1 **Notice of Initial Offering**. If the Managing General Partner elects to cause the Partnership to undertake the Initial Offering the Managing General Partner shall give prompt notice to CR and the Special General Partner of such election and the proposed terms of the Initial Offering, including whether it will be an Initial Public Offering or an Initial Private Offering, the anticipated timing and size of the Initial Offering, the proposed use of proceeds and the identity of the managing underwriter or initial purchaser, as applicable.

Section 4.2 **Actions in Connection with Initial Offering**. CR shall use, and shall cause each of its Subsidiaries to use, its commercially reasonable efforts to take such actions and enter into such transactions as the Managing General Partner reasonably requests to effectuate and permit the consummation of the Initial Offering. Such actions may include the entry into customary lock-up agreements with the managing underwriters or initial purchasers, as applicable, and the transfer by CR or its wholly-owned Affiliates of their ownership interest in the Partnership to other wholly-owned Affiliates of CR.

CR and the Special General Partner agree that the Managing General Partner may structure the Initial Offering to include (x) a secondary offering of Units by the Special General

Partner or (y) a primary offering of Units by the Partnership where the use of proceeds is to redeem an equal number of Units (Common Units first, then Subordinated Units to the extent the Special General Partner no longer has Common Units) from the Special General Partner (with a per-Unit redemption price equal to the price at which a Unit is purchased from the Partnership, net of any sales commissions or underwriting discounts charged to the Partnership) (each a "Special GP Offering"), provided that in either case the number of Units associated with the Special GP Offering is reasonably expected by the Managing General Partner, at the time of filing of the initial registration statement or first distribution of the offering memorandum, as applicable, to generate up to $100 million in net proceeds to the Special General Partner (excluding any net proceeds from the exercise of any Over-Allotment Option); *provided*, that without the Special General Partner's consent the Special GP Offering may not be consummated if the net proceeds to the Special General Partner are less than $10 per Unit.

If the Managing General Partner reasonably determines that, in order to consummate the Initial Offering on terms materially consistent with terms prevalent in the then-current market for initial public offerings of publicly traded partnerships relying primarily on 7704(d)(1)(E) of the Code, it is necessary or appropriate that the Partnership and its Subsidiaries be released from their obligations as obligors or guarantors of the Coffeyville Credit Agreement and CR's ISDA swap agreements between CR and J. Aron & Company (the "Swaps"), or any amendment or successor or replacement agreement thereto, or that other amendments or modifications thereto are necessary or appropriate, then the Managing General Partner shall give prompt written notice to CR describing such amendments or modifications (the "Requested Modifications"). Such notice shall, in any event, be given ninety (90) days prior to the anticipated closing date of the Initial Offering. CR shall use, and shall cause each of its Subsidiaries to use, its commercially reasonable efforts (as qualified below) to effect the Requested Modifications, through amendment to, or replacement (including by way of refinancing) of, the applicable agreement. CR shall not be considered to have made "commercially reasonable efforts" to effect the Requested Modifications if it determines not to pursue or effect such Requested Modifications due to (i) payment of fees to the lenders under the Coffeyville Credit Agreement or the swap counterparty, (ii) the costs of this type of amendment or replacement, (iii) an increase in applicable margins or spreads or (iv) changes to the terms required by the lenders or swap counterparty including revised covenants, events of default and repayment and prepayment provisions; provided that (i), (ii), (iii) and (iv) are not reasonably likely, in the aggregate, to have a material adverse effect on CR. In order to effect the Requested Modifications, CR may require that (A) the Initial Offering include a Special GP Offering generating at least $140 million in net proceeds to the Special General Partner and (B) the Partnership repay the Intercompany Note in full immediately prior to, or concurrently with, the closing of the Initial Offering.

If the Initial Offering includes a Special GP Offering and an Over-Allotment Option, then (i) if the Special GP Offering is a secondary offering, the Special General Partner will agree with the underwriters or initial purchasers of the Initial Offering to sell its pro rata portion of the Units issued upon any exercise of the Over-Allotment Option, or (ii) if the Special GP Offering is a redemption, that its pro rata portion of the Units issued upon any exercise of the Over-Allotment Option shall be redeemed (with a per-Unit redemption price equal to the price at which a Unit is purchased from the Partnership, net of any sales commissions or underwriting discounts charged to the Partnership).

Section 4.3 **Managing General Partner Put Right**. If the Initial Offering is not consummated by the second anniversary of the date hereof, the Managing General Partner shall have the right to require CR to purchase the Managing General Partner Interest (the "Put Right"). The Put Right shall expire on the earlier of (i) the fifth anniversary of the date hereof and (ii) the closing of the Initial Offering.

Section 4.4 **CR Call Right**. If the Initial Offering is not consummated by the fifth anniversary of the date hereof, CR shall have the right to require the Managing General Partner to sell the Managing General Partner Interest to CR (the "Call Right"). The Call Right shall expire on the closing of the Initial Offering. The Call Right may not be exercised for a period of 120 consecutive days following the initial filing of a registration statement relating to an Initial Public Offering.

Section 4.5 **Procedures for Put/Call**. In the event of an exercise of the Put Right or the Call Right, the purchase price shall be the fair market value of the Managing General Partner interest, determined and payable as of the effective date of the purchase and sale. The fair market value of the Managing General Partner Interest shall be determined by an independent investment banking firm selected by the Managing General Partner and CR, which, in turn, may rely on other experts, and the determination of which shall be conclusive. If such parties cannot agree upon one independent investment banking firm within 45 days after the date of notice of exercise of the Put Right or Call Right, then the Managing General Partner shall designate an independent investment banking firm, CR shall designate an independent investment banking firm, and such firms shall mutually select a third independent investment banking firm, which third independent investment banking firm shall determine the fair market value of the Managing General Partner Interest. In making its determination, such third independent investment banking firm may consider the value of the Partnership's assets, the rights and obligations of the Managing General Partner and other factors it may deem relevant but the fair market value shall not include any control premium and shall be determined as if the last provisos contained in Sections 6.4(a), (b) and (c) of the Partnership Agreement (which provide that no distributions will be paid to the Managing General Partner (in respect of the Incentive Distribution Rights) for so long as any Group Member is a guarantor of the Coffeyville Credit Agreement) no longer applied.

Section 4.6 **Substantive Restructuring of Coffeyville Credit Agreement**. If CR materially amends, or amends and restates, the Coffeyville Credit Agreement, and the substance of the amendments are in the nature of a refinancing of the Coffeyville Credit Agreement, CR shall use, and shall cause each of its Subsidiaries to use, its commercially reasonable efforts to obtain the release of the Partnership and its Subsidiaries as obligors or guarantors thereunder. "Commercially reasonable efforts" shall be qualified in the same manner as specified in Section 4.2.

ARTICLE V
FURTHER ASSURANCES

From time to time after the date hereof, and without any further consideration the Parties agree to execute, acknowledge and deliver all such additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances and other documents, and will do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, or (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended so to be and to more fully and effectively carry out the purposes and intent of this Agreement.

ARTICLE VI
EFFECTIVE TIME

Notwithstanding anything contained in this Agreement to the contrary, none of the provisions of Article II or Article III of this Agreement shall be operative or have any effect until the Effective Time, at which time all the provisions of Article II or Article III of this Agreement shall be effective and operative in accordance with Article VII, without further action by any Party.

ARTICLE VII
MISCELLANEOUS

Section 7.1 **Order of Completion of Transactions**. The transactions provided for in Article III of this Agreement shall be completed simultaneously with the transactions provided for in Article II of this Agreement.

Section 7.2 **Costs**. The Partnership shall pay all expenses, fees and costs, including sales, use and similar taxes arising out of the contributions, conveyances and deliveries to be made hereunder, and shall pay all documentary, filing, recording, transfer, deed and conveyance taxes and fees required in connection therewith. In addition, the Partnership shall be responsible for all costs, liabilities and expenses (including court costs and reasonable attorneys' fees) incurred in connection with the implementation of any conveyance or delivery pursuant to Article V of this Agreement.

Section 7.3 **Headings; References; Interpretation**. All Article and Section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles and Sections shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement, respectively. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. The terms “include,” “includes,” “including” or words of like import shall be deemed to be followed by the words “without limitation.”

Section 7.4 **Successors and Assigns**. The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 7.5 **No Third Party Rights**. The provisions of this Agreement are intended to bind the parties signatory hereto as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 7.6 **Counterparts**. This Agreement may be executed in any number of counterparts, all of which together shall constitute one agreement binding on the Parties.

Section 7.7 **Governing Law**. **This Agreement shall be subject to and governed by the laws of the State of New York.**

Section 7.8 **Arbitration**. Any controversy, dispute or claim arising out of or relating in any way to this Agreement or the transactions arising hereunder that cannot be resolved by negotiation shall be settled by binding arbitration in accordance with the CPR Rules for Non-Administered Arbitration in effect on the date of this Agreement by three independent and impartial arbitrators, of whom the Managing General Partner and CR shall each appoint one, and those appointed arbitrators shall select the third arbitrator, who shall be the presiding arbitrator. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. 1-16 (the “Federal Arbitration Act”) to the exclusion of state laws inconsistent therewith, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The arbitration hearing shall take place in the state of Kansas or at some other mutually agreeable location and the hearing shall take place within 120 calendar days from the date of demand for arbitration. The arbitrators shall base their award on the terms of this Agreement and shall follow the law and judicial precedents which a United States District Judge sitting in federal court in the City of New York would apply in the event the dispute were litigated in such court. The parties expressly agree that this Agreement shall confer no power or authority upon the arbitrators to render any judgment or award that is erroneous in its application of substantive law and expressly agree that no such erroneous judgment or award shall be eligible for confirmation. The arbitrators shall render their award in writing and shall include the findings of fact and conclusions of law upon which their award is based. The arbitration shall be governed by the laws of the State of New York applicable to contracts made and to be performed wholly within such state, and by the arbitration law of the Federal Arbitration Act. The arbitration hearings shall be continuous subject to weekends, holidays, or other days to be mutually agreed and the total days of hearing shall not exceed ten hearing days per party. The arbitrators shall render their award no later than thirty calendar days after the conclusion of the hearings. The submission of post-hearing legal briefs shall be subject to the discretion of the arbitrators, but in no event shall the briefs delay the arbitrators’ decision in this matter. All expenses and fees of the arbitrators and expenses for hearing facilities and other expenses of the arbitration shall be borne equally by the Managing General Partner and CR unless they agree otherwise. The arbitrators shall render their award within 90 days of the conclusion of the arbitration hearing. The arbitrators shall not be empowered to award any punitive damages in connection with any dispute arising out of or relating in any way to this Agreement or the transactions arising hereunder, and all parties hereby irrevocably waives any right to recover such damages. The arbitration hearings and award shall be maintained in confidence.

Section 7.9 **Severability**. If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any political body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid, and an equitable adjustment shall be made and necessary provision added so as to give effect to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

Section 7.10 **Amendment or Modification**. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties.

Section 7.11 **Integration**. This Agreement and the instruments referenced herein supersede all previous understandings or agreements among the Parties, whether oral or written, with respect to its subject matter. This document and such instruments contain the entire understanding of the Parties. No understanding, representation, promise or agreement, whether oral or written, is intended to be or shall be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties after the date of this Agreement.

Section 7.12 **Deed; Bill of Sale; Assignment**. To the extent required and permitted by applicable law, this Agreement shall also constitute a “deed,” “bill of sale” or “assignment” of the assets and interests referenced herein.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties as of the date first written above.

CVR PARTNERS, LP

By: CVR GP, LLC,
its Managing General Partner

By: ______________________________
Name:
Title:

COFFEYVILLE RESOURCES, LLC

By: ______________________________
Name:
Title:

CVR GP, LLC

By: ______________________________
Name:
Title:

CVR SPECIAL GP, LLC

By: ______________________________
Name:
Title:

CVR LP, LLC

By: ______________________________
Name:
Title:

Exhibit 10.45

MANAGEMENT

REGISTRATION RIGHTS AGREEMENT

CVR ENERGY, INC.

Dated as of __________ ___, 2007

TABLE OF CONTENTS

MANAGEMENT REGISTRATION RIGHTS AGREEMENT
OF CVR ENERGY, INC.

MANAGEMENT REGISTRATION RIGHTS AGREEMENT, dated as of ___, 2007 (the "**Agreement**"), by and among CVR Energy, Inc., a Delaware corporation (the "**Company**"), and those employees of the Company or its subsidiaries listed under the heading "Management Stockholders" on the Schedule A hereto (collectively, the "**Management Stockholders**"). Capitalized terms used herein without definition are defined in Section 10.

WHEREAS, the Company is proposing to sell shares of Common Stock to the public in an initial public offering ("**IPO**");

WHEREAS, immediately after the completion of the Company's IPO, it is expected that the Investor Stockholders will own approximately 80.6% (78.2% if the underwriters exercise their option to purchase additional shares from the Investor Stockholders) of the issued and outstanding shares of Common Stock;

WHEREAS, the parties hereto wish to set forth certain rights and obligations with respect to the registration of the shares of Common Stock under the Securities Act.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in this Agreement, the parties hereto agree as follows:

Section 1. Incidental Registrations. If the Company at any time proposes to register any of its equity securities under the Securities Act (including, but not limited to, a shelf registration statement on Form S-3, but other than pursuant to a registration on Form S-4 or S-8 or any successor form) whether or not for sale for its own account, then the Company shall give prompt written notice (but in no event less than 30 days prior to the initial filing with respect thereto) to all holders of Registrable Securities regarding such proposed registration. Upon the written request of any such holder made within 15 days after the receipt of any such notice (which request shall specify the number of Registrable Securities intended to be disposed of by such holder and the intended method or methods of disposition thereof), the Company shall use its best efforts to effect the registration under the Securities Act of such Registrable Securities on a *pro rata* basis in accordance with such intended method or methods of disposition; provided that:

(a) (i) the Company shall not include Registrable Securities in such proposed registration to the extent that the Board shall have determined, after consultation with the managing underwriter for such offering, that it would materially and adversely affect the offering price to include any Registrable Securities in such registration and (ii) the Company shall not include Registrable Securities of any Management Stockholder in any proposed registration pursuant to this Section 1 to the extent that the managing underwriter (or, in the case of an offering that is not underwritten, a nationally recognized investment banker) shall determine in good faith that the participation of such Management Stockholder would materially and adversely affect the marketability or the offering price of the securities being sold in such registration and provided, further, that in the event of any such determination under clause (i) or (ii), the Company shall give the affected holders of Registrable Securities notice of such determination and in lieu of the notice otherwise required by the first sentence of this Section 1;

(b) if, at any time after giving written notice (pursuant to this Section 1) of its intention to register equity securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such equity securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities and, thereupon, shall not be obligated to register any Registrable Securities in connection with such registration (but shall nevertheless pay the Registration Expenses in connection therewith); and

(c) if in connection with a registration pursuant to this Section 1, the managing underwriter of such registration (or, in the case of an offering that is not underwritten, a nationally recognized investment banking firm) shall advise the Company in writing (with a copy to each holder of Registrable Securities requesting registration thereof) that the number of securities requested and otherwise proposed to be included in such registration exceeds the number which can be sold in such offering without materially and adversely affecting the offering price of the securities being sold in such registration, then in the case of any registration pursuant to this Section 1, the Company shall include in such registration to the extent of the number which the Company is so advised can be sold in such offering without such material adverse effect, first, the securities, if any, being sold by the Company, and second, the Registrable Securities of the Investor Stockholders and the Management Stockholders requesting inclusion in such registration, on a *pro rata* basis (based on the number of shares of Registrable Securities owned by each such holder).

The Company shall pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 1; provided that each seller of Registrable Securities shall pay all Registration Expenses to the extent required to be paid by such seller under applicable law and all underwriting discounts and commissions and transfer taxes, if any, in respect of the Registrable Securities being registered for such seller.

Section 2. Registration Procedures. If and whenever the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 1, the Company shall promptly:

(a) prepare, and as soon as practicable, but in any event within 30 days thereafter, file with the Commission, a registration statement with respect to such Registrable Securities, make all required filings with the NASD and use its best efforts to cause such registration statement to become and remain effective as soon as practicable;

(b) prepare and promptly file with the Commission such amendments and post-effective amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for so long as is required to comply with the provisions of the Securities Act and to complete the disposition of all securities covered by such registration statement in accordance with the intended method or methods of disposition thereof, but in no event for a period of more than six months after such registration statement becomes effective;

(c) furnish copies of all documents proposed to be filed with the Commission in connection with such registration to each seller of Registrable Securities (or in the case of the initial filing of a registration statement, within five business days of such initial filing) and such documents shall be subject to the review of such counsel; provided that the Company shall not file any registration statement or any amendment or post-effective amendment or supplement to such registration statement or the prospectus used in connection therewith or any free writing prospectus related thereto to which such counsel shall have reasonably objected on the grounds that such registration statement amendment, supplement or prospectus or free writing prospectus does not comply (explaining why) in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(d) furnish to each seller of Registrable Securities, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits and documents filed therewith) and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, each free writing prospectus utilized in connection therewith, and such other documents, as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller in accordance with the intended method or methods of disposition thereof;

(e) use its best efforts to register or qualify such Registrable Securities and other securities covered by such registration statement under the securities or blue sky laws of such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable such seller to consummate the disposition of such Registrable Securities in such jurisdictions in accordance with the intended method or methods of disposition thereof; provided that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, subject itself to taxation in any jurisdiction wherein it is not so subject, or take any action which would subject it to general service of process in any jurisdiction wherein it is not so subject;

(f) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies, authorities or self-regulatory bodies as may be necessary by virtue of the business and operations of the Company to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities in accordance with the intended method or methods of disposition thereof;

(g) promptly notify each seller of any Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event or existence of any fact as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and, as promptly as is practicable, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(h) otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable and in any event within 16 months after the effective date of the registration statement, an earnings statement of the Company (in form complying with the provisions of Rule 158 under the Securities Act) covering the period of at least 12 months, but not more than 18 consecutive months, beginning with the first full calendar month after the effective date of such registration statement;

(i) notify each seller of any Registrable Securities covered by such registration statement (i) when the prospectus or any prospectus supplement or post-effective amendment or any "free writing prospectus" has been filed and/or used, and, with respect to such registration statement or any post-effective amendment, when the same has become effective, (ii) of the receipt by the Company of any comments from the Commission or of any request by the Commission for amendments or supplements to such registration statement or to amend or to supplement such prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose and (iv) of the suspension of the qualification of such securities for offering or sale in any jurisdiction, or of the institution of any proceedings for any of such purposes;

(j) use every reasonable effort to obtain the lifting of any stop order that might be issued suspending the effectiveness of such registration statement at the earliest possible moment;

(k) use its best efforts (i) (A) to list such Registrable Securities on any securities exchange on which the equity securities of the Company are then listed or, if no such equity securities are then listed, on an exchange selected by the Company, if such listing is then permitted under the rules of such exchange, or (B) if such listing is not practicable, to secure designation of such securities as a NASDAQ "national market system security" within the meaning of Rule 11Aa2-1 under the Exchange Act or, failing that, to secure NASDAQ authorization for such Registrable Securities, and, without limiting the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD, and (ii) to provide a transfer agent and registrar for such Registrable Securities not later than the effective date of such registration statement and to instruct such transfer agent (A) to release any stop transfer order with respect to the certificates with respect to the Registrable Securities being sold and (B) to furnish certificates without restrictive legends representing ownership of the shares being sold, in such denominations requested by the sellers of the Registrable Securities or the lead underwriter;

(l) enter into such agreements and take such other actions as the sellers of Registrable Securities or the underwriters reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including, without limitation, preparing for, and participating in, such number of "road shows" and all such other customary selling efforts as the underwriters reasonably request in order to expedite or facilitate such disposition;

(m) furnish to any holder of such Registrable Securities such information and assistance as such holder may reasonably request in connection with any "due diligence" effort which such seller deems appropriate;

(n) cooperate with each seller of Registrable Securities and each underwriter and their respective counsel in connection with any filings required to be made with the NASD, New York Stock Exchange, or any other securities exchange on which such Registrable Securities are traded or will be traded;

(o) cooperate with the sellers of the Registrable Securities and the managing underwriter to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the Majority Holders at least five business days prior to any sale of Registrable Securities and instruct any transfer agent and registrar of Registrable Securities to release any stop transfer orders in respect thereof;

(p) cause its officers and employees to participate in, and to otherwise facilitate and cooperate with the preparation of the registration statement and prospectus and any amendments or supplements thereto (including participating in meetings, drafting sessions and due diligence sessions) taking into account the Company's business needs;

(q) use its best efforts to take all other steps necessary to effect the registration of such Registrable Securities contemplated hereby;

(r) take all reasonable action to ensure that any "free writing prospectus" utilized in connection with any registration covered by this agreement complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, prospectus supplement and related documents, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(s) in connection with any underwritten offering, if at any time the information conveyed to a purchaser at the time of sale includes any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, promptly file with the Commission such amendments or supplements to such information as may be necessary so that the statements as so amended or supplemented will not, in light of the circumstances, be misleading.

If the Company files any shelf registration statement for the benefit of the holders of any of its securities other than the Management Stockholders, the Company agrees that it shall include in such registration statement such disclosures as may be required by Rule 430B (referring to the unnamed selling security holders in a generic manner by identifying the initial issuance and sale of the securities to the Management Stockholders) in order to ensure that the Management Stockholders may be added to such shelf registration statement at a later time through the filing of a prospectus supplement rather than a post-effective amendment.

As a condition to its registration of Registrable Securities of any prospective seller, the Company may require such seller of any Registrable Securities as to which any registration is being effected to execute powers-of-attorney, custody arrangements and other customary agreements appropriate to facilitate the offering and to furnish to the Company such information regarding such seller, its ownership of Registrable Securities and the disposition of such Registrable Securities as the Company may from time to time reasonably request in writing and as shall be required by law in connection therewith. Each such holder agrees to furnish promptly to the Company all information required to be disclosed in such registration statement in order to make the information previously furnished to the Company by such holder and disclosed in such registration statement not materially misleading.

The Company agrees not to file or make any amendment to any registration statement with respect to any Registrable Securities, or any amendment of or supplement to the prospectus used in connection therewith, which refers to any holder of Registrable Securities, or otherwise identifies any holder of Registrable Securities as the holder of any Registrable Securities, without the prior consent of such holder, such consent not to be unreasonably withheld or delayed, unless such disclosure is required by law. Notwithstanding the foregoing, if any such registration statement or comparable statement under "blue sky" laws refers to any holder of Registrable Securities by name or otherwise as the holder of any securities of the Company, then such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder and the Company, to the effect that the holding by such holder of such Registrable Securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name or otherwise is not in the judgment of the Company, as advised by counsel, required by the Securities Act or any similar federal statute or any state "blue sky" or securities law then in force, the deletion of the reference to such holder.

By acquisition of Registrable Securities, each holder of such Registrable Securities shall be deemed to have agreed that upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2(g), such holder will promptly discontinue such holder's disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2(g). If so directed by the Company, each holder of Registrable Securities will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, in such holder's possession of the prospectus covering such Registrable Securities at the time of receipt of such notice. In the event that the Company shall give any such notice, the period mentioned in Section 2(a) shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of any Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 2(g).

Section 3. Underwritten Offerings.

3.1. Underwriting Agreement. If requested by the underwriters for any underwritten offering pursuant to a registration requested under Section 1, the Company shall enter into an underwriting agreement with the underwriters for such offering. Any such underwriting agreement shall contain such representations and warranties by, and such other agreements on the part of, the Company and such other terms and provisions as are customarily contained in agreements of this type, including, without limitation, indemnities to the effect and to the extent provided in Section 6. Each holder of Registrable Securities to be distributed by such underwriter who owns 10% or more of the Common Stock of the Company (computed on a fully-diluted basis) at the time of such offering shall be a party to such underwriting agreement and may, at such holder's option, require that any or all of the representations and warranties by, and the agreements on the part of, the Company to and for the benefit of such underwriters be made to and for the benefit of such holder of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such holder of Registrable Securities. The Management Stockholders in their capacities as stockholders and/or controlling persons shall not be required by any underwriting agreement to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such holder, the ownership of such holder's Registrable Securities and such holder's intended method or methods of disposition and any other representation required by law or to furnish any indemnity to any Person which is broader than the indemnity furnished by such holder pursuant to Section 6.2.

Section 4. Holdback Agreements. If and whenever the Company proposes to register any of its equity securities under the Securities Act for its own account (other than on Form S-4 or S-8 or any successor form) or is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 1, each holder of Registrable Securities agrees by acquisition of such Registrable Securities not to effect any offer, sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, of any Registrable Securities within seven days prior to the reasonably expected effective date of the contemplated registration statement and during the period beginning on the effective date of the registration statement relating to such registration (the "**Trigger Date**") and until 90 days (unless advised by the managing underwriter that a longer period, not to exceed 180 days, is required, or such shorter period as the managing underwriter for any underwritten offering may agree) after the Trigger Date, except as part of such registration or unless, in the case of a sale or distribution not involving a public offering, the transferee agrees in writing to be subject to this Section 4, even if such Registrable Securities cease to be Registrable Securities upon such transfer. If requested by such managing underwriter, each holder of Registrable Securities agrees to execute an agreement to such effect with the Company and consistent with such managing underwriter's customary form of holdback agreement.

(a) The Company agrees not to effect any public offer, sale or distribution of its equity securities or securities convertible into or exchangeable or exercisable for any of such securities within seven days prior to the reasonably expected effective date of the contemplated registration statement (except (i) as part of such registration, (ii) as permitted by any related underwriting agreement, (iii) pursuant to an employee equity compensation plan, or (iv) pursuant to an acquisition or strategic relationship or similar transaction or (v) pursuant to a registration on Form S-4 or S-8 or any successor form). In addition, if, and to the extent requested by the managing underwriter, the Company shall use its best efforts to cause each holder (other than any holder already subject to Section 4(a)) of its equity securities or any securities convertible into or exchangeable or exercisable for any of such securities, whether outstanding on the date of this Agreement or issued at any time after the date of this Agreement (other than any such securities acquired in a public offering), to agree not to effect any such public offer, sale or distribution of such securities during such period, except as part of any such registration if permitted, and to cause each such holder to enter into an agreement to such effect with the Company and consistent with such managing underwriter's customary form of holdback agreement.

Section 5. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company shall give counsel to the holders of such Registrable Securities so to be registered, the managing underwriter(s), and their respective counsel, accountants and other representatives and agents the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and shall give each of the foregoing parties access to the financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries and opportunities to discuss the business of the Company with its officers and the independent public accountants who have issued audit reports on its financial statements in each case as shall be reasonably requested by each of the foregoing parties in connection with such registration statement.

Section 6. Indemnification.

6.1. Indemnification by the Company. The Company agrees that in the event of any registration of any Registrable Securities pursuant to this Agreement, the Company shall indemnify, defend and hold harmless (a) each holder of Registrable Securities, (b) the Affiliates of such holder and the advisors, representatives, agents of such holder and its Affiliates, (c) each Person who participates as an underwriter or Qualified Independent Underwriter in the offering or sale of such securities and (d) each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) any of the foregoing against any and all losses, penalties, fines, liens, judgments, claims, damages or liabilities (or actions or proceedings in respect thereof) and expenses (including reasonable fees of counsel and any amounts paid in settlement effected with the Company's consent, which consent shall not be unreasonably withheld or delayed if such settlement is solely with respect to monetary damages), jointly or severally, directly or indirectly, based upon or arising out of (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein or used in connection with the offering of securities covered thereby, or any amendment or supplement thereto, or any documents incorporated by reference therein, or any "free writing prospectus," as such term is defined in Rule 405 under the Securities Act, utilized in connection with any related offering, (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any untrue statement or alleged untrue statement of a material fact in the information conveyed to any purchaser at the time of the sale to such purchaser, or the omission or alleged omission to state therein a material fact required to be stated therein; and the Company will reimburse each such indemnified party for any legal or any other expenses reasonably incurred by them in connection with enforcing its rights hereunder or under the underwriting agreement entered into in connection with such offering or investigating, preparing, pursuing or defending any such loss, claim, damage, liability, action or proceeding as such expenses are incurred, except insofar as any such loss, penalty, fine, lien, judgment, claim, damage, liability, action, proceeding or expense arises out of or is based upon an untrue statement of a material fact or omission of a material fact made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, document incorporated by reference therein or "free writing prospectus" utilized in connection with any related offering in reliance upon and in conformity with written information furnished to the Company by such holder expressly for use in the preparation thereof in accordance with the second sentence of Section 6.2. Such indemnity shall remain in full force and effect, regardless of any investigation made by such indemnified party and shall survive the transfer of such Registrable Securities by such seller.

6.2. Indemnification by the Sellers. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 1, that the Company shall have received an undertaking satisfactory to it from each of the prospective sellers of such Registrable Securities to indemnify and hold harmless, severally, not jointly, in the same manner and to the same extent as set forth in Section 6.1, the Company, its directors, officers, employees, agents and each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Company, with respect to any statement of a material fact or alleged statement of a material fact in or omission of a material fact or alleged omission of a material fact from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any "free writing prospectus" utilized in connection with any related offering, but only to the extent such statement or alleged statement or such omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such seller expressly for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement or "free writing prospectus". The Company and the holders of the Registrable Securities in their capacities as stockholders and/or controlling persons hereby acknowledge and agree that, unless otherwise expressly agreed to in writing by such holders, the only information furnished or to be furnished to the Company for use in any registration statement or prospectus relating to the Registrable Securities or in any amendment, supplement or preliminary materials associated therewith or any "free writing prospectus" related thereto are statements specifically relating to (a) transactions between such holder and its Affiliates, on the one hand, and the Company, on the other hand, (b) the beneficial ownership of shares of Common Stock by such holder and its Affiliates and (c) the name and address of such holder. If any additional information about such holder or the plan of distribution (other than for an underwritten offering) is required by law to be disclosed in any such document, then such holder shall not unreasonably withhold its agreement referred to in the immediately preceding sentence of this Section 6.2. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such Registrable Securities by such seller. The indemnity agreement contained in this Section 6.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of such seller (which consent shall not be unreasonably withheld or delayed if such settlement is solely with respect to monetary damages). The indemnity provided by each seller of Registrable Securities under this Section 6.2 shall be limited in amount to the net amount of proceeds (i.e., net of expenses, underwriting discounts and commissions) actually received by such seller from the sale of Registrable Securities pursuant to such registration statement.

6.3. Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 6, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action or proceeding; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 6, except to the extent that the indemnifying party is materially prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof except for the reasonable fees and expenses of any counsel retained by such indemnified party to monitor such action or proceeding. Notwithstanding the foregoing, if such indemnified party reasonably determines, based upon advice of independent counsel, that a conflict of interest may exist between the indemnified party and the indemnifying party with respect to such action and that it is advisable for such indemnified party to be represented by separate counsel, such indemnified party may retain other counsel, reasonably satisfactory to the indemnifying party, to represent such indemnified party, and the indemnifying party shall pay all reasonable fees and expenses of such counsel. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of such indemnified party, which consent shall not be unreasonably withheld, consent to entry of any judgment or enter into any settlement unless such judgment, compromise or settlement (A) includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation, (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party, and (C) does not require any action other than the payment of money by the indemnifying party.

6.4. Other Indemnification. Indemnification similar to that specified in the preceding paragraphs of this Section 6 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration (other than under the Securities Act) or other qualification of such Registrable Securities under any federal or state law or regulation of any governmental authority.

6.5. Indemnification Payments. Any indemnification required to be made by an indemnifying party pursuant to this Section 6 shall be made by periodic payments to the indemnified party during the course of the action or proceeding, as and when bills are received by such indemnifying party with respect to an indemnifiable loss, penalty, fine, lien, judgment, claim, damage, liability or expense incurred by such indemnified party.

6.6. Other Remedies. If for any reason any indemnification specified in the preceding paragraphs of this Section 6 is unavailable, or is insufficient to hold harmless an indemnified party, other than by reason of the exceptions provided therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, penalties, fines, liens, judgments, claims, damages, liabilities, actions, proceedings or expenses in such proportion as is appropriate to reflect the relative benefits to and faults of the indemnifying party on the one hand and the indemnified party on the other and the statements or omissions or alleged statements or omissions which resulted in such loss, penalty, fine, lien, judgment, claim, damage, liability, action, proceeding or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statements or omissions. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 6.6 were to be determined by *pro rata* allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the preceding sentence of this Section 6.6. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Notwithstanding the other provisions of this Section 6, in respect of any claim for indemnification pursuant to this Section 6, no indemnifying party (other than the Company) shall be required to contribute pursuant to this Section 6.6 any amount in excess of (a) the net proceeds (i.e., net of expenses, underwriting discounts and commissions) received and retained by such indemnifying party from the sale of its Registrable Securities covered by the applicable registration statement, preliminary prospectus, final prospectus, or supplement or amendment thereto, filed pursuant hereto minus (b) any amounts previously paid by such indemnifying party pursuant to this Section 6 in respect of such claim, it being understood that insofar as such net proceeds have been distributed by any indemnifying party to its partners, stockholders or members, the amount of such indemnifying party's contribution hereunder shall be limited to the net proceeds which it actually recovers from its partners, stockholders or members based upon their relative fault and that to the extent that such indemnifying party has not distributed such net proceeds, the amount such indemnifying party's contribution hereunder shall be limited by the percentage of such net proceeds which corresponds to the percentage equity interests in such indemnifying party held by those of its partners, stockholders or members who have been determined to be at fault. No party shall be liable for contribution under this Section 6.6 except to the extent and under such circumstances as such party would have been liable for indemnification under this Section 6 if such indemnification were enforceable under applicable law.

Section 7. Representations and Warranties. Each Management Stockholder represents and warrants to the Company that:

(a) such Management Stockholder has the power, authority and capacity (or, in the case of any Management Stockholder that is a corporation, limited liability company or limited partnership, all corporate, limited liability company or limited partnership power and authority, as the case may be) to execute, deliver and perform this Agreement;

(b) in the case of a Management Stockholder that is a corporation, limited liability company or limited partnership, the execution, delivery and performance of this Agreement by such Management Stockholder has been duly and validly authorized and approved by all necessary corporate, limited liability company or limited partnership action, as the case may be;

(c) this Agreement has been duly and validly executed and delivered by such Management Stockholder and constitutes a valid and legally binding obligation of such Management Stockholder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to creditors' rights generally and general principles of equity; and

(d) the execution, delivery and performance of this Agreement by such Management Stockholder does not and will not violate the terms of or result in the acceleration of any obligation under (i) any material contract, commitment or other material instrument to which such Management Stockholder is a party or by which such Management Stockholder is bound or (ii) in the case of a Management Stockholder that is a corporation, limited liability company or limited partnership, the certificate of incorporation, certificate of formation, certificate of limited partnership, by-laws, limited liability company agreement or limited partnership agreement, as the case may be.

Section 8. Definitions. For purposes of this Agreement, the following terms shall have the following respective meanings:

"Affiliate": a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

"Board": the board of directors of the Company.

"Commission": the Securities and Exchange Commission.

"Common Stock": the common stock of the Company, par value $.01 per share, now or hereafter authorized to be issued, and any and all securities of any kind whatsoever of the Company or any successor thereof (such securities, "**Convertible Securities**") which may be issued on or after the date hereof in respect of, in exchange for, or upon conversion of shares of Common Stock pursuant to a merger, consolidation, stock split, reverse split, stock dividend, recapitalization of the Company or otherwise.

"Exchange Act": the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder which shall be in effect at the time.

"Investor Stockholders": each of Coffeyville Acquisition LLC, a Delaware limited liability company, and Coffeyville Acquisition II LLC, a Delaware limited liability company, for so long as such entity holds shares of Common Stock.

"IPO": the initial public offering of Common Stock.

"Majority Holders": the holders of at least 51% of the Registrable Securities that are participating in the registration at issue.

"Majority Voting Holders": the holders of at least 51% of the Registrable Securities.

"NASD": National Association of Securities Dealers, Inc.

"NASDAQ": the Nasdaq National Market.

"Person": an individual, corporation, partnership, limited liability company, joint venture, business association, trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Registrable Securities": the shares of Common Stock Beneficially Owned by the Investor Stockholders, the Management Stockholders or the Permitted Transferees (as such term is defined in Section 9.2), as applicable, except for any shares of Common Stock Beneficially Owned by a Management Stockholder that (i) were issued to such Management Stockholder pursuant to an effective registration statement under the Securities Act on Form S-8 or (ii) may be sold by such Management Stockholder pursuant to Rule 144 under the Securities Act, which shares of Common Stock Beneficially Owned by a Management Stockholder shall not be Registrable Securities. For purposes of this Agreement, a Person will be deemed to "**Beneficially Own**" or "**hold**" Registrable Securities whenever such Person has the right to acquire, directly or indirectly, such Registrable Securities (upon conversion, exercise or exchange of any Convertible Securities but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall not be required to convert, exercise or exchange such Convertible Security (or otherwise acquire such Registrable Security) to participate in any registered offering hereunder prior to the closing of such offering. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) a registration statement on Form S-8 with respect to the sale of such securities shall have become effective under the Securities Act, (iii) such securities shall have been sold to the public pursuant to Rule 144 under the Securities Act, or (iv) such securities shall have ceased to be outstanding. Any and all shares of Common Stock which may be issued in respect of, in exchange for, upon conversion of, or in substitution for any Registrable Securities, whether by reason of any stock split, stock dividend, reverse stock split, recapitalization, combination, merger, consolidation or otherwise, shall also be "Registrable Securities" hereunder.

“Registration Expenses”: all fees and expenses incurred in connection with the Company’s performance of or compliance with any registration pursuant to this Agreement, including, without limitation, (i) registration, filing and applicable Commission and NASD fees, (ii) fees and expenses of complying with securities or blue sky laws, (iii) fees and expenses associated with listing securities on an exchange or NASDAQ, (iv) word processing, duplicating and printing expenses, (v) messenger and delivery expenses, (vi) transfer agents’, trustees’, depositories’, registrars’ and fiscal agents’ fees, (vii) fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or “cold comfort” letters required by, or incident to, such registration and (viii) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any.

“Securities Act”: the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder which shall be in effect at the time.

Section 9. Miscellaneous.

9.1. Rule 144, etc. If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act relating to any class of equity securities, the Company shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder, and shall take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (b) any successor rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities, the Company shall deliver to such holder a written statement as to whether it has complied with such requirements, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents as such holder may reasonably request in order to avail itself of any rule or regulation of the Commission allowing it to sell any Registrable Securities without registration.

9.2. Successors, Assigns and Transferees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective permitted successors, personal representatives and assigns under this Section 9.2. The Company may not assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the Majority Voting Holders. The provisions of this Agreement which are for the benefit of a holder of Registrable Securities shall be for the benefit of and enforceable by any transferee of such Registrable Securities. Any holder of Registrable Securities may, at its election and at any time or from time to time, assign its rights under this Agreement, in whole or in part, to any Person to whom such holder sells, assigns or otherwise transfers its shares of Registrable Securities; provided that (i) such transferee acquires such Registrable Securities in accordance with any then applicable transfer restrictions in respect of such Registrable Securities and (ii) no such assignment shall be binding upon or obligate the Company to any such transferee unless and until such transferee executes a joinder agreement agreeing to be bound by all of the transferor’s obligations hereunder, including, without limitation, Section 4 hereof, copies of which shall have been delivered to the Company (each such transferee, a "**Permitted Transferee**"). Notwithstanding anything herein to the contrary, the Management Stockholders must exercise all rights hereunder on behalf of any of their Permitted Transferees and all other parties shall be entitled to deal exclusively with the Management Stockholders and rely on the consent, waiver or any other action by the Management Stockholders as the consent, waiver or other action, as the case may be, of any such Permitted Transferees of such Management Stockholders.

9.3. Stock Splits, etc. Each holder of Registrable Securities agrees that it will vote to effect a stock split, reverse stock split, recapitalization or combination with respect to any Registrable Securities in connection with any registration of any Registrable Securities hereunder, or otherwise, if (i) the managing underwriter shall advise the Company in writing (or, in connection with an offering that is not underwritten, if an investment banker shall advise the Company in writing) that in its opinion such a stock split, reverse stock split, recapitalization or combination would facilitate or increase the likelihood of success of the offering, and (ii) such stock split, reverse stock split, recapitalization or combination does not impact the respective ownership percentages of each such holder of Registrable Securities in the Company. The Company shall cooperate in all respects in effecting any such stock split, reverse stock split, recapitalization or combination.

9.4. Amendment and Modification. This Agreement may be amended, waived, modified or supplemented by the Company only with the prior written consent of each of the Company and a majority (by number of shares) of any other holders of Registrable Securities whose interests would be adversely affected by such amendment, waiver modification or supplement; provided that the interests of any existing holders of Registrable Securities shall not be adversely affected by an amendment, waiver, modification or settlement of this Agreement that provides for or has the effect of providing for an additional grant of incidental registration rights with a lower or the same priority as the rights held by such existing holders of Registrable Securities, as long as any such grant of incidental registration rights with the same priority are *pari passu* with those held by such existing holders of Registrable Securities. Each holder of Registrable Securities shall be bound by any such amendment, waiver, modification or supplement authorized in accordance with this Section 9.4, whether or not such Registrable Securities shall have been marked to indicate such amendment, waiver, modification or supplement. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The execution of a counterpart signature page to this Agreement by a Permitted Transferee pursuant to Section 9.2 shall not require consent of any party hereto and shall not be deemed an amendment to this Agreement.

9.5. Governing Law; Venue and Service of Process. This Agreement and the rights and obligations of the parties hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of Delaware, without giving effect to the choice of law principles thereof. By execution and delivery of this Agreement, each of the parties hereto hereby irrevocably and unconditionally (i) consents to submit to the exclusive jurisdiction of the courts of the State of New York in New York County and the United States District Court for the Southern District of New York (collectively, the "**Selected Courts**") for any action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, and agrees not to commence any action or proceeding relating thereto except in the Selected Courts, provided, that, a party may commence any action or proceeding in a court other than a Selected Court solely for the purpose of enforcing an order or judgment issued by one of the Selected Courts; (ii) consents to service of any process, summons, notice or document in any action or proceeding by registered first-class mail, postage prepaid, return receipt requested or by nationally recognized courier guaranteeing overnight delivery in accordance with Section 9.8 hereof and agrees that such service of process shall be effective service of process for any action or proceeding brought against it in any such court, provided, that, nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; (iii) waives any objection to the laying of venue of any action or proceeding arising out of this Agreement or the transactions contemplated hereby in the Selected Courts; and (iv) waives and agrees not to plead or claim in any court that any such action or proceeding brought in any such Selected Court has been brought in an inconvenient forum.

9.6. Invalidity of Provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

9.7. Notices. All notices, requests, demands, letters, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows:

(i) If to the Company, to it at:

10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Attention: Edmund S. Gross
Facsimile No.: 913-981-0000

with copies (which shall not constitute notice) to:

GS Capital Partners V Fund, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street

New York, New York 10004
Attention: Kenneth Pontarelli
Facsimile No.: 212-357-5505

Kelso & Company, L.P.
320 Park Avenue, 24th Floor
New York, New York 10022
Attention: General Counsel
Facsimile No.: 212-223-2379

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
Attention: Robert C. Schwenkel
Steven Steinman

Facsimile No.: (212) 859-4000

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Kevin M. Schmidt
Facsimile No.: (212) 909-6836

(ii) If to a Management Stockholder, as provided on Schedule A hereof.

or to such other Person or address as any party shall specify by notice in writing to the Company. All such notices, requests, demands, letters, waivers and other communications shall be deemed to have been received (w) if by personal delivery, at the time delivered by hand (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered; provided that such delivery is confirmed.

9.8. Headings: Execution in Counterparts. The headings and captions contained herein are for convenience and shall not control or affect the meaning or construction of any provision hereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same instrument.

9.9. Injunctive Relief. Each of the parties recognizes and agrees that money damages may be insufficient and, therefore, in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of this Agreement. Such remedies shall, however, be cumulative and not exclusive, and shall be in addition to any other remedy which such party may have.

9.10. Term. This Agreement shall be effective as of the date hereof and shall continue in effect thereafter until the earlier of (a) its termination by the written consent of the parties hereto or their respective successors in interest and (b) the date on which no Registrable Securities remain outstanding.

9.11. Further Assurances. Subject to the specific terms of this Agreement, each of the Company and the Management Stockholders shall make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as may be reasonably required in order to effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby.

9.12. Entire Agreement. This Agreement and any agreements entered into in connection with this Agreement constitute the entire agreement and the understanding of the parties hereto with respect to the matters referred to herein. This Agreement and the agreements referred to in the preceding sentence supersede all prior agreements and understandings between the parties with respect to such matters.

9.13. No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement is not intended to, and does not, confer upon any Person, except for the parties hereto, any rights or remedies hereunder.

[Signature page follows]

IN WITNESS WHEREOF this Agreement has been signed by each of the parties hereto, and shall be effective as of the date first above written.

CVR ENERGY, INC.

By: ______________________________
Name:
Title:

____
John J. Lipinski

[Signature page to Management Registration Rights Agreement]

Schedule A

Management Stockholders

John J. Lipinski
2277 Plaza Drive|
Suite 500
SugarLand, Tx 77479
Facsimile No.: (281) 207-7747

Exhibit 10.46

AGREEMENT

BETWEEN

COFFEYVILLE RESOURCES REFINING AND MARKETING, LLC.

And

the following unions of the Metal Trades Department, AFL-CIO

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 123

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS, AND HELPERS, LOCAL NO. 83

UNITED ASSOCIATION OF JOURNEYMAN PLUMBERS AND STEAMFITTERS OF THE UNITED STATES AND CANADA, LOCAL NO. 441

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL NO. 226

INTERNATIONAL ASSOCIATION OF MACHINISTS, LOCAL NO. 693

and the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL NO. 823 (affiliated)

Effective upon the closing date of the sale of the Coffeyville Refinery from Farmland Industries to Coffeyville Resources Refining and Marketing, LLC.

AGREEMENT BETWEEN COFFEYVILLE RESOURCES REFINING AND MARKETING, LLC. and the following unions of the Metal Trades Department of the AFL-CIO – the International Union of Operating Engineers, Local No. 123, International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers, and helpers, Local No. 83, United Association of Journeyman Plumbers and Steamfitters of the United States and Canada, Local No. 441, International Brotherhood of Electrical Workers, Local No. 226, International Association of Machinists, Local No. 693, and International Brotherhood of Teamsters, Local No. 823.

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COLLECTIVE BARGAINING AGREEMENT

THIS AGREEMENT is made and entered into as of __________, and between Coffeyville Resources Refining and Marketing, Inc. in Coffeyville, Kansas (hereinafter referred to as the "Employer"), and the Metal Trades Department AFL-CIO consisting of the International Union of Operating Engineers, Local No. 123, the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers, and helpers, Local No. 83, the United Association of Journeyman Plumbers and Steamfitters of the United States and Canada, Local No. 441, the International Brotherhood of Electrical Workers, Local No. 226, the International Association of Machinists, Local No. 693, and the International Brotherhood of Teamsters, Local No. 823 (hereinafter referred to as the "Union").

WITNESSETH:

WHEREAS, the parties have, by negotiation and collective bargaining, reached complete agreement on wages, hours of work, working conditions and other related, negotiable subjects to be incorporated into a new Labor Agreement which shall supersede all previous verbal or written agreements applicable to the employees in the bargaining unit defined herein, which may have existed between the predecessor of the Employer and the Union.

WHEREAS, the Employer and organized labor both clearly recognize the responsibilities that both have to each other and the need for a close and continued friendly relationship between them, and because they further recognize that such relationship will result in mutual benefits by giving effective service in the interest of the Employer and creating improved labor standards for the members of the Union; consequently, this Agreement is entered into with good will and understanding.

WHEREAS, the Employer and the Union agree to do everything in their power to obtain maximum productivity on the part of individual employees within the limits of safety and good health. The Employer and the Union agree that the economic condition of the Employer and the industry necessitate an increased militance against waste and inefficiency and the parties pledge that unnecessary overtime for calls to work outside of duty hours are to be avoided wherever practicable.

NOW, THEREFORE, in consideration of the foregoing, the execution of this Agreement and the full and faithful performance of the covenants, representations and warranties contained herein, it is mutually agreed as follows:

Article 1 — Recognition

1.01 Recognition. The Employer agrees to recognize the Union as the exclusive bargaining representative for the Employer's employees at its establishment in Coffeyville, Kansas, working under the Union's jurisdiction and working in those job classifications listed in Exhibit 1 attached hereto and made a part of this Agreement. The Employer and the Union agree that all full time employees working in classifications listed in Exhibit 1 are properly within the bargaining unit and that the term "employee" as used in this Agreement refers to employees of the Employer working in such classifications. The parties specifically agree that nothing herein shall be construed to extend recognition to persons employed part time or temporarily by the Employer in any other job classification or at any other locations, or any subsequently acquired property not represented by the Union.

1.02 **Gender.** In this Agreement, whenever the context so requires, the masculine gender includes the feminine.

Article 2 — Binding Effect of Agreement

2.01 **Binding Effect of Agreement.** This Agreement shall be binding upon the parties' signatory hereto. In the event that the Employer's business is sold, assigned or transferred, the parties shall have all rights and obligations conferred by law.

Article 3 — Union Representatives

3.01 **Shop Stewards.** The Employer recognizes the right of the Union to appoint Shop Stewards. Such Shop Stewards shall function at the direction of the Union. Shop Stewards shall conduct their business as expeditiously as possible, will not interfere with the Employer's business, and shall not conduct their Union business during work time, unless approved in advance by the Employer. Such approval shall not be unreasonably withheld.

3.02 **Compensation.** The Company shall pay one shop steward or one appropriate union representative in the absence of the steward at his regularly hourly rate for time spent representing employees in grievance-related meetings, in contract negotiations (up to a maximum of 24 hours) and any other joint Union-Company conferences. Such time will not be considered time worked for purposes of overtime.

Article 4 — No Strikes

4.01 **No Strikes or Lockouts; Continuity of Operation.** During the existence of this Agreement, there shall be no lockouts or strikes, including sympathy strikes, picketing, work stoppages, slowdowns or disruptive activity by the Union or by any employee. It is specifically understood and agreed that a work stoppage or disruption of work or slowdown occasioned by the honoring of another union's (whether or not affiliated or associated with the Union) picket line shall constitute a forbidden work stoppage under this Article.

Any and all Employees who violate any of the provisions of this Article may be discharged or otherwise disciplined by the Company.

Upon expiration of the Agreement and because of the nature of the refining business, need for safety in the community, and desirability of orderly turnover of the refinery there shall be no strike or lockout until after a lapse of a period of not less than 72 hours following a notice of strike or lockout from the party giving such notice to the other party and that this Article 4 shall be considered as in full force until expiration of such period of 72 hours.

4.02 **Violation.** Nothing contained herein shall preclude the Company from obtaining judicial restraint and damages in the event any provision of this Article is violated. Any alleged violation of this Article shall not be subject to the provisions of the grievance and arbitration provisions of this Agreement.

Article 5 — No Solicitation or Distribution

5.01 **No Solicitation or Distribution.** Employees may not solicit or distribute printed materials of any kind to employees during work time or in work areas. Employees who are not on work time may not solicit or distribute printed materials to employees who are on work time. Employees on break time may solicit or distribute printed materials of any kind to other employees on break time, in the break areas.

Article 6 — Management Rights

6.01 **Management Rights.** The management of the plant and direction of the workforce, including the right to hire, set work schedules, to determine the qualifications of employees after discussion with appropriate union representatives, suspend or discharge for just cause, to reduce the workforce, to assign jobs, to transfer employees within the plant, to determine the need for filling temporary or permanent vacancies, to increase or decrease the number of employees assigned to perform work in plant operations or maintenance, to determine products to be handled, processed or manufactured, to establish workplace policies and procedures; to determine the type and scope of work to be performed; to establish schedules of operation, including the right to require overtime, the schedules of production and methods, processes, rate of production, are vested exclusively in the Employer. Such enumeration is representative but not exhaustive of management duties and responsibilities. Production is intended to encompass all functions in the refinery.

The Company shall also have the right to introduce new or improved working methods or facilities. Further, it is emphasized and understood that the Employer retains the right to contract out such work as is deemed by the Employer to be in the best economic interest of the Employer. Nothing in this Section is intended to limit any rights of the Company not specifically and expressly covered in this Agreement.

6.02 **Rules.** Except as specifically modified in this Agreement, all rules, policies and obligations, which the Employer may promulgate in the future, shall be applicable to the Employees covered by the terms of this Agreement.

6.03 **Contracting Out.** Contracting out decisions will be made by Management based on cost, quality, emergency situations, required equipment or any other criteria deemed relevant by Management. The Union has the right to present alternative suggestions, with justifications, that could result in additional review of Management’s decision. Such suggestions will not diminish in any way Management’s right to make and implement contracting out decisions.

Article 7 — Employment Procedure

7.01 **Employment Procedure.** The Employer shall exercise its management right to hire those individuals who, in the sole discretion of the Employer, are the most qualified to fill existing vacancies.

7.02 **Probationary Period:** An Employee shall be on probation until he has completed one hundred and eighty (180) calendar days of employment. The period of probation shall be extended by the number of days the Employee is absent from scheduled work while on probationary status. A probationary employee may be terminated, with or without just cause, at the discretion of the Employer, and such termination shall not be subject to the dispute resolution provisions of this Agreement.

7.03 **Job Vacancies.** For one (1) year following the date of execution of this Agreement, when a permanent vacancy exists in a bargaining unit position, which the Employer chooses to fill with an outside applicant, the Employer shall notify the former Farmland Industries, Inc. Employees not hired by the Employer of the vacancy, and they will be given the first opportunity to apply for any such vacancy. The Employer shall inform the former Farmland Employees of the vacancy by sending a notice by first class mail to the former Farmland Employees at their last known address. However, nothing contained in this Article shall be interpreted to guarantee that any former Farmland employee will be selected to fill any such vacancy. Rather, the Employer retains sole discretion to determine who will fill any and all job vacancies.

Article 8 — No Discrimination

8.01 **No Discrimination.** The Employer is committed to the recruitment, development, training, recognition and promotion of Employees on the basis of their ability and attitude, without regard to gender, race, color, creed, nationality, age, religion, union affiliation, ancestry, veteran status, pregnancy, disability, or any other legally protected status under local, state or federal law. All actions affecting personnel are administered fairly and in accordance with applicable laws. This policy applies to all terms and conditions of employment.

8.02 **Harassment.** The Employer is committed to maintaining a work environment free from harassment, including sexual harassment. The Employer shall have good cause to discharge any Employee who engages in harassment directed toward any Employee, customer, visitor or vendor. Harassment is defined as unwelcome verbal or physical conduct of a discriminatory nature based upon age, race, religion, national origin, disability, veteran status, or any other protected classification, which creates a work environment that is offensive, hostile or intimidating. Sexual harassment includes, but is not limited to, solicitation of sexual favors, offensive touching, lewd or suggestive comments, sexual jokes or innuendoes, visual displays of pornographic materials, and visual displays of sexual materials.

8.03 **Reporting Harassment.** It is incumbent upon an Employee to immediately report to his or her supervisor any other Employees who are engaging in harassment. Employees who fail to satisfy this obligation may be subject to discipline, up to and including termination.

Article 9 — Discipline and Discharge

9.01 **Discipline And Discharge.** No regular Employee, after having completed the probationary period under Article 7, Section 7.02, shall be disciplined and/or discharged except for just cause. To the extent deemed appropriate in its sole discretion, the Employer shall follow a system of progressive discipline. The parties agree that progressive discipline normally requires, prior to suspension or discharge, that an Employee be given a verbal warning and then a written opportunity to correct the deficiency, but that with the principle of progressive discipline, the Employer may impose immediate suspension or discharge for dishonesty, incompetence, misconduct, insubordination, failure to report to work without just cause, walking off the job during a shift, or drinking alcohol or use of controlled substance, or being under the influence thereof, during the Employee's shift.

9.02 **Final Written Warning.** An Employee may be placed on "final written warning" status for up to one (1) month at any time when his performance has deteriorated to the extent that his supervisor believes, and the Employer's Human Resources Director agrees, that it is necessary to impress upon him the significance of poor performance and the need for improvement. The Employer shall advise the Employee and the Union of his deficiencies and the areas where improvement is required with specificity. The Employer shall advise the Union that the Employee has been placed on final written warning status within 24 hours of being placed on such status. An Employee who improves satisfactorily during this period may be restored to regular status. Failure to improve performance during this period may result in termination or transfer to another job more suited to the Employee's capabilities. Deficiencies in work performance should be documented and placed in the Employee's file. Regular Employees who have been placed on final written warning status are eligible for normal benefit accrual but may not take any vacation days during that period.

9.03 **Plant Rules.** Pursuant to its management rights, the Employer shall develop and implement plant rules.. Said rules shall be communicated to all Employees. Employee shall be required to follow the Plant Rules and shall be subject to discipline for failure to do so, including immediate discharge for serious violations as defined therein.

9.04 **Accident Reporting.** The Employer has the responsibility to establish and adopt an accident policy. Any Employee who is found guilty of violating such accident policy may be subject to discipline up to and including discharge.

9.05 **Investigatory Interviews.** Any Employee who is requested to participate in an investigatory interview, that the Employee reasonably anticipates will result in the imposition of a disciplinary penalty, may request that a Union representative be present. The Employer may grant or deny the Employee's request. If the Employer denies the Employee's request, the Employee shall have the option of continuing the interview without the presence of a Union representative, or discontinuing the interview. If the Employee's request is granted, the Union representative shall be summoned by the Employer and allowed to be present during the investigatory interview. The interview shall be scheduled for a date and time acceptable to the Employer and the Union. The Employer may proceed with the interview without the presence of a Union representative, if the Union representative is unavailable for 36 consecutive hours following notification. In that event, the Employee may decide whether he desires to participate in the interview without the presence of a Union representative. This provision shall not apply to the application of the drug and alcohol policy.

Article 10 — Drug and Alcohol Policy

10.01 **Drug or Alcohol Test.** The Employer will adopt a drug and alcohol policy. Employees are required to adhere to that policy and shall be subject to the testing procedures contained therein. Any Employee suspected of consuming, using or being under the influence of drugs or alcohol must submit to an immediate drug and/or alcohol test. The Employer may monitor an Employee's work performance and behavior to determine whether the Employer suspects that the Employee is under the influence of drugs or alcohol. Such testing shall be conducted by a certified lab to insure the integrity of the specimen.

10.02 **Job-Related Accident.** Any Employee involved in a job-related accident requiring attention at a medical facility may be required to submit to a drug and/or alcohol test.

10.03 **Consequence of Positive Test.** The Employer shall have just cause to discharge an Employee in the event that the drug or alcohol test indicates the presence of drugs or alcohol.

10.04 **Refusal to Submit.** Any Employee subject to drug and/or alcohol testing as outlined above who refuses to submit to such test shall be considered to have failed the test for purposes of this Article.

10.05 **Random Drug Testing.** The Employer may implement a random drug testing policy, to the extent permitted by law.

10.06 **Compliance with Applicable Laws.** The Employer agrees to comply with all applicable laws, if any, with regard to employee drug testing.

Article 11 — Safety

11.01 **Safety.** The Company and the Union agree to cooperate in promoting the safety of Employees. The Employer will comply with all safety standards imposed by state and federal law, insofar as such standards are applicable to the Employees covered by this Agreement. The Employer shall provide safety glasses and ear protection. The Employer shall reimburse an Employee for the cost of one pair of pre-approved prescription safety glasses annually and up to 50% for the cost of approved ANSI steel toed safety shoes.

11.02 **Safety Procedures.** The Employer and the Union agree to the immediate formation of a joint committee, which shall be known as the "Joint Safety Committee." The purpose of the committee is to study and make recommendations that will ensure safe and efficient operation of the Employer's refinery. It is understood and agreed that the committee shall not have the right to alter, vary or modify provisions of this Agreement. It is further understood that the establishment and function of the committee provided herein shall in no way alter, vary or modify the right of any Employee, the Union or the Company to pursue any matter through the grievance and arbitration provisions of this Agreement. Activities of the Employee-members of the safety committee shall not interfere with the proper performance of the Employee's work.

11.03 **Safe Working Conditions.** The Company agrees to respond to any claims or unsafe working conditions raised by Employee or the Union. The Union agrees to encourage Employees to observe safe working conditions and to be alert to safety hazards for their safety and the safety of others. Further, the Company shall ensure that there is adequate life-saving gear and first aid equipment available. Employees violating approved safety rules shall be subject to discipline, up to and including discharge.

<u>Article 12 — Education and Training</u>

12.01 <u>Education and Training Committee.</u> The Company and the Union agree to the establishment of a "Joint Education and Training Committee" to develop education and training initiatives that are determined by the Company to be necessary for future business needs and to provide opportunities for Employees to gain additional employment skills. Toward that end, the Joint Education and Training Committee shall be established and shall consist of three (3) representatives appointed by the Union and three (3) representatives of management. This Committee shall meet primarily for the purpose of fostering and promoting the advancement of effective education and training programs. It is understood and agreed that the committee shall not have the right to alter, vary or modify provisions of this Agreement. It is further understood that the establishment and function of the committee provided herein shall in no way alter, vary or modify the right of any Employee, the Union or the Company to pursue any matter through the grievance and arbitration provisions of this Agreement. Activities of the Employee-members of the education and training committee shall not interfere with the proper performance of the Employee's work.

12.02 <u>Cross Training and Job Assignment Rotation.</u> The Employer and the Union also agree that it is critical to the success of the Company that Employees be trained to perform multiple job duties. Thus, the parties agree that the Employer shall have the right to rotate Employees' job assignments and conduct cross craft training. Further, the Employer and the Union agree that cross craft training and rotation of job assignments will be an essential part of the education and training programs to be established.

<u>Article 13 — Wages</u>

13.01 <u>Applicable Wage Rates.</u> The wage rates applicable to the Employees covered by this Agreement are set forth in Exhibit 1 attached hereto. Subject to the provision of Article 19.04, the Employees will be paid the job rate for the position worked on a shift plus any applicable skill-based premium as provided in Exhibit 1.

13.02 <u>Shift Differential.</u> To be determined after shifts are set, but not anticipated to be different than the shift differentials currently in place.

<u>Article 14 — Payroll Week</u>

14.01 <u>Payroll Week.</u> The payroll week shall be as designated by the Company at the time this Agreement is executed. The payroll week shall not thereafter be changed without prior notice to the Union.

<u>Article 15 — Hours of Work</u>

15.01 <u>Workweek.</u> The workweek shall begin at 12:00 Midnight on Sunday and continue until 12:00 Midnight on the following Sunday. Each Maintenance workday consisting of at least eight (8) consecutive hours, shall include an unpaid meal break of thirty (30) minutes.

15.02 <u>Work Shift.</u> The Employer will establish regular work shifts which shall be comprised of work crews.

15.03 **Overtime Compensation.** Employees shall be paid at a rate of one and one-half ($1^1/_2$ x) times the Employee's regular hourly rate for all hours worked in excess of their regularly scheduled work day (consisting of at least eight (8) hours in a day) or forty hours in a workweek, or for all hours worked on any of the holidays specified in this Agreement for up to eight (8) hours. Employees shall not be laid off on a regularly scheduled workday to avoid overtime pay. Overtime or holiday compensation shall not be pyramided; i.e., hours worked at a rate of time and one-half time shall not be computed more than once in calculating overtime or holiday pay earned, nor shall any premium rate be further expanded to time and one-half or double time of such premium rate under any Article of this Agreement.

15.04 **Vacation Pay.** When an Employee takes vacation time, as defined in this Article, the Employee shall be paid up to eight (8) hours of straight-time pay and such hours shall be counted as hours worked for the purpose of computing overtime for that week. Holidays shall also be counted as hours worked. Use of PTO days (other than vacation) shall not be counted as hours worked for the purpose of computing overtime for that week.

15.05 **Reporting Pay.** An Employee who reports for work at the beginning of his scheduled shift and who has not been notified not to so report prior to his scheduled starting time shall be guaranteed a minimum of two (2) hours of straight-time pay at his regular hourly rate. The provisions of this section shall not apply, however, when the Employee cannot be reached by telephone or when the failure of the Company to provide work is caused by work stoppage, labor dispute, storm, flood, unavailability of power or utilities, fire or any other condition beyond the control of the Company. To qualify for the reporting guarantee an Employee must accept such work assignment as may be made by the Company.

15.06 **Callout Pay.** The Employer may assign certain Employees pager and/or cell phones on a rotating basis for the purposes of assigning callouts. An Employee who reports to work pursuant to a callout, is guaranteed four (4) hours of straight-time pay at his regular hourly rate. Further, to qualify for the callout guarantee, an Employee must accept such work assignment as may be made by the Company. The Employee initially assigned the pager/cell phone will be accountable to respond in a timely fashion, namely to respond and report at the plant within an hour. Failure to respond timely to the pager and/or cell phone will result in corrective action. Employees shall receive $25 for each week they are assigned a pager or cell phone.

15.07 **Travel Expenses.** Employees attending training sessions away from the Refinery will be paid straight time pay for the actual time spent in training and traveling to and from such training. Employees will be reimbursed for reasonable meal, hotel, and travel expenses while attending such training. Attendance at training shall not be counted as hours worked for purposes of computing overtime.

Article 16 — Meals

16.01 **Meals.** Employees held over for three (3) hours past the end of their regularly scheduled shift and every five (5) hours thereafter will be eligible for a meal that costs a maximum $10. Employees called out to work will receive a meal every five (5) hours. In lieu of a meal, the Employees involved may elect to take a $15 ticket redeemable at certain local businesses. All Employees working on this overtime assignment must either take the ticket or eat a meal provided by the Employer. No meals will be provided by the Employer for scheduled overtime assignments until 12 hours of work are completed in a Maintenance job.

<u>Article 17 — Holidays</u>

17.01 **<u>Paid Holidays.</u>** The Employer recognizes the following paid holidays each year: New Years Day, President's Day, Good Friday, Decoration Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, day after Thanksgiving Day and Christmas Day.

When a holiday falls on a Saturday, the holiday will be observed on the previous Friday. When a holiday falls on a Sunday the following Monday will be observed as the holiday. This Article will not apply to employees with rotating days off.

17.02 **<u>Other Religious Holidays.</u>** Employees who wish to observe certain holidays of worship or commemoration not included in the Employer's holiday schedule may do so with approval from management as an unpaid, excused absence or use a PTO day, if available.

17.03 **<u>Holiday Pay.</u>** Holiday Pay will be administered as follows:

A. If a holiday occurs during an Employee's vacation, he shall receive Holiday Pay in addition to Vacation Pay or shall be given an additional day's vacation or an extra day's pay, at management's discretion. The Holiday Pay shall not exceed eight (8) hours.

B. If a holiday occurs during a leave of absence, the Employee shall not be paid for that holiday.

C. Holidays not worked that fall during an Employee's regularly scheduled workweek shall be paid at eight (8) hours straight-time and shall be counted as days worked for the purpose of computing overtime for that week.

   1. If a holiday occurs on a regularly scheduled day off, and the Employee does not work, he shall receive an additional eight (8) hours straight-time pay for that workweek.

   2. Employees required to work on a holiday, shall be paid eight (8) hours straight-time Holiday pay, plus time and a half for the hours worked on that day.

      a. If an Employee is scheduled to work on a holiday and does not report to work, he shall not receive Holiday Pay without his Department Head's written approval.

      b. To receive Holiday Pay, an otherwise eligible Employee must be at work on the scheduled workday immediately preceding and immediately following the day on which the holiday is observed. If an Employee is absent on one (1) or both of these days because of an illness or injury, the Employer reserves the right to request that the Employee provide medical verification.

c. If an Employee leaves work early, he shall receive Holiday Pay only for the actual hours worked unless the reason for the "early out" is at management's request. In such cases, the Employee shall receive eight (8) hours Holiday Pay plus the hours worked.

D. Employees hired from Farmland immediately after the purchase of the refinery shall be entitled to receive holiday pay upon initial hire by the Company. Probationary employees and temporary employees will not be eligible to receive holiday pay.

E. The Employer shall have the right to determine which employees are scheduled to observe the holidays specified in this Article as non-work days.

Article 18 — Paid Time Off

18.01 Paid Vacation. Full-time regular Employees who have twelve (12) months of continuous Company service are entitled to paid vacation according to the following schedule:

One (1) year of service	One (1) week
Two (2) to fifteen (15) years of service	Two (2) weeks
Fifteen (15) to twenty (20) years of service	Three (3) weeks
Over twenty (20) years of service	Four (4) weeks

A. Paid vacation eligibility is calculated on the employee's anniversary date. For purposes of vacation entitlement, Farmland years of service shall be recognized. Vacation may be taken as it is accrued. Vacation shall be accrued monthly. No advances of vacation time will be made.

B. Vacation Pay is computed at the Employee's current regular hourly rate of pay.

C. Employees must indicate their desired vacation periods to the Employer between December 1 and 15 of each year for vacations to be taken during the next calendar year.

D. Vacations shall be taken in increments of at least one (1) full week unless otherwise approved by the Employee's Department Head.

E. An Employee's preference shall be considered in scheduling vacations, but the vacation schedule shall be subject to the Employer's work requirements.

1. When scheduling conflicts occur, the first Employee to submit the request shall have a preference for the requested vacation. In the event that Employees simultaneously submit requests, which would create a scheduling conflict, the Employee with the greatest length of service (including Farmland service) shall have first preference. However, once a vacation request has been approved, the Employee may not be "bumped" in favor of another who has greater seniority.

2. Vacation time can be carried over from year to year in the following increments: 1 year to 15 years of service – 5 days
greater than 15 years of service – 10 days

Carry over of a greater number of days will not be made with the following two (2) exceptions:

a. If the Employee is required to forego any portion of his vacation for the Employer's convenience, he shall be allowed to carry any unused time forward into the next anniversary year. The Employee's Department Head should write a memo to the file documenting the carry over, with a copy to the Union and the Employee.

b. If an Employee is unable to use all of his accrued vacation due to a work-related disability, the unused portion of the vacation shall carry over into the next anniversary year.

3. Pay in lieu of time off shall not be granted unless there is mutual agreement between the Union and the Employer.

F. The Employer may block certain periods of time throughout the year when vacation cannot be taken. If the Employer chooses to block certain periods, notice will be given at the time Employees are to indicate there desired vacation periods.

18.02 <u>Paid Time Off (PTO).</u> PTO can be used for any purpose and is available as a flexible addition to vacation time. For example, PTO can be used for sick days, religious holidays and personal emergencies. All employees are allotted five (5) PTO days each calendar year and may be used in no less than hourly increments. An employee cannot use PTO unless prior approval is given by the employee's supervisor to the extent possible. Employees will be permitted to carry over up to ten (10) PTO days from year to year. If an employee is unable to attend work due to illness, injury or other reason, the employee shall notify his supervisor of the leave as far in advance as reasonably ascertainable. If an employee decides to take such leave on the morning of the scheduled workday, the employee shall notify the employee's supervisor or another appropriate manager at least two (2) hours before the employee is scheduled to start work. An employee will not be paid for unused PTO time.

18.03 <u>Sick Leave.</u> After the completion of six (6) months continuous employment, exclusive of periods of layoff and absence, permanent employees will be granted sick leave with pay accrued at the rate of one (1) day per month up to five (5) days a year. A maximum of ten (10) working days may be accumulated. Sick leave pay will be based on the each employee's straight time pay rate.

Article 19 — Seniority, Layoffs, Transfers, and Promotions

19.01 Seniority. Company seniority is an employee's length of continuous service with the Company. Farmland service with each employee hired in conjunction with the sale of the refinery from Farmland to the Employer shall be credited as Company seniority.

19.02 Seniority Categories. The following categories of seniority will be established:

Plant Seniority will start upon date of hire by the Employer. Maintenance Seniority starts upon the date of hire into the Maintenance Department. Operating Seniority starts upon the date of hire into an Operating position. Operating Unit seniority starts upon the date of hire into an Operating Unit.

19.03 Layoff and Rehire. In the event layoffs become necessary, which Employees will be laid off or retained and which Employees shall be recalled shall be determined by the appropriate seniority in the following manner: operations seniority shall determine layoff and recall decisions in operations; craft seniority shall determine layoff and recall decisions in maintenance; and plant seniority shall determine layoff and recall decisions from the yard. Employees laid off from operations or maintenance can use plant seniority to roll back to the yard.

19.04 Temporary Transfers. The Employer, in its sole discretion, may transfer Employees temporarily between shifts and between jobs and departments in order to maintain efficient and/or economical operations of the refinery. Temporarily as used in the Article is defined and understood to mean any period of time, which does not exceed thirty (30) consecutive work days provided, however, that by mutual agreement between the Company and the Union, the period of time may be extended. Employees transferred for less than one (1) week will receive their same rate of pay.

19.05 Job Openings. The Employer shall exercise its management right to place and/or promote those individuals who, in the sole discretion of the Employer, are the most qualified to fill available position(s). In the event that Management, in its sole discretion, deems individuals to be equally qualified, seniority shall be used as the determining factor. Whenever practicable, Management shall post available job openings for all interested Employees to apply. Said posting shall state the minimum qualifications for the available opening.

Article 20 — Leaves of Absence

20.01 Leaves of Absence. Employees shall receive medical leave, maternity leave, family and medical leave, and military leave as required by applicable state and federal laws. Specifically, the parties will comply with the requirements of the Family and Medical Leave Act of 1993, hereinafter, "the FMLA." Employees shall be permitted to take the leaves allowed by law, subject to the Company's right to adopt a policy detailing any procedures, requirements or restrictions on such leaves, as are permitted by law or this Agreement. An Employee seeking FMLA leave under this Article must provide sufficient information concerning the reason for the leave so that the Company can determine whether the leave qualifies under the FMLA.

Article 21 — Jury Duty

21.01 Jury Duty. Employees are entitled to take a leave of absence for jury duty.

A. The Employee shall be paid a sum equal to his straight-time earnings for eight (8) hours as if he were on the job, less the amount actually paid to the Employee for his jury duty service.

B. Compensation for jury service shall not exceed ten (10) days in any twelve (12)-month period.

C. Court or jury duty adjustment is applicable only to an Employee’s regularly scheduled days of work, and no adjustment shall be made for time spent on jury duty on days which the Employee was not regularly scheduled to work.

D. Time spent on court or jury duty shall not be considered as part of the workweek for purposes of computing overtime.

E. Employees must present their jury summons to their manager as soon as they receive it.

F. Employees must notify their manager of the number of hours that they are required to serve jury duty, and their availability to work on their next scheduled shift as soon as possible.

Article 22 — Bereavement Pay

22.01 Bereavement Pay. In the event of a death in a full-time Employee’s immediate family (defined as the Employee’s spouse, child, step child, parent or step parent or parent in law, or blood brother or sister), an Employee shall be granted up to three (3) consecutive work days off as funeral leave if the employee attends the funeral. Proof of the death and of the family relation may be required by the Company.

Article 23 — Uniforms

23.01 Uniforms. While Employees are not required to make deposits for uniforms and clothing furnished by the Employer, they are nevertheless responsible for such uniforms and clothing. Employees shall therefore be responsible for the cost of any loss of or damage caused by the neglect of the Employee to Employer-provided uniforms and the Employer may deduct the cost for such damage or loss from an Employee’s paycheck, provided this is permitted by law, except for damage attributable to normal wear and tear, damage incurred during the normal performance of the Employee’s work or loss or damage not caused by the neglect of any Employee.

Article 24 — Indemnification

24.01 Indemnification. The Union will indemnify and save the Employer harmless against any and all claims, demands, other forms of liability which may arise out of or by reason of any action taken or not taken by the Employer at the request of the Union.

Article 25 — Grievance and Arbitration Procedure

25.01 Definition. A grievance shall be defined as a dispute regarding the interpretation and application of the provisions of this Agreement raised by the Union or an Employee alleging a violation of the terms and provisions of this Agreement. However, disputes specifically excluded in other Articles of this Agreement from the grievance and arbitration procedure shall not be construed as falling within this definition.

25.02 Procedure for Filing Grievances. All grievances shall be handled exclusively in the following manner:

STEP 1: Matters for discussion must first be orally submitted to the employee's immediate supervisor. Such a meeting shall normally include the employee, the local union or unit representative, and the foreman and shall be held within five (5) working days of the time that the aggrieved party has knowledge of the grievance. If the grievance is not resolved at this step, then the employee may file a formal written grievance within five (5) days under the procedures set forth below. If the matter is not resolved, the immediate supervisor shall render a written response to the grievance within five (5) business days after the grievance is presented.

STEP 2: If the grievance is not settled at Step 1 and the Employee or the Union wish to file a written grievance to Step 2 of the grievance procedure, it shall be submitted in writing to the Employee's department head. Such an appeal must be submitted in writing to the Employee's department head within five (5) business days after receipt of the Company's answer in Step 1, or within five (5) business days of the time when such answer would have been due. The grievance shall state the provision or provisions of this Agreement, which are alleged to have been violated, the relief requested, and the basis upon which the grievant believes the grievance was improperly denied at the previous step in the grievance procedure. The department head shall investigate the grievance and, in the course of such investigation, may offer to discuss the grievance within five (5) days with the grievant and an authorized Union representative at a time mutually agreeable to the parties. If no settlement of the grievance is reached, the department head shall provide a written answer to the grievant and to the Union within ten (10) business days following receipt of the Step 2 grievance.

STEP 3: If the grievance is not settled at Step 2 and the Union wishes to appeal the grievance to Step 3 of the grievance procedure, it shall be submitted in writing (signed by both) to the executive committee's representative within five (5) business days after receipt of the Company's answer in Step 2, or within five (5) business days of the time that such answer would have been due. The grievance shall specifically state the basis upon which the grievant believes the grievance was improperly denied at the previous step in the grievance procedure. An appropriate representative of the executive committee shall investigate the grievance and, in the course of such investigation, shall offer to discuss the grievance within five (5) days with the grievant and an authorized Union representative at a time mutually agreeable to the parties. If no settlement of the grievance is reached, the executive committee's representative shall provide a written answer to the grievant and the Union within ten (10) business days following receipt of the Step 3 grievance.

STEP 4: If the grievance is not settled at Step 3 and the Union desires to appeal, the Union may refer the grievance to arbitration, as described below, within ten (10) business days of receipt of the Company's written answer as provided to the Union at Step 3:

(a) The parties shall attempt to agree upon an arbitrator within five (5) business days after receipt of the notice of referral. In the event the parties are unable to agree upon the arbitrator within said five (5) business day period, the parties shall jointly request the Federal Mediation and Conciliation Service to submit a panel of five (5) arbitrators. Each party retains the right to reject one (1) panel in its entirety and request that a new panel be submitted. Both the Union and the Company shall have the right to alternately strike names from the panel, with the party requesting arbitration striking the first name. The person remaining shall be the arbitrator.

(b) The arbitrator shall be notified of his/her selection and shall be requested to set a time and place for the hearing, subject to the availability of Union and Company representatives.

(c) The Company and the Union shall have the right to request the arbitrator to require the presence of witnesses or documents. The Company and the Union retain the right to employ legal counsel.

(d) The arbitrator shall submit his/her decision in writing within thirty (30) calendar days following the close of the hearing or the submission of briefs by the parties, which ever is later. This decision shall be final and binding on the Company, the grievant, the Employees covered by this Agreement, and the Union.

(e) More than one grievance may be submitted to the same arbitrator if both parties mutually agree in writing.

(f) The fees and expenses of the arbitrator and the cost of a written transcript, if any, shall be divided equally between the Company and the Union; provided, however, that each party shall be responsible for compensating its own representative and witnesses.

(g) The arbitrator shall have no power to add to, subtract from, amend, change or alter any of the terms of this Agreement.

(h) Any Employee covered by this Agreement who is discharged by the Employer and who disputes that his/her discharge was for just cause shall have an affirmative duty to mitigate any potential damages which might result to the Employer, in the event the discharge involved is subject to Grievance and Arbitration, and an arbitrator overrules the discharge. In any dispute over the amount of back pay due to an Employee under an arbitration award, the arbitrator shall have no authority to award any back pay to that Employee unless that Employee or the Union has affirmatively proven by a preponderance of the evidence that the Employee has fulfilled his/her duty to mitigate damages at all times since his/her discharge.

Article 26 — Bulletin Boards

26.01 Bulletin Boards. The Employer shall make a bulletin board available to the Union in the clock house, where the Union may post notices of Union elections and results, meetings and recreational and social affairs.

Article 27 — Individual Agreements

27.01 Individual Agreements. No Employee covered by this Agreement shall be compelled or permitted to enter into any individual contract or agreement with the Employer concerning the conditions of employment set forth herein.

Article 28 — Savings Clause

28.01 Savings Clause. In the event that any provision of this Agreement shall be rendered invalid by applicable legislation or be declared invalid by any court or regulatory agency of competent jurisdiction, such action shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not rendered invalid shall remain in full force and effect. Both parties agree that the subject matter of any provision found to be invalid shall be renegotiated.

Article 29 — Expiration

29.01 Expiration. This Agreement shall expire on __________. A party desiring to renegotiate a subsequent Agreement shall provide the other party with written notice to that effect at least 60 days prior to the expiration of this Agreement.

Article 30 — Complete Agreement

30.01 Complete Agreement. The parties to this Agreement, Coffeyville Resources Refining & Marketing, LLC. and the International Union of Operating Engineers, Local 123, the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers, and helpers, Local No. 83, the United Association of Journeyman Plumbers and Steamfitters of the United States and Canada, Local No. 441, the International Brotherhood of Electrical Workers, Local

No. 226, the International Association of Machinists, Local No. 693, and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers, Local No. 823, agree that this Collective Bargaining Agreement contains the parties’ complete and accurate agreement.

30.02 Implementation. The Employer shall implement all provisions of this Agreement within ten days of its complete execution.

30.03 Modification. This Agreement may be modified only upon the written agreement of the Employer and the Union.

Coffeyville Resources Refining and Marketing, LLC	International Union of Operating Engineers, Local 123
	International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and helpers, Local 83
	United Association of Journeyman Plumbers and Steamfitters of the United States and Canada, Local No. 441
	International Brotherhood of Electrical Workers, Local No. 226
	International Association of Machinists, Local No. 693
	International Brotherhood of Teamsters, Local No. 823
	President, Coffeyville Metal Trades Council
Date:	Date:

Effective upon the closing date of the sale of the Coffeyville Refinery from Farmland Industries to Coffeyville Resources Refining and Marketing, LLC.

EXHIBIT 1

JOB CLASSIFICATIONS AND WAGE RATES

Operations Department	Current Wage Rates	Wage Rate Increases Years 3 & 4 & 5
Crude Unit:		
Operator Mechanic I	+.75	If qualified 2.5% to base rate
Operator Mechanic II	+.50	If qualified 2.5% to base rate
Top Operator	23.78	2.0%
Board Operator	23.22	2.0%
Outside Operator	22.45	2.0%
Worker	20.78	2.0%
Cat/Alky Unit:		
Operator Mechanic I	+.75	If qualified 2.5% to base rate
Operator Mechanic II	+.50	If qualified 2.5% to base rate
Top Operator	23.78	2%
Board Operator	23.22	2%
Outside Operator	22.45	2%
Worker	20.78	2%
Coker/Vacuum Unit		
Operator Mechanic I	+.75	If qualified 2.5% to base rate
Operator Mechanic II	+.50	If qualified 2.5% to base rate
Top Operator	23.78	2%
Board Operator	23.22	2%
Outside Operator	22.45	2%
Worker	20.78	2%
Laboratory		
Operator Mechanic I	+.75	If qualified 2.5% to base rate
Operator Mechanic II	+.50	If qualified 2.5% to base rate
Top Operator (E.O.)	22.20	2%
Tester	21.64	2%

Operations Department	Current Wage Rates	Wage Rate Increases Years 3 & 4 & 5
Lab Worker	19.93	2%
OTS/TLD Department:		
Operator Mechanic I	+.75	If qualified 2.5% to base rate
Operator Mechanic II	+.50	If qualified 2.5% to base rate
Top Operator	22.76	2%
Biller/Pumper	21.59	2%
Loader/Worker	20.78	
Workers		
Entry Level Worker	15.00	
Maintenance		
Master Mechanic I	+.75	If qualified 2.5% to base rate
Master Mechanic II	+.50	If qualified 2.5% to base rate
Boilermaker	22.91	2%
Pipefitter	22.91	2%
Machinist	22.91	2%
Electrician	22.91	2%
Carpenters	22.91	2%
Instrumentation	22.91	2%
Heavy Equipment Operator	23.22	2%
Truck Driver	22.55	2%
Operations Support Lead	24.20	2%
Yard:		
Laborer I	16.00	2.5%
Laborer II	14.00	2%
Entry Laborer	12.00	

EXHIBIT 2

TESTING PROCEDURES

A. OPERATOR TRAINING PROGRESSION

Worker
Outside Operator
Board Operator
Top Operator

1. All Operating Unit Employees must attain Board Operator certification. An Employee must reach this level within 2 years following the availability of the appropriate tests. Each Unit will determine the method of progression through Helper to Board Operator with the Superintendent’s approval.

2. Reasonable training time will be provided for jobs that Employees are not familiar. Job Documentation Coordinators, Unit Supervisors, and Unit Superintendents will develop and update these procedures, training material, content requirements, and testing with the appropriate input from Top Operators in each unit.

3. Testing will be written knowledge and “hands on” skills testing utilizing the current testing program with appropriate changes.

4. The maximum time allowed for Top Operator certification is six (6) months following Board certification. This applies to those employees who are selected for these positions.

5. Unit Progression Test/Fail Rules

   a. Failure to pass test the first time, employee will receive up to six (6) weeks on the job training. If needed, training assistance with area JDC or other competent personnel will be made available.

   b. Failure to pass test the second time, employee will be subject to discharge.

   c. Re-certification will be required every two (2) years and will be subject to the same test/fail rules. A minimum of four-(4) weeks-prior notification will be given to the employee before the re-certification deadline. Recertification must be achieved prior to the deadline.

6. Initial Board Testing Employee Advancement from field job to board job will receive up to six (6) weeks out of the schedule training before testing. Training period will be scheduled at Foreman’s discretion.

   a. If an employee fails board test, he/she will receive up to six (6) more weeks out of schedule training. Test will be given again. If employee fails test second time, he/she will be subject to discharge.

7. Top Operator and Board Position Evaluation

   a. Top Operator and Board Position Employees will be evaluated annually to insure they continue to meet the performance standards of their position. Employees who are disqualified by the Area Superintendent will receive outside Operator pay for a maximum of 1 year at which time they must certify at Board Operator.

b. Top Operator and Board employees will be selected by the Area Superintendent. Outside Operators will be selected for Top Operator and Board positions. Once they become qualified they will receive the appropriate pay rate. In accepting this pay rate these employees, if selected to become Board or Top Operators, will be required to perform these jobs. Failure to accept either of these jobs after becoming qualified will subject the Employee to discharge.

NOTE: Turnaround or serious long-term disability will not impact an Employee’s certification schedule.

B. MAINTENANCE TRAINING PROGRESSION

Journeyman
Master Mechanic II
Master Mechanic I

1. Current Journeymen hired will be placed into their craft pay rate. Employees must certify within 3 months of development of new certification tests. These tests will be approved by the Maintenance Superintendent. If an Employee does not pass a certification test their pay will drop to a Yard rate until the Employee passes certification test. Maximum time schedule will be 3 months to pass this test.

2. Recertification will be required every 2 years..

3. Failure to pass a Journeyman certification test after training will be subject to discharge.

4. Master Mechanic will consist of certification training and/or appropriate testing and will entail specified skill levels in addition to the primary Craft job.

NOTE: Turnaround or serious long-term disability will not impact an Employee’s certification schedule

<u>EXHIBIT 3</u>

MEDICAL AND DENTAL INSURANCE

Employees will be offered the opportunity to enroll in, and participate in the Employer's medical and dental insurance plan.

Coffeyville Facility			
Benefit Rates for 2004			
Medical (20% Employee/80% Employer)	Distribution of Premium		
BCBS — Kansas	Employee	Employer	TOTAL
Option 1. $200/$600 deductible			
Employee Only	$ 58.45	$233.78	$292.23
Employee/Child	$111.55	$446.19	$557.74
Employee/Spouse	$125.92	$503.68	$629.60
Family	$178.00	$712.00	$890.00
Option 2. $500/$1000 deductible			
Employee Only	$ 53.09	$212.34	$265.43
Employee/Child	$102.29	$409.17	$511.46
Employee/Spouse	$113.96	$455.82	$569.78
Family	$163.17	$652.66	$815.83
Dental — (20% Employee / 80% Employer)			
Delta Dental of Kansas			
Employee Only	$ 4.44	$ 17.77	$ 22.21
Employee/Child	$ 8.53	$ 34.10	$ 42.63
Employee/Spouse	$ 8.80	$ 35.19	$ 43.99
Family	$ 14.57	$ 58.30	$ 72.87

Rates subject to final adjustment by BC/BS of Kansas if closing occurs after December 1, 2003.

Increases to medical and dental insurance rates in years 2 through 5 of the contract shall be split in the following manner: 70% of increase to be assumed by Employer, 30% of increase to be assumed by employees.

EXHIBIT 4

401(k) PLAN

Employees will be eligible and offered the opportunity to participate in the Employer's 401(k) Plan. The Employer shall match $0.50 for every dollar contributed by each employee up to a maximum of 6% of each employee's annual salary. The Employer's contribution will vest in equal amounts over a three year period, e.g., 33.3% each year until fully vested. The Employer's contribution shall fully vest automatically upon the retirement of any Employee during the first three years of the contract.

SIDE LETTER

The probationary period set forth in Article 7.02 shall be 90 days for employees hired directly from Farmland upon the purchase of the refinery and a just cause discipline standard shall apply and any discipline imposed during that time shall be subject to the grievance procedure. For all hires after the initial purchase, the 180-day probationary period shall apply.

On the condition that the bargaining unit members vote in favor of the Agreement upon one vote and by October 23, 2003, the Company will pay a one time lump sum payment of $1,500.00 to those former Farmland bargaining unit employees who are not hired. Employees hired by the Company but then dismissed during their initial 90 day probationary period shall also be entitled to receive this $1,500 payment.

Upon date of hire of Farmland Employees Coffeyville Resources Refining & Marketing, LLC will allow each employee to borrow up to five days of vacation time during the first six months of 2004. Each borrowed vacation day will be paid back as vacation time is accrued by the employee.

Upon date of hire with Coffeyville Resources Refining & Marketing, LLC, former Farmland employees will begin accruing sick leave and be eligible to use any such sick leave as it is accrued.

Exhibit 10.47

AGREEMENT

Between

COFFEYVILLE RESOURCES CRUDE TRANSPORTATION, LLC

and

THE PAPER, ALLIED-INDUSTRIAL, CHEMICAL & ENERGY

WORKERS INTERNATIONAL UNION

AFL-CIO-CLC

and

LOCAL NO. 5-432, HEADQUARTERED IN BARTLESVILLE, OKLAHOMA

Effective: ____________________

AGREEMENT Between COFFEYVILLE RESOURCES CRUDE TRANSPORTATION, LLC and THE PAPER, ALLIED-INDUSTRIAL, CHEMICAL & ENERGY WORKERS INTERNATIONAL UNION AFL-CIO-CLC and LOCAL NO. 5-432, HEADQUARTERED IN BARTLESVILLE, OKLAHOMA.

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<u>**AGREEMENT**</u>

THIS AGREEMENT is made and entered into, effective the __________ day of ____________________, 2004, by and between Coffeyville Resources Crude Transportation, LLC (hereinafter referred to as the "Employer" or the "Company"), and the Paper, Allied-Industrial, Chemical & Energy Workers International Union, AFL-CIO-CLC ("PACE") and Local No. 5-432, headquartered in Bartlesville, Oklahoma (hereinafter referred to as the "Union") for designated Employees under the authority of the N.L.R.B. Certification Order No. 17-UA-682.

WITNESSETH:

WHEREAS, the parties have, by negotiation and collective bargaining, reached complete agreement on wages, hours of work, working conditions and other related, negotiable subjects to be incorporated into a new Labor Agreement which shall supersede all previous verbal or written agreements applicable to the employees in the bargaining unit defined herein, which may have existed between the predecessor of the Employer and the Union.

WHEREAS, the Employer and organized labor both clearly recognize the responsibilities that both have to each other and the need for a close and continued friendly relationship between them, and because they further recognize that such relationship will result in mutual benefits by giving effective service in the interest of the Employer and creating improved labor standards for the members of the Union; consequently, this Agreement is entered into with good will and understanding.

WHEREAS, the Employer and the Union agree to do everything in their power to obtain maximum productivity on the part of individual employees within the limits of safety and good health. The Employer and the Union agree that the economic condition of the Employer and the industry necessitate an increased militance against waste and inefficiency and the parties pledge that unnecessary overtime for calls to work outside of duty hours are to be avoided wherever practicable.

NOW, THEREFORE, in consideration of the foregoing, the execution of this Agreement and the full and faithful performance of the covenants, representations and warranties contained herein, it is mutually agreed as follows:

<u>**ARTICLE 1 SCOPE OF AGREEMENT**</u>

1.1 The Union is recognized as acting as the sole bargaining agency for all full time employees of the Employer engaged in the operations as set forth in this Article except supervisory employees, foremen, plant protection employees and employees whose duties are of a clerical, professional or technical nature.

INITIALS

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1.2 This Agreement shall apply to those operations at the time of entering into this Agreement of Coffeyville Resources Crude Transportation, LLC in Butler, Cowley, Sedgwick, Chautaugua. Elk, Montgomery, Sumner, and Wilson counties in the State of Kansas, and Osage, Washington, Craig, Tulsa, Kay, Pawnee, Creek, Rodgers and Nowata counties in the State of Oklahoma.

1.3 In this Agreement, whenever the context so requires, the masculine gender includes the feminine.

ARTICLE 2 BINDING EFFECT OF THIS AGREEMENT

2.1 This Agreement shall be binding upon the parties' signatory hereto. In the event that the Employer's business is sold, assigned or transferred, the parties shall have all rights and obligations conferred by law. In the event the facility is sold, the Company shall give notice of the existence of this Agreement to any purchaser.

ARTICLE 3 NO STRIKES OR LOCKOUTS; CONTINUITY OF OPERATION

3.1 During the existence of this Agreement, there shall be no lockouts or strikes, including sympathy strikes, picketing, work stoppages, slowdowns or disruptive activity by the Union or by any employee. It is specifically understood and agreed that a work stoppage or disruption of work or slowdown occasioned by the honoring of another union's (whether or not affiliated or associated with the Union) picket line shall constitute a forbidden work stoppage under this Article.

3.2 Any and all Employees who violate any of the provisions of this Article may be disciplined by the Company, up to and including discharge.

3.3 Upon expiration of the Agreement and because of the nature of the petroleum business, need for safety in the community, and desirability of orderly turnover of the operation there shall be no strike or lockout until after a lapse of a period of not less than 72 hours following a notice of strike or lockout from the party giving such notice to the other party and that this Article 3 shall be considered as in full force until expiration of such period of 72 hours.

3.4 Nothing contained herein shall preclude the Company from obtaining judicial restraint and damages in the event any provision of this Article is violated. Any alleged violation of this Article (with the exception of just cause discipline issues) shall not be subject to the provisions of the grievance and arbitration provisions of this Agreement.

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ARTICLE 4 NO SOLICITATION OR DISTRIBUTION

4.1 Employees may not solicit or distribute printed materials of any kind to employees during work time or in work areas. Employees who are not on work time may not solicit or distribute printed materials to employees who are on work time.

ARTICLE 5 MANAGEMENT RIGHTS

5.1 The Employer has the sole discretion to manage and operate the Company, including all of its operations, activities and the direction of its Employees, with the right to hire, or suspend, discipline or discharge for just cause; to promote, demote, assign work, separate, classify, reclassify, transfer, and layoff Employees, and to recall or relieve Employees from duty and to and maintain discipline and efficiency among Employees; to decide the number of Employees to be utilized; to establish reasonable facility rules; to determine the type and scope of work to be performed; to establish schedules of operation; to determine work schedules of Employees and to change such schedules as determined appropriate; to require overtime; and to determine the methods, procedures and means of operation. The Company shall also have the right to introduce new or improved working methods or facilities. Nothing in this Section is intended to limit any rights of the Company not specifically and expressly covered.

ARTICLE 6 PROBATIONARY PERIOD

6.1 Each employee will be regarded as a probationary employee until he has completed one hundred twenty (120) working days of continuous employment. During this period of probationary employment, the services of the employee may be terminated, with or without cause, and without recourse to the grievance procedure; no advance notice of layoff or termination, or payment in lieu thereof, shall be required; and seniority rights provided elsewhere in this Agreement shall not apply.

6.2 The period of probation shall be extended by the number of days the Employee is absent from scheduled work while on probationary status.

ARTICLE 7 SENIORITY, LAYOFFS, TRANSFERS AND PROMOTIONS

7.1 Company Seniority is the length of continuous full-time service from an Employee’s most recent date of hire by the Employer. Company Seniority shall apply to determine eligibility for benefits as specified in this Agreement, including vacation benefits. Farmland service with each employee hired in conjunction with the sale of the facility from Farmland to the Employer shall be credited as Company seniority.

7.2 The following categories of seniority will be established: The Employee’s date of hire will establish his seniority based upon his successful completion of his probationary

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period. Company seniority will be utilized in the event of layoff or recall, subject to the ability and qualifications of the employee to perform the duties of the position in question.

7.3 Layoff and Rehire. In the event layoffs become necessary, which Employees will be laid off or retained and which Employees shall be recalled shall be determined by the appropriate Company seniority. An employee whose position is eliminated due to a reduction in force or is bumped by a senior qualified employee will apply the following procedure: the employee may displace the most junior employee in his current classification first if he is qualified. If he is not qualified to perform the work, he may displace the most junior employee in each lower classification he is qualified to perform until he has obtained a job or is laid off from the facility.

7.4 Temporary Transfers. The Employer, in its sole discretion, may transfer Employees temporarily between shifts and between jobs and departments in order to maintain efficient and/or economical operations of the system. Temporarily as used in the Article is defined and understood to mean any period of time, which does not exceed thirty (30) consecutive work days provided, however, that by mutual agreement between the Company and the Union, the period of time may be extended. Transferred employees will receive either the rate of pay for the position to which he is transferred or his regular rate of pay, whichever is higher, for no more than thirty (30) days.

7.5 With regard to the electrician and welder positions (or trainee positions for said positions), the Employer shall exercise its management right to place and/or promote those individuals who, in the sole discretion of the Employer, are the most qualified to fill available position(s). With respect to these electrician and welder positions, in the event that Management, in its sole discretion, deems individuals to be equally qualified, seniority shall be used as the determining factor. For all other positions, seniority shall be used to determine placement into available positions where employees are minimally qualified for any such available positions. Whenever practicable, Management shall post available job openings for all interested Employees to apply. Said posting shall state the minimum qualifications for the available opening.

7.6 An Employee voluntarily leaving the service of the Employer or discharged for cause shall forfeit all seniority and service rights, and shall, if he is reemployed be considered as a new Employee.

ARTICLE 8 SCOPE OF WORK AND WORK SCHEDULES

8.1 No foreman or supervisor shall, except in the case of emergencies, training employees, or in the interest of avoiding accidents, do any work peculiar to any job classification, the performance of which would cause an employee to suffer layoff or loss of pay.

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8.2 The established work week shall consist of seven (7) consecutive days beginning at 12:01 a.m. on Mondays. The normal daily and weekly work schedule shall be determined by management and the normal weekly work schedule shall consist of forty (40) hours of work.

8.3 Nothing in this Agreement shall be interpreted to restrict the amount of time an Employee can be required work to eight (8) hours in one day or forty (40) hours in one week. It is also understood that the foregoing does not constitute a guarantee of any fixed number of hours of work in any week.

8.4 The working time of any Employee shall commence when he has reported for work at the designated time and regular place.

8.5 Vacation days for an 8 hour shift job will be charged as 8 hours vacation. Vacation days for a 10 hour shift job will be charged 10 hours vacation.

8.6 Callout Pay. An Employee who reports to work pursuant to a callout, is guaranteed two hours and forty minutes of pay at his overtime hourly rate. Further, to qualify for the callout guarantee, an Employee must accept such work assignment as may be made by the Company and report at the facility or work location within an hour.

ARTICLE 9 OVERTIME

9.1 Employees shall be paid at a rate of one and one-half ($1^1/_2$ x) times the Employee's regular hourly rate for all hours worked in excess of their regularly scheduled work day (consisting of at least eight (8) hours in a day) or forty hours in a workweek, or for all hours worked on any of the holidays specified in this Agreement for up to their regularly scheduled work day. Overtime or holiday compensation shall not be pyramided; i.e., hours worked at a rate of time and one-half time shall not be computed more than once in calculating overtime or holiday pay earned, nor shall any premium rate be further expanded to time and one-half or double time of such premium rate under any Article of this Agreement.

9.2 No overtime shall be worked or permitted except by direction of proper authority, except in case of emergency where advance authority is not obtainable. An Employee on continuous operations shall remain at his post of duty until relieved. In cases where shift men are required to work for a longer time due to the failure of relief men to appear, such overtime shall be paid at the rate of one and one-half, however, the relief man shall be paid only for the number of hours worked.

9.3 The Employer shall, in-so-far as practicable, distribute overtime uniformly within each classification. When overtime is required, the employee within that classification who is lowest on the overtime list will be asked first, if he declines, all employees in that

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classification will be asked. If no employee accepts, the low man within that classification will be required to work overtime.

9.4 No Employee shall be required to take time off from his regular work week for the purpose of off-setting overtime previously worked.

9.5 When an Employee takes vacation time, as defined in this Agreement, the Employee shall be paid up to eight (8) hours (10 hours for a four X ten hour shift employee) of straight-time pay and such hours shall be counted as hours worked for the purpose of computing overtime for that week. Holidays shall also be counted as hours worked. Use of PTO days (other than vacation), jury duty, leaves of absence or layoff shall not be counted as hours worked for the purpose of computing overtime for that week.

ARTICLE 10 MEAL PERIODS

10.1 Employees shall receive one (1) thirty (30) minute meal period per shift when they work a full scheduled shift. Employees required to work at least four (4) hours over his regularly scheduled shift shall be provided with a meal paid for by the Employer.

ARTICLE 11 HOLIDAYS

11.1 The Employer recognizes the following holidays:

New Year’s Day
Good Friday
President’s Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Day
Personal Holiday

When a holiday falls on a Saturday, the holiday will be observed on the previous Friday. When a holiday falls on a Sunday the following Monday will be observed as the holiday. This Article will not apply to employees with rotating days off. When a holiday falls on an employee’s regularly scheduled day off, the employee will be entitled to one additional personal PTO day. Use of the personal holiday and PTO time must be arranged for and approved in advance by the employee’s supervisor.

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11.2 Employees who wish to observe certain holidays of worship or commemoration not included in the Employer's holiday schedule may do so with approval from management as an unpaid, excused absence or use a PTO day.

11.3 For the purpose of this Agreement a holiday shall consist of a twenty-four (24) hour period commencing at 12:01 a.m. the morning of the recognized holiday.

11.4 Each Employee who is not required to work on a particular holiday shall be paid straight-time pay for their regular number of work hours (either 8 or 10 hours), provided that no such payment shall be made to an Employee, with respect to a holiday, if such Employee:

a. Was not present for work on both his last scheduled work day before the holiday and his next scheduled work day after the holiday unless there is reasonable excuse for absence.

b. Is scheduled to work on that holiday and without permission of the Employer fails to report for work, unless there is reasonable excuse for such absence.

c. Is removed from the active payroll during the period in which the holiday occurs, such as when on leave of absence or layoff.

11.5 An Employee required to work on any day observed as his holiday as outlined above shall, in addition to the holiday pay, receive straight-time pay (except for those hours worked in excess of 40, which will be paid at time and one half times the Employee's regular rate of pay).

11.6 It is expressly understood that pay for time off not worked shall be construed to mean hourly pay and that reference to days herein this Agreement shall be construed as reference to an employee's regular work day (either eight (8) or ten (10) hour days).

11.7 Employees hired from Farmland immediately after the purchase of the facility shall be entitled to receive holiday pay upon initial hire by the Company. Probationary employees and temporary employees will not be eligible to receive holiday pay.

ARTICLE 12 PAID TIME OFF

12.1 Paid Vacation. Full-time regular Employees who have twelve (12) months of continuous Company service are entitled to paid vacation according to the following schedule:

One (1) year of service	One (1) week
Two (2) to fifteen (15) years of service	Two (2) weeks
Fifteen (15) to Twenty (20) years of service	Three (3) weeks
Over Twenty (20) years	Four (4) weeks

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A. Paid vacation eligibility is calculated on the employee's anniversary date. For purposes of vacation entitlement, Farmland years of service shall be recognized. Vacation may be taken as it is accrued. Vacation shall be accrued monthly. No advances of vacation time will be made unless otherwise provided in this agreement.

B. Vacation and PTO pay and use will be based upon the employee's regular hourly rate of pay for their regular work day (either 8 or 10 hours).

C. Probationary employees and temporary employees will not be eligible to use vacation time.

D. Employees must indicate their desired vacation periods to the Employer between December 1 and 15 of each year for vacations to be taken during the next calendar year.

E. Vacations shall be taken in increments of at least one (1) full week unless otherwise approved by the Employee's supervisor.

F. An Employee's preference shall be considered in scheduling vacations, but the vacation schedule shall be subject to the Employer's work requirements.

1. When scheduling conflicts occur, the first Employee to submit the request shall have a preference for the requested vacation. In the event that Employees simultaneously submit requests, which would create a scheduling conflict, the Employee with the greatest length of service (including Farmland service) shall have first preference. However, once a vacation request has been approved, the Employee may not be "bumped" in favor of another who has greater seniority.

2. Vacation time can be carried over from year to year in the following increments:

1 year to 15 years of service – 5 days;
greater than 15 years of service – 10 days

Carry over of a greater number of days will not be made with the following two (2) exceptions:

a. If the Employee is required to forego any portion of his vacation for the Employer's convenience, he shall be allowed to carry any unused time forward into the next

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anniversary year. The Employee's Department Head should write a memo to the file documenting the carry over, with a copy to the Union and the Employee.

b. If an Employee is unable to use all of his accrued vacation due to a work-related disability, the unused portion of the vacation shall carry over into the next anniversary year.

3. Pay in lieu of time off shall not be granted unless there is mutual agreement between the Union and the Employer.

G. Vacation may not be used in conjunction with any disability pay the Employee receives.

H. The Employer may block certain periods of time throughout the year when vacation cannot be taken. If the Employer chooses to block certain periods, notice will be given at the time Employees are to indicate their desired vacation periods.

12.2 Paid Time Off (PTO). PTO can be used for any purpose and is available as a flexible addition to vacation time. For example, PTO can be used for sick days, religious holidays and personal emergencies. All employees are allotted five (5) PTO days each calendar year. An employee cannot use PTO unless prior approval is given by the employee's supervisor to the extent possible. Employees will be permitted to carry over up to ten (10) PTO days from year to year. If an employee is unable to attend work due to illness, injury or other reason, the employee shall notify his supervisor of the leave as far in advance as reasonably ascertainable. If an employee decides to take such leave on the morning of the scheduled workday, the employee shall notify the employee's supervisor or another appropriate manager at least two (2) hours before the employee is scheduled to start work. An employee will not be paid for unused PTO time.

ARTICLE 13 JURY DUTY

13.1 It is agreed that no loss of base pay shall be incurred by an Employee as a result of jury service when loss of time is caused by actual service on a jury, and he shall be permitted to retain his jury fee. Employees will be paid their regular hourly rate for their regular work schedule (either eight (8) or ten (10) hour days). Employees called but not chosen for jury duty are required to work any remaining hours of his regular work schedule.

ARTICLE 14 PHYSICAL EXAMINATIONS

14.1 Applicants for employment shall be examined by a reputable physician.

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14.2 Upon the request of the Employer, the employee shall furnish the Employer's regular medical examination form signed by an accredited physician.

14.3 In case a dispute arises over the physical fitness of an Employee to return to work or to continue to work, a board of three accredited physicians shall be selected, one by the Company, one by the Employee, and one selected by the two so named. The decision of the majority of the board shall be final. The Company shall bear the expense of the physician it selects and one-half of the expense of the physician chosen by the first two. The Employee shall bear the expense of the physician he selects and one-half the expense of the physician chosen by the first two.

ARTICLE 15 DRUG AND ALCOHOL POLICY

15.1 Drug or Alcohol Test. The Employer will adopt a drug and alcohol policy. Employees are required to adhere to that policy and shall be subject to the testing procedures contained therein. Any Employee suspected of consuming, using or being under the influence of drugs or alcohol must submit to an immediate drug and/or alcohol test. The Employer may monitor an Employee's work performance and behavior to determine whether the Employer suspects that the Employee is under the influence of drugs or alcohol. Such testing shall be conducted by a certified lab to insure the integrity of the specimen.

15.2 Job-Related Accident. Any Employee involved in a job-related accident requiring attention at a medical facility may be required to submit to a drug and/or alcohol test.

15.3 Consequence of Positive Test. The Employer shall have just cause to discharge an Employee in the event that the drug or alcohol test indicates the presence of drugs or alcohol.

15.4 Refusal to Submit. Any Employee subject to drug and/or alcohol testing as outlined above who refuses to submit to such test shall be considered to have failed the test for purposes of this Article.

15.5 Random Drug Testing. The Employer shall implement a random drug testing policy, to the extent permitted by law. Such random testing shall be conducted quarterly and up to 25% of the bargaining unit members may be subject to such testing each quarter.

15.6 Compliance with Applicable laws. The Employer agrees to comply with all applicable laws, including Department of Transportation regulations with regard to employee drug testing.

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ARTICLE 16 LEAVE OF ABSENCE

16.1 The parties will comply with the requirements of the Family and Medical Leave Act of 1993, hereinafter, "the FMLA." Employees shall be permitted to take the leaves allowed by law, subject to the Company's right to adopt a policy detailing any procedures, requirements or restrictions on such leaves, as are permitted by law or this Agreement. An Employee seeking FMLA leave must provide sufficient information concerning the reason for the leave so that the Company can determine whether the leave qualifies under the FMLA.

16.2 If an employee desires an unpaid leave of absence in order to engage in any work pertaining to the business of the Union, said request will be presented to local Management for approval and such approval will not be unreasonably withheld. Such leave may not exceed one (1) year and will not affect the employee's seniority status. Only one employee at a time shall be given such union leave.

ARTICLE 17 MILITARY LEAVE

17.1 An Employee who enters the Armed Forces of the United States shall retain and accumulate seniority under this Agreement during such period of military service and shall have the right to reinstatement to his former employment in accordance with established laws applicable to veterans of the United States Armed Forces.

17.2 An Employee who is a member of the National Guard or military reserve corps requiring periodic training courses necessitating his being absent from work will be entitled to a leave from work on his own time or to the right to apply the time lost against earned vacation, whichever the Employee prefers.

ARTICLE 18 BEREAVEMENT LEAVE

18.1 In the event of a death in a full-time Employee's immediate family (defined as the Employee's spouse, child, step child, parent or step parent or parent in law, or blood brother or sister), an Employee shall be granted up to three (3) consecutive work days off as funeral leave if the employee attends the funeral. Proof of the death and of the family relation may be required by the Company.

ARTICLE 19 SAFETY

19.1 No Employee shall be required to perform services that seriously endanger his physical safety, and his refusal to do such work shall not warrant or justify discharge. In all such cases, an immediate conference between the Employer and the Union shall be held to settle the issue in question.

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19.2 An Employee shall not be disciplined, if physically and mentally capable of continuing his duties, because of any accident unless the accident was caused by negligence, carelessness, or malicious intent of the Employee.

19.3 The Employer and the Union agree to the immediate formation of a joint committee, which shall be known as the "Joint Safety Committee." The purpose of the committee to study and make recommendations that will ensure safe and efficient operation of the Employer's operation. Such joint safety committee shall meet on the first Tuesday of every month. Unless mutually agreed to change to a different date. It is understood and agreed that the committee shall not have the right to alter, vary or modify provisions of this Agreement. It is further understood that the establishment and function of the committee provided herein shall in no way alter, vary or modify the right of any Employee, the Union or the Company to pursue any matter through the grievance and arbitration provisions of this Agreement. Activities of the Employee-members of the safety committee shall not interfere with the proper performance of the Employee's work.

ARTICLE 20 EDUCATION AND TRAINING

20.1 The Company and the Union agree to the establishment of a "Joint Education and Training Committee" to develop education and training initiatives that are determined by the Company to be necessary for future business needs and to provide opportunities for Employees to gain additional employment skills. Toward that end, the Joint Education and Training Committee shall be established and shall consist of two (2) representatives appointed by the Union and two (2) representatives of management. This Committee shall meet primarily for the purpose of fostering and promoting the advancement of effective education and training programs. It is understood and agreed that the committee shall not have the right to alter, vary or modify provisions of this Agreement. It is further understood that the establishment and function of the committee provided herein shall in no way alter, vary or modify the right of any Employee, the Union or the Company to pursue any matter through the grievance and arbitration provisions of this Agreement. Activities of the Employee-members of the Education and Training committee shall not interfere with the proper performance of the Employee's work.

ARTICLE 21 NONDISCRIMINATION

21.1 It is mutually agreed that there shall be no coercion, intimidation, or discrimination practiced by the Employer or the Union because of membership or non-membership in the Union.

21.2 It is the mutual intent of both the Employer and the Union to comply with all State and Federal laws, including the Americans with Disabilities Act.

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21.3 The Employer and the Union agree that they will not discriminate against any employee or applicant because of race, sex, color, creed, age, nationality, or religion, or any other legally protected status under local, state or federal law. All actions affecting personnel are administered fairly and in accordance with applicable laws. This policy applies to all terms and conditions of employment.

21.4 The parties agree that during the term of this Agreement, the Company is permitted to take all actions necessary to comply with the "Americans With Disabilities Act of 1990," 42, USC 12101 legislation. It is not the intent of the parties to displace regular full-time Employees in order to comply with the Act.

21.5 The Employer is committed to maintaining a work environment free from harassment, including sexual harassment. The Employer shall have good cause to discipline, up to and including discharge, any Employee who engages in harassment directed toward any Employee, customer, visitor or vendor. Harassment is defined as unwelcome verbal or physical conduct of a discriminatory nature based upon age, race, religion, national origin, disability, veteran status, or any other protected classification, which creates a work environment that is offensive, hostile or intimidating. Sexual harassment includes, but is not limited to, solicitation of sexual favors, offensive touching, lewd or suggestive comments, sexual jokes or innuendoes, visual displays of pornographic materials, and visual displays of sexual materials. It is incumbent upon an Employee to immediately report to his or her supervisor any other Employees who are engaging in harassment. Employees who fail to satisfy this obligation may be subject to discipline, up to and including termination.

ARTICLE 22 DISCIPLINE AND DISCHARGE

22.1 No regular Employee, after having completed the probationary period under Article 7, shall be disciplined and/or discharged except for just cause. The Employer shall follow a system of progressive discipline. The parties agree that progressive discipline normally requires, prior to discharge, that an Employee be given a verbal, written and then final written warning to correct the deficiency, but that with the principle of progressive discipline, the Employer may impose immediate suspension or discharge for dishonesty, incompetence, misconduct, insubordination, failure to report to work without just cause, walking off the job during a shift, or drinking alcohol or use of controlled substance, or being under the influence thereof, during the Employee's shift.

22.2 An Employee may be placed on "final written warning" status for up to one (1) month at any time when his performance has deteriorated to the extent that his supervisor believes, and the Employer's Human Resources Director agrees, that it is necessary to impress upon him the significance of poor performance and the need for improvement. The Employer shall advise the Employee and the Union of his deficiencies and the areas where improvement is required with specificity. The Employer shall advise the Union

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that the Employee has been placed on final written warning status within 24 hours of being placed on such status. An Employee who improves satisfactorily during this period may be restored to regular status. Failure to improve performance during this period may result in termination or transfer to another job more suited to the Employee's capabilities. Deficiencies in work performance should be documented and placed in the Employee's file. Regular Employees who have been placed on final written warning status are eligible for normal benefit accrual but may not take any vacation days during that period, unless approved by the facility manager. The final written warning status period shall be extended by the number of days the Employee is absent from scheduled work while on such status.

22.3 Any Employee who is requested to participate in an investigatory interview, that the Employee reasonably anticipates will result in the imposition of a disciplinary penalty, may request that a Union representative be present. The Employer may grant or deny the Employee's request. If the Employer denies the Employee's request, the Employee shall have the option of continuing the interview without the presence of a Union representative, or discontinuing the interview. If the Employee's request is granted, the Union representative shall be summoned by the Employer and allowed to be present during the investigatory interview. The interview shall be scheduled for a date and time acceptable to the Employer and the Union. The Employer may proceed with the interview without the presence of a Union representative, if the Union representative is unavailable for 36 consecutive hours following notification. In that event, the Employee may decide whether he desires to participate in the interview without the presence of a Union representative.

ARTICLE 23 GRIEVANCE PROCEDURE

23.1 A grievance shall be defined as a dispute regarding the interpretation and application of the provisions of this Agreement raised by the Union alleging a violation of the terms and provisions of this Agreement. However, disputes specifically excluded in other Articles of this Agreement from the grievance and arbitration procedure shall not be construed as falling within this definition.

23.2 All grievances shall be handled exclusively in the following manner:

STEP 1: Matters for discussion must first be orally submitted to the employee's immediate supervisor. Such a meeting shall normally include the employee, the local union or unit representative, and the foreman and shall be held within five (5) working days of the time that the aggrieved party has knowledge of the grievance. If the grievance is not resolved at this step, then the union may file a formal written grievance within five (5) days under the procedures set forth below. If the matter is not resolved, the immediate supervisor shall render a written response to the Union within five (5) business days after the grievance is presented.

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STEP 2: If the grievance is not settled at Step 1 and the Employee or Union wishes to file a written grievance to Step 2 of the grievance procedure, it shall be submitted in writing to the Employee's department head within five (5) business days after receipt of the Company's answer in Step 1, or within five (5) business days of the time when such answer would have been due. The grievance shall state the provision or provisions of this Agreement, which are alleged to have been violated, the relief requested, and the basis upon which the grievant believes the grievance was improperly denied at the previous step in the grievance procedure. The department head shall investigate the grievance and, in the course of such investigation, may offer to discuss the grievance within five (5) days with the grievant and an authorized Union representative at a time mutually agreeable to the parties. If no settlement of the grievance is reached, the department head shall provide a written answer to the grievant and to the Union within ten (10) business days following receipt of the Step 2 grievance.

STEP 3: If the grievance is not settled at Step 2 and the Union wishes to appeal the grievance to Step 3 of the grievance procedure, it shall be submitted in writing (signed by both) to the General Manager or his designated representative within five (5) business days after receipt of the Company's answer in Step 2, or within five (5) business days of the time that such answer would have been due. The grievance shall specifically state the basis upon which the grievant believes the grievance was improperly denied at the previous step in the grievance procedure. The General Manager or his designated representative shall investigate the grievance and, in the course of such investigation, shall offer to discuss the grievance within five (5) days with the grievant and authorized Union representatives at a time mutually agreeable to the parties. If no settlement of the grievance is reached, the General Manager or his designated representative shall provide a written answer to the grievant and the Union within ten (10) business days following receipt of the Step 3 grievance.

STEP 4: If the grievance is not settled at Step 3 and the Union desires to appeal, the Union may refer the grievance to arbitration, as described below, within thirty (30) business days of receipt of the Company's written answer as provide to the Union at Step 3:

(a) The parties shall attempt to agree upon an arbitrator within five (5) business days after receipt of the notice of referral. In the event the parties are unable to agree upon the arbitrator within said five (5) business day period, the parties shall jointly request the Federal Mediation and Conciliation Service to submit a panel of seven (7) arbitrators. Each party retains the right to reject one (1) panel in its entirety and request that a new panel be submitted. Both the Union and the Company shall have the right to alternately strike names from the panel, with the party requesting arbitration striking the first name. The person remaining shall be the arbitrator.

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(b) The arbitrator shall be notified of his/her selection and shall be requested to set a time and place for the hearing, subject to the availability of Union and Company representatives.

(c) The Company and the Union shall have the right to request the arbitrator to require the presence of witnesses or documents. The Company and the Union retain the right to employ legal counsel at their own expense.

(d) The arbitrator shall submit his/her decision in writing within thirty (30) calendar days following the close of the hearing or the submission of briefs by the parties, which ever is later. This decision shall be final and binding on the Company, the grievant, the Employees covered by this Agreement, and the Union.

(e) More than one grievance may be submitted to the same arbitrator if both parties mutually agree in writing.

(f) The fees and expenses of the arbitrator and the cost of a written transcript if requested by both parties shall be divided equally between the Company and the Union; provided, however, that each party shall be responsible for compensating its own representative and witnesses.

(g) The arbitrator shall have no power to add to, subtract from, amend, change or alter any of the terms of this Agreement.

(h) Any Employee covered by this Agreement who is discharged by the Employer and who disputes that his/her discharge was for just cause shall have an affirmative duty to mitigate any potential damages which might result to the Employer, in the event the discharge involved is subject to Grievance and Arbitration, and an arbitrator overrules the discharge. In any dispute over the amount of back pay due to an Employee under an arbitration award, the arbitrator shall have no authority to award any back pay to that Employee unless that Employee or the Union has affirmatively proven by a preponderance of the evidence that the Employee has fulfilled his/her duty to mitigate damages at all times since his/her discharge.

23.3 Time limitations set forth in this Article may be waived or modified by mutual agreement between the parties involved. Absent a waiver to the contrary, if either party fails to comply with the time limitations as established herein, the other party shall be deemed to have prevailed on the grievance in question.

23.4 It is understood that the grievance can be withdrawn or settlement agreed upon between the parties at any time prior to the formal hearing of the grievance by the Arbitrator.

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ARTICLE 24 BULLETIN BOARD

24.1 The Employer shall make a bulletin board available to the Union where the Union may post notices of Union elections and results, meetings and recreational and social affairs.

ARTICLE 25 VALIDITY

25.1 If any court shall hold any part of this Agreement invalid, such decision shall not invalidate the entire Agreement.

ARTICLE 26 WAGE RATE

26.1 Rates of pay for Employees in positions covered thereunder are set forth in Appendix "A" attached hereto.

ARTICLE 27 INSURANCE

27.1 Employees will be offered the opportunity to enroll in, and participate in the Employer's medical insurance plan on the terms and conditions of the plan as set forth in Appendix "B" attached hereto. It is understood and agreed that increases to the insurance premiums set forth in Appendix B after year 1 of this Agreement shall be shared between the Employer and Employees in the following manner: Employer to pay 70% of the increase; and Employees to pay 30% of the increase. It is understood and agreed that during the term of this Agreement Employees covered by this Agreement shall not be required to pay more than 25% of the total premium cost for medical insurance.

ARTICLE 28 401K

28.1 Employees will be eligible to participate in the Coffeyville Resources Crude Transportation, LLC 401K plan under the terms and conditions of the plans as set forth in Appendix "C" attached hereto.

ARTICLE 29 MISCELLANEOUS

29.1 Reimbursement for Safety Equipment. The Company shall reimburse each employee fifty dollars ($50.00) per year toward the purchase of ANSI approved steel-toe shoes, provided that the employee provides a receipt. The Company shall provide each employee with one pair of safety eyeglasses each year.

29.2 Check-Off. To the extent approved and authorized by individual employees and as permitted by State law, the Company agrees to check-off dues by voluntary authorization. Said arrangement shall be continued in effect for the term of this Agreement. The Union and the Company will agree upon a check off authorization form which complies with applicable law to be provided to members. The Union shall provide copies of individual

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consent forms to the Company for processing. The Company shall remit each month to the designated financial officer of the Union, the amount of deductions made for that particular month, together with a list of employees and their Social Security numbers, for whom such deductions have been made.

ARTICLE 30 TERM OF AGREEMENT

30.1 Subject to provisions of Article 3. No Cessation of Work, herein above, this Agreement is effective ____________________ __________, **2004**, and shall remain in effect **through** __________, and from year to year thereafter, unless a written request to alter, modify or terminate the Agreement is received on or before sixty (60) days prior to __________, or any **subsequent** __________, either party shall make written request for alternations.

COFFEYVILLE RESOURCES CRUDE TRANSPORTATION, LLC	**THE PAPER, ALLIED-INDUSTRIAL, CHEMICAL & ENERGY WORKERS INTERNATIONAL UNION, ALF-CIO-CLC AND LOCAL 5-432**
______________________________	______________________________
DATE	DATE

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APPENDIX A

JOB CLASSIFICATIONS AND WAGE RATES

Classifications	Wage Rate	Proposed Wage Rate Increase Each Year
Gauger	18.62	3%
Electrician	18.04	3%
Welder	18.04	3%
Mechanic (Truck)	18.04	3%
Stock Gauger Eng.	17.71	3%
Back Hoe, Truck Driver (1 Ton +) Tractor Operator	17.31	3%
Pipeliner	16.98	3%
Transport Driver	16.59	3%
Probationary Employees *	11.75 minimum**	

* This probationary rate will not apply to Farmland Employees hired by Coffeyville Resources Crude Transportation, LLC.

** To be determined in the sole discretion of the facility manager.

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APPENDIX B

Bartlesville Facility
Proposed Benefit Rates for
2004

Medical (20% Employee / 80% Employer) **BCBS - Kansas**	**Distribution of Premium** **Employee**	**Employer**	**TOTAL**
Option 1. $200/$600 deductible			
Employee Only	$ 58.45	$ 233.78	$ 292.23
Employee/Child	$ 111.55	$ 446.19	$ 557.74
Employee/Spouse	$ 125.92	$ 503.68	$ 629.60
Family	$ 178.00	$ 712.00	$ 890.00
Option 2. $500/$1000 deductible			
Employee Only	$ 53.09	$ 212.34	$ 265.43
Employee/Child	$ 102.29	$ 409.17	$ 511.46
Employee/Spouse	$ 113.96	$ 455.82	$ 569.78
Family	$ 163.17	$ 652.66	$ 815.83
Monthly Expense	$ 59,755	$ 239,018	$ 298,772
Annual Expense	$717,058	$2,868,212	$3,585,270
Dental – (20% Employee / 80% Employer) **Delta Dental of Kansas**			
Employee only	$ 4.44	$ 17.77	$ 22.21
Employee/child	$ 8.53	$ 34.10	$ 42.63
Employee/Spouse	$ 8.80	$ 35.19	$ 43.99
Family	$ 14.57	$ 58.30	$ 72.87
Monthly Expense	$ 4,727	$ 18,912	$ 23,639
Annual Expense	$ 56,728	$ 226,945	$ 283,673

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Life and AD&D (all Employer Paid) **Minnesota Life**		Life Rate	ADD Rate	Total Rate
Amount in Force	$11,173,423	$ 0.27	$ 0.02	$ 0.29
Monthly Expense		$ 3,006	$ 268	$ 3,274
Annual Expense		$36,068	$3,218	$39,286

Rates subject to final adjustment by BC/BS of Kansas if closing occurs after December 1, 2003.
Increases to medical and dental insurance rates in years 2 through 5 of the contract shall be split in the following manner: 70% of increase to be assumed by Employer, 30% of increase to be assumed by employees.

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APPENDIX C

401(K) PLAN

Employees will be eligible and offered the opportunity to participate in the Employer's 401(k) Plan. The Employer shall match $0.50 for every dollar contributed by each employee up to a maximum of 6% of each employee's annual salary. The Employer's contribution will vest in equal amounts over a three year period, e.g., 33.3% each year until fully vested. The Employer's contribution shall fully vest automatically upon the retirement of any Employee during the first three years of the contract.

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SIDE LETTER

The probationary period set forth in Article 6 shall be 90 WORKDAYS for employees hired directly from Farmland upon the purchase of the operation. For all hires after the initial purchase the 120 work day probationary period shall apply.

On the condition that the bargaining unit members vote in favor of the Agreement upon one vote and by October 23, 2003, the Company will pay a one time lump sum payment of $1,500.00 to those former Farmland bargaining unit employees who are not hired. Employees hired by the Company but then dismissed during their initial 90 day probationary period shall also be entitled to receive this $1,500 payment.

Upon date of hire of Farmland Employees Coffeyville Resources Crude Transportation, LLC will allow each employee to borrow up to five days of vacation time during the first six months of 2004. Each borrowed vacation day will be paid back as vacation time is accrued by the employee.

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
CVR Energy, Inc.:

We consent to the use of our report included herein and to the reference to our firm under the headings "Summary Consolidated Financial Information," "Selected Historical Consolidated Financial Data," and "Experts" in the prospectus.

Our report dated March 19, 2007, except for note 1 which is as of , 2007 contains an explanatory paragraph that states that as discussed in note 1 to the consolidated financial statements, effective March 3, 2004, the Immediate Predecessor acquired the net assets of the Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, the Successor acquired the net assets of the Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the period after the acquisition are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable. Our report dated March 19, 2007, except for note 1 which is as of , 2007 also contains an emphasis paragraph that states that as discussed in note 2 to the consolidated financial statements, Farmland Industries, Inc. allocated certain general corporate expense and interest expense to the Predecessor for the 62-day period ended March 2, 2004. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if the Company had operated as a stand-alone entity.

/s/ KPMG LLP

Kansas City, Missouri
June 5, 2007

Direct Line: 212.859.8735
Fax: 212.859.4000
michael.levitt@friedfrank.com

June 5, 2007

H. Roger Schwall
Assistant Director
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: CVR Energy, Inc.,
Registration Statement on Form S-1
File No. 333-137588
(the "Registration Statement")

Dear Mr. Schwall:

This letter sets forth the response of CVR Energy, Inc. (the "Company" or "CVR Energy") to the comment letter, dated May 29, 2007, of the staff of the Division of Corporation Finance (the "Staff"). In order to ease your review, we have repeated each comment in its entirety in the original numbered sequence. All references herein to page numbers are to page numbers in Amendment No. 7 to the Registration Statement (the "Registration Statement"). This letter is being filed with Amendment No. 7 to the Company's Registration Statement.

Form S-1/A-6 filed May 2, 2007

General

1. *You continue to omit a substantial amount of information, which you are not entitled to omit under Rule 430A of the Securities Act. To the extent not addressed, please comply with comments 2, 3, 4, and 5 of our comment letter dated October 26, 2006. Once you provide the omitted information, we will need sufficient time to review it.*

Response: The Company has included all of the information required by comments 2, 3, 4 and 5 of the Staff's comment letter dated October 26, 2006. With respect to the price range on the front cover of the prospectus, the Company has disclosed and assumed throughout the prospectus that the initial public offering price will be $20 per share. However, based on discussions with the Company's underwriters, the Company has omitted the price range from the cover of the prospectus. The Company understands that it must include a price range when a preliminary prospectus is distributed to investors, and expects to include a price range on the front cover, based on $20 as the currently assumed midpoint (the Company understands that the price range cannot exceed the greater of $2 and 10%). Other than the price range on the cover of the prospectus, all other information has been included in this amendment to the Registration Statement.

<u>Nitrogen Fertilizer Limited Partnership, page 5</u>

2. *Please define in context the term "economic interests."*

<u>Response</u>: The Company has deleted the term "economic" before interest throughout the Registration Statement. The revised disclosure clarifies that the Company will initially own all of the interests in the Partnership (other than the managing general partner interest and associated incentive distribution rights).

<u>Organizational Structure, page 9</u>

3. *We note the reference "A nominal limited partnership interest will be owned by a subsidiary of ours." It is not clear whether the nominal interest has been reflected in the chart. We note that the asterisk associated with the nominal interest has been placed in the box that represents the Partnership. Please revise, if necessary, or explain.*

<u>Response</u>: The Company has modified the chart on page 10 to clarify that Coffeyville Resources, LLC will own special general partner interests in the Partnership as well as a limited partner interest in the Partnership.

<u>Risks Factors, page 23</u>

<u>We have a limited operating history as a stand-alone company, page 32</u>

4. *We note that you have expanded the text of the risk factor to discuss the transfer of the nitrogen fertilizer business to a limited partnership. The transfer materially changes the way you do business and may impact the revenues you may generate from the nitrogen fertilizer business. Accordingly, discussing the transfer in conjunction with other aspects of your operations appears inappropriate. Discuss the transfer in a separate risk factor and under an appropriate subheading.*

<u>Response</u>: The Company has revised the disclosure on page 32 to discuss the transfer of the nitrogen fertilizer business in its own risk factor under a separate subheading.

<u>Both the petroleum and nitrogen, page 33</u>

<u>The petroleum and nitrogen fertilizer businesses may not be able to successfully implement, page 33</u>

5. *Please revise to remove the mitigating statement, "Many of these capital projects were designed during period of strong profitability for refiners which may not*

continue at the time these projects are undertaken" and the mitigating clause "[w]e cannot assure."

Response: The Company has revised the disclosure on page 34 in response to the Staff's comment.

Our significant indebtedness may affect our ability to operate our business....page 35

6. *Please expand to discuss the impact of the partnership's public or private offering on your credit facility. In this regard, we refer you to the disclosure under "Nitrogen Fertilizer Limited Partnership" on page 112.*

Response: The Company has expanded the disclosure by adding a new risk factor on page 36 in response to the Staff's comment.

Following the completion of this offering, the Goldman Sachs Funds and Kelso Funds will continue to control us....page 39

7. *Explain why the managing general partner may be incentivized to increase long-term capital expenditures, as opposed to other types of expenditures.*

Response: The Company has revised the disclosure on page 40 (bottom paragraph) to state that the managing general partner, as owner of the incentive distribution rights, may be incentivized to maximize future cash flows by taking current actions which may be in its best interests over the long term. The disclosure on page 40 cross references to additional risk factors which discuss the managing general partner's incentives. Disclosure on page 43 (top paragraph) states that (1) the managing general partner is incentivised to cause the Partnership to make capital expenditures for maintenance, which reduces operating surplus, rather than for improvement or expansion, which does not and (2) the managing general partner is also incentivized to cause the Partnership to make capital expenditures for maintenance before June 30, 2009 that it would otherwise have made at a later date, in order to reduce the operating surplus generated during that period. Disclosure on page 44 (third to last bullet on page) reiterates that the managing general partner can determine whether capital expenditures will be for maintenance or improvement.

We will not control or serve as the managing general partner of the Partnership, page 42

8. *Revise the subheading to briefly describe the resultant risk.*

Response: The Company has revised the subheading on page 42 in response to the Staff's comment.

Use of the limited partnership structure involves tax risks, page 49

9. *Please disclose whether you operate in any of the states that have adopted provisions or whose legislatures are considering provisions that subject partnerships to entity-level taxation.*

Response: The Company has revised the disclosure on page 49 in response to the Staff's comment.

Control of Fertilizer GP may be transferred to a third party without our consent....page 50

10. *Revise the subheading to briefly describe the resultant risk.*

Response: The Company has revised the disclosure on page 50 in response to the Staff's comment.

The Partnership may never seek or be able to consummate an initial public....page 50

11. *Likewise, revise the subheading to describe the resultant risk.*

Response: The Company has revised the disclosure on page 50 in response to the Staff's comment.

12. *Revise to remove the mitigating clause "[t]here can be no assurance."*

Response: The Company has revised the disclosure on page 51 in response to the Staff's comment.

Unaudited Pro Forma Condensed Consolidated Statement of Operations, page 62

13. *Please update your pro forma statement of operations to present the most recent fiscal year and the period from the most recent fiscal year end to the most recent interim date for which a balance sheet is required as contemplated by Rule 11-02(c)(2)(i) of Regulation S-X.*

Response: The Company has updated the pro forma statement of operations to present the most recent fiscal year and interim period as required by Rule 11-02(c)(2)(i) of Regulation S-X. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2006 begins on page 63 and the unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2007 begins on page 65.

14. *We note your footnote (c) to "reverse the $23.4 million loss on extinguishment of debt in connection with the refinancing of [y]our senior secured credit facility on December 28, 2006." Please tell us why you believe this adjustment is directly attributable to the transaction, expected to have a continuing impact on the registrant, and factually supportable under Rule 11-02(b)(6) of Regulation S-X.*

Response: The Company has removed the pro forma adjustment related to the loss on extinguishment of debt on page 64 in response to the Staff's comment.

Unaudited Pro Forma Consolidated Balance Sheet, page 66

15. *Please update your pro forma balance sheet to present the most recent period for which a consolidated balance sheet of the registrant is required by Rule 3-01 of Regulation S-X as contemplated by Rule 11-02(c)(1) of Regulation S-X.*

Response: The Company has updated the pro forma balance sheet on page 66 to present the most recent period for which a consolidated balance sheet of the registrant is required.

The Nitrogen Fertilizer Limited Partnership

16. *The disclosure in this section is essentially replicated later under "Transactions between CVR and the Partnership." Combine these two sections so as to eliminate redundancy. Revise the combined section for clarity as the arrangements and potential transactions you seek to describe are extremely complex. Among other things, your disclosure should clearly set forth:*

- *how you will determine the fair market value of the assets and operations between transferred to the partnership. In that regard, we note the discussion regarding the market valuations of recent MLPs. As part of your discussion, address how the terms of the sale of the fertilizer business to the partnership compares to those valuations;*
- *the form of consideration to be received by CVR and how you determined the fair market value of that consideration. The financial impact to CVR if there is a public offering of the partnership or if the Senior GP Units are sold; and*
- *the financial impact to the owners of the managing general partner if there is a public offering of the partnership.*

Response: In response to the Staff's comment, the Company has combined the two sections under the heading "Nitrogen Fertilizer Limited Partnership" beginning on page 213. The Company has also substantially reorganized the section in order to make it easier to read.

With respect to the fair market value of the managing general partner interest which will be sold by us to Coffeyville Acquisition III LLC, the Company has added disclosure on page 214 which explains how fair market value will be determined for the sale of the managing general partner interest.

With respect to the fair market value of the assets being transferred to the Partnership, the Company has added additional disclosure on page 214. The Company has not determined or disclosed the fair market value of the assets being transferred to the Partnership because it is contributing the fertilizer business to the Partnership in exchange for all of the interests in the Partnership. In other words, the Company is contributing one of its wholly owned subsidiaries to another one of its wholly owned subsidiaries (prior to the sale of the managing general partner interest).

With respect to the financial impact to the Company if there is a public offering of the Partnership or if the special GP units are sold, the Company has added additional disclosure on pages 215-216. The Company has also expanded the risk factors on pages 46-47 to describe the effects on the Company if the Partnership completes a public or private offering.

With respect to the financial impact to the owners of the managing general partner if there is a public offering of the partnership, the Company does not believe that any additional disclosure is necessary, as the rights of the managing general partner will not significantly change upon an offering by the Partnership.

17. *Most of the material terms of the partnership units have been left blank. Those terms will have to be completed prior to effectiveness and we will need sufficient time to consider that information prior to effectiveness.*

Response: The Company has added the material terms of the partnership units throughout the "Nitrogen Fertilizer Limited Partnership" section beginning on page 213.

Description of Units

18. *We note the narrative description of how the special GP units will be converted into common GP units and subordinated GP units. To facilitate the reader's understanding, provide tabular disclosure illustrating the conversion.*

Response: The Company has added tabular disclosure illustrating the conversion on page 217 in response to the Staff's comment.

Management's Discussion and Analysis of Financial Condition and Results of Operations, Page 75

Nitrogen Fertilizer Limited Partnership, page 80

19. *We note your statement that "Using criteria in FIN No. 46R, management has determined that we are the primary beneficiary of the Partnership, although 100% of the managing general partner interest will be owned by our affiliates outside our reporting structure." Please provide your FIN 46R primary beneficiary and VIE analysis to support your intent to consolidate the Partnership for financial reporting purposes.*

Response: The Company considered paragraph 5c of FIN 46R, noted below, in determining whether or not the Partnership is a variable interest entity (VIE):

"5c. The equity investors as a group also are considered to lack characteristic (b)(1) if (i) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and (ii) substantially all of the entity's activities (for example, providing financing or buying assets) either involve or are conducted on behalf of an investor that has disproportionately few voting rights. For purposes of applying this requirement, enterprises shall consider each party's obligations to absorb expected losses and rights to receive expected residual returns related to all of that party's interests in the entity and not only to its equity investment at risk."

The Company believes that the voting rights of both CVR GP, LLC (the "Managing General Partner"), on the one hand, and CVR Special GP, LLC (the "Special General Partner") and CVR LP, LLC (the "Organizational Limited Partner"), on the other, are not proportional to their obligations to absorb the expected losses and receive the expected residual returns of the Partnership. The Managing General Partner will manage the Partnership's operations and activities, subject to the Special Partner's approval rights over the appointment, termination of employment and compensation of the CEO and CFO of the Managing General Partner, not to be unreasonably withheld (the CEO and CFO of the Managing General Partner initially will be the same CEO and CFO of the Company subject to a Management Services Agreement between the Company and the Partnership). The Organizational Limited Partner will have even fewer rights than the Special General Partner, consistent with its role as a limited partner. Because the Special General Partner and Organizational Limited Partner will be entitled to pro rata distributions and allocations of income and loss, with the Organizational Limited Partner's respective interest being insignificant, and are both wholly owned subsidiaries of the Company, in the discussion that follows the Organizational Limited Partner is disregarded and can be thought of as a part of the Special General Partner.

The losses of the Partnership will be absorbed first by the Special General Partner up to its capital account, which will be the fair market value of the net assets of the fertilizer business contributed to the Partnership by or on behalf of the Special General Partner, currently estimated to substantially exceed the expected losses of the Partnership. The Managing General Partner would not absorb any of the losses of the Partnership until the Special General Partner's capital account is extinguished. Based on the estimated fair market value of the net assets of the fertilizer business contributed to the Partnership, it is clear that substantially all of the expected losses will be absorbed by the Special General Partner interest, the interest that does not manage the Partnership.

Additionally, substantially all of the equity investment at risk is being contributed on behalf of the Special General Partner, with nominal amounts being contributed by the Managing General Partner.

The Special General Partner is also expected to receive the majority, if not substantially all, of the expected residual returns of the Partnership through the Partnership's cash distribution provisions. The Managing General Partner will not be entitled to any distributions until the aggregate adjusted operating surplus, as defined in the Partnership Agreement, generated by the Partnership during the period from its formation through June 30, 2009, or the non-IDR surplus amount, has been distributed in respect of the special units and/or the common and subordinated units (if any are issued). During this period of time and prior to an initial public or private offering of the Partnership, the Special General Partner will receive all of the expected residual returns. Even after the non-IDR surplus amount has been distributed, certain quarterly distribution thresholds will have to be met before the Managing General Partner will begin to share in any distributions and at no time will the Managing General Partner receive the majority of the distributions. The order of distributions is as follows:

		Marginal Percentage Interest in Distributions	
	Total Quarterly Distribution Target Amount	Special General Partner Units; Common and Subordinated Units	Managing General Partner
Minimum Quarterly Distribution	$0.375	100%	0%
First Target Distribution	up to $0.4313	100%	0%

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Special General Partner Units; Common and Subordinated Units	Managing General Partner
Second Target Distribution	above \$0.4313 and up to \$0.4688	87%	13%
Third Target Distribution	above \$0.4688 and up to \$0.5625	77%	23%
Thereafter	above \$0.5625	52%	48%

In evaluating the criteria in paragraph 5c(ii) above, the Company believes the following factors indicate that substantially all of the activities of the Partnership are conducted on behalf of the Special General Partner, the partner with disproportionately few voting rights:

- All of the Partnership's assets were acquired from Coffeyville Resources, LLC on behalf of the Special General Partner.
- Employees of the Special General Partner are actively involved in the operations of the Partnership.
- The Special General Partner is obligated to absorb substantially all of the operating losses of the Partnership.
- The Special General Partner has a call option to purchase the Managing General Partner interest in certain instances (if an IPO or private placement does not occur).
- The Managing General Partner has the right to put its interests to the Special General Partner in certain instances (if an IPO or private placement does not occur).
- While the operations are not substantially similar, the Partnership will utilize as its primary raw material a by-product of the Special General Partner's parent company's refinery.

Based on the factors noted in section c of paragraph 5 of FIN 46R noted above, the Company believes the Partnership is a variable interest entity and, accordingly, an evaluation of the Partnership under FIN 46R is required.

The Company then considered the guidance under paragraph 14 in determining which entity should consolidate the Partnership. Under paragraph 14, the enterprise that will absorb a majority of the entity's expected losses, receive a majority of the entity's expected residual returns, or both, will be the enterprise that consolidates the variable interest entity. In this case, prior to an initial public or private offering of the Partnership, it is clear from the above analysis that the Special General Partner will absorb substantially all of the Partnership's expected losses and will receive the majority, if not substantially all, of the Partnership's expected residual returns. The losses of the Partnership will be absorbed first by the Special General Partner up to its capital account, the fair market value of the net assets of the fertilizer business contributed to the Partnership by or on behalf of the Special General Partner. Prior to an initial public or private offering of the Partnership, the Special General Partner will receive all of the expected residual returns. Until at least June 30, 2009, the Managing General Partner will not receive any distributions. Thereafter, the first approximately \$50 million will be distributed to the Special

General Partner, and the subsequent distribution splits will provide the Special General Partner with the majority of the distributions. Therefore, the Company believes the Special General Partner should be the enterprise that consolidates the Partnership.

Although the Company does not believe that under SFAS 57, *Related Party Disclosures*, the Managing General Partner and Special General Partner are related parties despite the fact that they have common boards, ownership and management, the Company also considered paragraphs 16 and 17 of FIN 46R as if the Managing General Partner and Special General Partner were related parties.

In considering which of these entities is the most closely associated with the VIE, the Company considered a number of factors. First, the Special General Partner's parent has refinery operations that will supply the Partnership's operations with its primary raw material, petroleum coke. In addition, the management of the Company will be actively involved in the operations of the Partnership's operations. Also, the other factors noted above in assessing paragraph 5c(ii) would indicate that the Special General Partner is more closely associated with the Partnership. Accordingly, the Company believes that there are significant activities between the Special General Partner and the Partnership. Further, the primary exposure to losses of the VIE will be held by the Special General Partner. The Managing General Partner will not have any other significant relationship with the Partnership outside of its investment in the entity. For these reasons, the Company believes that the Special General Partner would be considered the entity that is most closely associated with the VIE. Therefore, if one were to conclude that the Managing General Partner and the Special General Partner were related parties, the same conclusion under paragraphs 16 and 17 would be reached as the conclusion under paragraph 14: the Special General Partner is the enterprise that should consolidate the Partnership.

Based on the analysis above, the Special General Partner should consolidate the Partnership under paragraph 14 because the Special General Partner will absorb the majority of the expected losses and receive the majority of the expected residual returns of the Partnership.

Employees, page 170

20. *Please file as an exhibit the collective bargaining agreements entered into with the Metal Trades Union and the United Steelworkers of America.*

Response: The Company has filed the collective bargaining agreements with the Metal Trades Union and the United Steelworkers of America as exhibits 10.46 and 10.47 in response to the Staff's comment.

Executive Compensation, page 178

21. *Please clarify at the beginning of this section who makes the final decisions in setting the compensation of your executive officers. In this regard, we note your statement that the compensation committee "reviews and makes recommendations to the board of directors regarding [y]our overall compensation strategy and policies," and that, for example, the executive officers' employment agreements provide for the annual cash performance bonus to be determined "in the*

discretion of the board of directors of Successor." Please clarify whether the compensation committee or the entire board or some other person or entity makes the final determination as to the compensation of the company's executive officers.

Response: The Company has revised the disclosure on pages 178 and 179 to clarify that the board of directors makes the final decisions in setting compensation of executive officers, based upon the recommendations of the compensation committee.

22. *We note that Mr. John J. Lipinski, CVR's chief executive officer and chairman, has been a member of Successor's compensation committee, and will be a member of CVR's compensation committee. These roles suggest that Mr. Lipinsky has exercised and will exercise great influence in setting the amounts and forms of compensation of the named executive officers. Please revise your disclosure to discuss the extent of Mr. Lipinsky's influence on the board with respect to compensation determinations. In this regard, we note your statement that Mr. Lipinsky "actively provides guidance and recommendations to the committee." It appears that Mr. Lipinsky not only makes recommendations to the compensation committee but, as a member of the compensation committee, also makes recommendations to the entire board, which then sets the amount and form of compensation for your executive officers and key employees. Please revise your disclosure accordingly.*

    In addition, please discuss how Mr. Lipinsky's role as chairman and member of the compensation committee has impacted the board's determination to change or reject decisions by the compensation committee. Further, given Mr. Lipinsky's involvement in the board's compensation determinations, discuss whether conflicts of interest have arisen and discuss the mechanism that have been implemented to address the conflict.

Response: The Company has added additional disclosure on page 179 which discusses the absence of conflicts of interest and the board's determination to change or reject decisions by the compensation committee.

In addition, Mr. Lipinski has elected to no longer serve on the Company's compensation committee. In addition, the Company has added two independent directors to the compensation committee. Accordingly, as disclosed on page 178, the compensation committee following the offering will consist of George Matelich (chairman), Kenneth Pontarelli, Wesley Clark and Mark Tomkins, none of whom is an officer of the Company. As disclosed on page 179, Mr. Lipinski will continue to provide guidance and recommendations to the compensation committee regarding compensation of the Company's other executive officers.

23. *We note that the compensation committee considers, in making compensation determinations, compensations awarded by other publicly and privately held companies, which are similar to you in size and operations. Please discuss the*

weight that the committee gives to this type of information in determining the executive officers' compensation packages. In this regard, explain the phrase that your review creates a "baseline of the salaries paid..." For example, describe in specific terms how you use the data from your review.

Response: The Company has modified the disclosure under "Base Salary" on page 180 and "Annual Bonus" on page 181 in response to the Staff's comments.

24. *Disclose which companies that you have identified as being similar to you in size and operations and whose compensation was used as a benchmark in making the compensation determinations. See Item 402(b)(xiv) of Regulation S-K. Clarify whether these benchmarks were used only for base salary or for other elements of compensation.*

Response: The Company has modified the disclosure under "Base Salary" on page 180 to disclose the specific companies whose compensation was used as a benchmark and clarify which elements of compensation the benchmarks were used for.

25. *Explain how the board weighs individual performance versus peer group practices in determining whether to make adjustments to individual base salaries. Also, explain the phrase "peer group practices" to discuss whether you are referring to groups within your company or groups in other companies in your industry. If the latter, identify those groups.*

Response: The Company has modified the disclosure under "Base Salary" on page 180 in response to the Staff's comments.

26. *Ensure that your discussion addresses the material difference in compensation policies with respect to individual officers. For example, we note differences in the officers' salaries, bonuses, and stock awards. Mr. John J. Lipinski's entire compensation package is significantly higher than the package of other identified officers. Please explain the elements of the officers' performances and functions taken into account in awarding different compensation packages to the officers.*

Response: The Company has modified the disclosure under "Base Salary" on page 180 and "Annual Bonus" on page 181 in response to the Staff's comments. In addition, the Company has added substantially more disclosure about Mr. Lipinski's role in the business on page 183.

27. *We note that phantom units were awarded to certain named officers in December of 2006 pursuant to the Phantom Unit Plan. It appears that the awarded units should have been included in a Grants of Plan-Based Awards table, as required by Item 402(d) of Regulation S-K. Please comply with Item 402(d) or explain why you are not required to provide the tabular disclosure as required by the item.*

Response: The Company has included a "Grants of Plan-Based Awards" on page 187 which includes the phantom units awarded to our named executive officers in December 2006.

28. *We note a number of terms throughout this section that may have a meaning that may be internally recognized by your company but that may not be understood by the ordinary investor. These terms include "override unit" on page 165 and "phantom points" and "profit interests" in the footnotes to the Summary Compensation table. Please define these terms in the glossary section starting on page 246 and provide readers a cross reference to this glossary as needed. In addition, please briefly define in context these and other terms, as necessary. Finally, be sure that you consistently capitalize defined terms, such as "Phantom Points" (as defined on page 178), so that readers will be alerted to the fact that these terms have been assigned specific meanings by you.*

Response: The Company has included a number of terms in the glossary beginning at page 280, including bonus plan, bonus points, Phantom Unit Plan I, Phantom Unit Plan II, phantom points, phantom service points, phantom performance points, common units, profits interests, override units, operating units and value units. In addition, the Company has included on page 178 a cross reference to the definitions of these terms in the glossary. Finally, throughout the executive compensation section, the Company has attempted to consistently use lower case terms, in order to be consistent with the rest of the prospectus and to comply with plain English principles.

Annual Bonus, page 181

29. *Briefly describe the industry practice being used as a basis for determining salary to bonus ratios. Also discuss why you have adopted such industry practice, as opposed to other standards.*

Response: The Company has modified the disclosure under "Annual Bonus" on page 181 in response to the Staff's comments.

30. *Please explain the terms "bonus potential" and "bonus risk," as used in this context.*

Response: The Company has modified the disclosure under "Annual Bonus" on pages 181 to explain in more detail the terms bonus potential and bonus risk.

31. *We refer you to Item 402(b)(v) of Regulation S-K. Please disclose the performance target levels for each named executive officer that must be met to award bonuses. Explain in greater detail how you assess, including the factors considered in assessing, the executive officer's performance that is separate from the actual financial performance of the company. Also identify "individualized performance goals" and "company performance goals," as well as "specific objectives," that must be achieved to award bonuses to each individual. If you believe you are not required to provide disclosure with respect to any specific performance target levels or operational goals and objective, please tell us the basis for such belief. In that regard, we refer you to Instruction 4 to Item 402(b).*

Response: The Company has added incremental disclosure under "Annual Bonus" on page 181 to clarify that the determination of whether target bonus amounts should be paid is not based on specific metrics, but rather a general assessment of how the business performed as compared to the business plan developed for the year. Accordingly, there are no specific performance target levels or operational goals that need to be discussed.

Equity, page 182

32. *Please file as an exhibit the Coffeyville Acquisition LLC Limited Liability Company Agreement.*

Response: The Company has filed the Third Amended and Restated Coffeyville Acquisition LLC Limited Liability Company Agreement as exhibit 10.34 in response to the Staff's comment.

33. *We note your disclosure that the compensation committee approved the issuance of phantom units to certain named executive officers and override units to Mr. Lipinski upon the filing of the registration statement. Please name the "certain named executive officers" who were issued phantom units. In addition, while we note your prior statement on page 165 that the chief executive officer does not participate in the determination of his own compensation, please expand the disclosure in this subsection to specifically state whether Mr. Lipinski participated in the determination regarding the issuance of the phantom units, override units and other equity compensation to himself.*

Response: The Company has added the names of the named executive officers who received phantom units under "Equity" on page 182. In addition, the Company has added disclosure on pages 183 that Mr. Lipinski did not participate in the determination regarding the issuance of phantom units, override units and other equity compensation to himself.

34. *We note that you attribute to Mr. Lipinsky certain achievements that have resulted in increasing the value and the growth of your business. In light of the nearly $12 million total compensation package for Mr. Lipinski, please significantly expand this section to explain how Mr. Lipinski contributed to each achievement in bullet point, or cross-reference to a section of the filing where an explanation of Mr. Lipinsky's contributions can be found.*

Response: The Company has expanded the disclosure on pages 183-184 in response to the Staff's comments.

Nitrogen Fertilizer Limited Partnership, page 185

35. *We note that a number of your officers will perform services for the partnership. We further note that you will pay "all of their compensation and benefits..., including compensation related to services for the Partnership." Estimate, for each named executive officer, the percentage of their compensation that will represent the services provided to the partnership.*

Response: The Company has expanded the disclosure under "Nitrogen Fertilizer Limited Partnership" on page 185 to estimate the percentage of compensation for each named executive officer that represents the services to be provided to the Partnership.

Transactions with Senior Management, Page 208

15. *Please state whether or not decisions concerning Mr. Lipinsky's compensation have been approved by the compensation committee without his participation. In that regard, we note that Mr. Lipinsky is the member of the compensation committee.*

Response: The Company has added additional disclosure under "Transactions with Senior Management" on page 208 in response to the Staff's comments.

Transaction Between CVR Energy and the Partnership, Page 213

36. *Disclose why a nominal limited partnership interest has been created pursuant to the partnership agreement.*

Response: The Company has added the requested disclosure on page 215 in response to the Staff's comment.

Cash Distribution by the Partnership, page 220

37. *Please disclose when the partnership anticipates making its first distribution at the initial rate.*

Response: The Company has added additional disclosure on page 220 in response to the Staff's comment. As disclosed, the Partnership's limited partnership agreement will require it to distribute all of its available cash to its partners. All cash distributed by the Partnership will be initially distributed to the Company, until (1) the Partnership consummates an initial offering, at which point new limited partners will receive a portion of available cash or (2) the incentive distribution rights become entitled to receive distributions. Until at least June 30, 2009 and for so long as the Partnership or its subsidiaries are guarantors on the Company's credit facility, no distributions will be payable on the incentive distribution rights.

The Partnership does not currently have a distribution policy and has not made any statements regarding its intention to pay future distributions at any particular rate. Accordingly, the Partnership does not have a stated initial rate of distribution. The Company expects that the board of directors of the managing general partner will establish a distribution policy, in its discretion but subject to its fiduciary duties under the partnership agreement to act in good faith, in connection with any initial public or initial private offering of common LP units by the Partnership. No determination has been made to pursue any initial public or private offering by the Partnership or the timing, terms or size of any such offering.

38. *Include a detailed tabular presentation, based upon the historical information you have available, of your estimated cash available to pay distributions over each of the ensuing quarters during which you expect to pay.*

Response: The Company has included additional disclosure on pages 227-229 in response to the Staff's comment. The Company's disclosures include unaudited pro forma financial data which show what the Partnership's pro forma available cash would have been during 2006, together with a statement that management does not know of any demands, commitments, events or uncertainties that are reasonably likely to cause the Partnership's available cash to decrease in a material way during 2007. In addition, the Partnership's limited partnership agreement includes a provision that the Partnership may not consummate an initial offering unless the managing general partner believes that it will be able to pay the minimum quarterly distribution for at least two years (see added disclosure on page 217).

The Company is aware that in offerings by "master limited partnerships" or other issuers with a stated distribution policy frequently there is disclosure regarding projected future cash flows. However, the Company's offering is not an MLP offering, and the Company believes that such additional disclosure would not be appropriate or material to investors in this offering, for the following reasons:

First, unlike MLP offerings, the Company does not anticipate paying dividends to its shareholders for the foreseeable future. The SEC literature for initial public offerings by new registrants that include "promised dividends," as discussed in the section titled "Dividend Policy Disclosures" in *Current Accounting and Disclosure Issues in the Division of Corporation Finance, December 1, 2005*, should not apply to the Company, which is not promising to pay dividends to shareholders. While projected cash flow information could be material to an investor who is purchasing MLP shares because they pay dividends, here the information would not be material to an investor, because the Company does not plan on paying dividends to its shareholders.

Second, the Partnership initially will distribute all available cash to the Company. The Company has provided supplemental unaudited pro forma data for 2006 which shows what available cash would have been in 2006, and has stated that management does not know of any demands, commitments, events or uncertainties that are reasonably likely to cause the Partnership's available cash to decrease in any material way during 2007. The Company believes that this information shows investors what they can expect the Company to receive from the Partnership following this offering. The Company will stop receiving all available cash if the Partnership consummates an initial offering, but no decision has been made as to when, if at all, the Partnership will commence an initial offering. While the Company will eventually have to share cash available for distribution with the managing general partner, assuming (i) the Partnership is released from its guaranty of the Company's Credit Facility, (ii) adjusted operating surplus generated during the period through June 30, 2009 is distributed, (iii) that the Partnership makes quarterly distributions from operating surplus in excess of the first target distribution level and (iv) that the Company does not theretofore exercise its right to purchase the managing general partner interest, that is expected to only commence, if ever, at some point following July 1, 2009.

Third, we believe that the question of including forward-looking information about the Partnership's cash flows should be considered in light of the Company's overall business. In 2006, the Company had $3 billion of revenue, including $2.8 billion from its refinery and $162 million from the nitrogen fertilizer business. A typical initial public offering for an industrial company such as the Company would not include projected financial information. We do not believe that an investor looking at the overall business would find projected information for one segment—the smaller segment—of the Company's business material to its investment decision.

39. *Clarify your disclosure to explain the relevance of the operating surplus.*

Response: The Company has modified the disclosure on pages 220-223 in order to more clearly explain the relevance of operating surplus.

Financial Statements

40. *Please update your financial statements. Refer to Rule 3-12 of Regulation S-X.*

Response: The Company has updated its financial statements in accordance with Rule 3-12 of Regulation S-X.

41. *Please update your consents. Refer to number 23 of the Exhibit Table in Item 601 of Regulation S-K.*

Response: The Company has included an updated auditor's consent.

(1) Organization and Nature of Business and the Acquisitions. Page F-9

42. *We note your disclosure here and like disclosure throughout the filing that "CVR intends to sell the managing GP interest to an entity owned by its controlling stockholders and senior management at fair market value prior to consummation of this offering." Please expand your disclosure, where applicable, to explain how fair market value will be determined for the sale of the managing GP interest.*

Response: The Company has added disclosure on page F-9 which explains how fair market value will be determined for the sale of the managing general partner interest.

43. *We further note your disclosure that in "conjunction with CVR's ownership of the special GP interest, it will initially own all of the economic interests in the Partnership." Please expand your disclosure, where applicable, to explain what you mean by economic interests.*

Response: The Company has deleted the term "economic" before interest throughout the Registration Statement. The revised disclosure on page F-9 and throughout the Registration Statement clarifies that the Company will initially own all of the interests in the Partnership (other than the managing general partner interest and associated incentive distribution rights).

(5) Members Equity, page F-20

44. *We note that you issued shares to an executive management member on December 28, 2006 that "contain put rights held by the executive and call rights held by Successor's subsidiaries exercisable at fair market value in the event the executive becomes inactive." Please expand your disclosure to explain how you account for the put and call rights attached to the shares issued.*

Response: The Company has expanded its disclosure on page F-27 to explain how it is accounting for the put and call rights attached to the shares issued.

(9) Deferred Financing Costs, page F-28

45. *We note that you amended and restated your credit agreement with a consortium of banks in December 2006 and that you believe this amendment is within the scope of EITF's 96-19 and 98-14. Please expand your disclosure to explain why you believe you meet the criteria outlined by this referenced guidance.*

Response: The Company has expanded the disclosure in footnote 9 of the notes to the financial statements on pages F-28 and F-29 to explain why the Company meets the criteria of EITF 96-19 and EITF 98-14.

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Should you have any questions or comments with respect to this filing, please call me at (212) 859-8735 or Stuart Gelfond at (212) 859-8272.

Sincerely,

Michael A. Levitt

cc: Carmen Moncada-Terry (Securities and Exchange Commission)
Jill Davis (Securities and Exchange Commission)
Jennifer Goeken (Securities and Exchange Commission)
John J. Lipinski (CVR Energy, Inc.)
James T. Rens (CVR Energy, Inc.)
Susan M. Ball (CVR Energy, Inc.)
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