
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): April 4, 2012

LSB INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-7677
(Commission
File Number)

73-1015226
(IRS Employer
Identification No.)

**16 South Pennsylvania Avenue,
Oklahoma City, Oklahoma**
(Address of principal executive offices)

73107
(Zip Code)

Registrant's telephone number, including area code (405) 235-4546

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

Amendment to Working Capital Revolver Loan

Effective April 4, 2012, LSB Industries, Inc. (the “Company”), ThermaClime L.L.C., a wholly owned subsidiary of the Company (“ThermaClime”), certain subsidiaries of ThermaClime, and Consolidated Industries Corp., a subsidiary of the Company (“Consolidated Industries”), entered into the Fifth Amendment to the Amended and Restated Loan and Security Agreement (the “Fifth Amendment”), with the lenders identified on the signature pages thereof and Wells Fargo Capital Finance, Inc (“Wells Fargo”), as the arranger and administrative agent, which amends ThermaClime’s existing \$50 million working capital revolver under the Amended and Restated Loan and Security Agreement, dated November 5, 2007, as previously amended (the “Working Capital Revolver”). The Fifth Amendment includes the following modifications to the Working Capital Revolver:

- (a) the maturity date was extended to the earlier of (i) April 13, 2017 and (ii) subject to certain conditions, the maturity of the Term Loan (defined below);
- (b) the interest rate was reduced to accrue at a base rate (generally equivalent to the prime rate) plus .50% or LIBOR plus 1.50%; provided that if less than \$25 million is available under the Working Capital Revolver, interest accrues at the base rate plus .75% or LIBOR plus 1.75%. The interest rate at April 6, 2012 was 2.22%;
- (c) the unused line fee on ThermaClime’s \$50 million Working Capital Revolver line of credit was decreased;
- (d) the borrowing base calculation was adjusted;
- (e) the borrowers’ maximum aggregate amount of certain permitted indebtedness including certain purchase money indebtedness, indebtedness for lease obligations, indebtedness owing to certain Company subsidiaries, and unsecured indebtedness, was increased;
- (f) the borrowers’ maximum aggregate amount of certain permitted investments, including investments in the Company, was increased;
- (g) the maximum amount of annual distributions from ThermaClime to the Company or Consolidated Industries for certain management services was increased from \$5.0 to \$7.5 million;
- (h) the prepayment penalty included in conditions for the borrowers’ early termination of the Working Capital Revolver was deleted; and
- (i) the minimum EBITDA covenant and the senior leverage coverage ratio covenant were deleted.

As of April 6, 2012, the amount available for borrowing under the Working Capital Revolver was approximately \$49 million.

The foregoing summary description of the Fifth Amendment is not complete and is qualified in its entirety by the actual terms of the Fifth Amendment, which is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Amendment to Term Loan

Effective April 4, 2012, ThermaClime, and certain of ThermaClime's subsidiaries entered into the Amendment Number Two to the Amended and Restated Term Loan Agreement (the "Second Amendment") with Banc of America Leasing & Capital, LLC ("BOA"), as agent for the lenders, which amends ThermaClime's existing \$75 million term loan under the Amended and Restated Term Loan Agreement, dated March 29, 2011, as previously amended (the "Term Loan"). The Second Amendment conforms the Term Loan to certain of the amendments to the Working Capital Revolver, including the following:

- (a) the borrowers' maximum aggregate amount of certain permitted indebtedness, including certain purchase money indebtedness, indebtedness for lease obligations, indebtedness owing to certain Company subsidiaries, and unsecured indebtedness, was increased;
- (b) the borrowers' maximum aggregate amount of certain permitted investments, including investments in the Company, was increased; and
- (c) the maximum amount of annual distributions from ThermaClime to the Company or Consolidated Industries for certain management services was increased from \$5.0 to \$7.5 million.

As of April 6, 2012, the outstanding principal balance of the Term Loan was approximately \$71.3 million.

The foregoing summary description of the Second Amendment is not complete and is qualified in its entirety by the actual terms of the Second Amendment, which is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit	Description
99.1	Fifth Amendment to the Amended and Restated Loan and Security Agreement, dated effective as of April 4, 2012, by and among the Company, ThermaClime, Inc., certain subsidiaries of ThermaClime, and Consolidated Industries, the Lenders signatory thereto, and Wells Fargo Capital Finance, Inc, as the arranger and administrative agent for the Lenders.
99.2	Amendment Number Two to the Amended and Restated Term Loan Agreement, dated as of April 4, 2012, among LSB Industries, Inc., ThermaClime, L.L.C. and certain subsidiaries of ThermaClime, L.L.C., Cherokee Nitrogen Holdings, Inc., the Required Lenders signatory thereto, Banc of America Leasing & Capital, LLC as the Administrative and Collateral Agent, and Bank of Utah as Payment Agent.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 9, 2012

LSB INDUSTRIES, INC.

By: /s/ Tony M. Shelby

Tony M. Shelby,
Executive Vice President of Finance,
Chief Financial Officer

**FIFTH AMENDMENT
TO THE AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

FIFTH AMENDMENT, dated as of April 4, 2012 (this "Amendment"), to the Amended and Restated Loan and Security Agreement dated as of November 5, 2007 (as amended prior to the date hereof, the "Loan Agreement"), by and among (i) LSB INDUSTRIES, INC., a Delaware corporation (the "Parent"), Consolidated Industries Corp., an Oklahoma corporation ("Consolidated Industries" and together with the Parent, each a "Guarantor" and collectively, the "Guarantors"), THERMACLIME, L.L.C., an Oklahoma limited liability company ("ThermaClime"), and each of the Subsidiaries of ThermaClime identified on the signature pages thereof (such Subsidiaries, together with ThermaClime, each a "Borrower", and collectively, the "Borrowers"), (ii) the lenders identified on the signature pages thereof (each a "Lender" and collectively the "Lenders"), and (iii) WELLS FARGO CAPITAL FINANCE, INC., a California corporation formerly known as Wells Fargo Foothill, Inc., as the arranger and administrative agent for the Lenders (the "Agent").

WHEREAS, the Borrowers, the Guarantors, the Lenders, and the Agent desire to enter into this Amendment so as to amend the Loan Agreement as set forth herein subject to the terms and conditions hereof.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Capitalized Terms. All capitalized terms used in this Amendment (including, without limitation, in the recitals hereto) and not otherwise defined shall have their respective meanings set forth in the Loan Agreement.

2. New Definitions. Section 1.1 of the Loan Agreement is hereby amended by adding the following defined terms in proper alphabetical order:

“Fifth Amendment” means that certain Fifth Amendment to the Amended and Restated Loan and Security Agreement, dated as of April 4, 2012, among the Parent, Consolidated Industries, the Borrowers, the Lenders and the Agent.”

“Fifth Amendment Effective Date” means the date that all of the conditions set forth in Section 22 of the Fifth Amendment shall be satisfied (or waived by the Agent in its sole discretion).”

3. Amended Definitions. The following definitions in Section 1.1 of the Loan Agreement are hereby amended and restated in their entirety to read as follows:

“Base Rate Margin” means, as of any date of determination, (i) if Excess Availability is greater than \$25,000,000, 0.50 percentage point, and (ii) if Excess Availability is less than or equal to \$25,000,000, 0.75 percentage point.”

““LIBOR Rate Margin” means, as of any date of determination, (i) if Excess Availability is greater than \$25,000,000, 1.50 percentage points, and (ii) if Excess Availability is less than or equal to \$25,000,000, 1.75 percentage points.”

““Permitted Investments” means (a) Investments in Cash Equivalents, (b) Investments in negotiable instruments for collection, (c) advances made in connection with purchases of goods or services in the ordinary course of business, (d) Investments by any Borrower or Guarantor in any other Borrower or any Guarantor (other than Parent), (e) guarantees by a Borrower or Guarantor of Indebtedness permitted under Section 7.1(e), (f) guarantees permitted under Section 7.6, (g) other Investments set forth on Schedule 7.13 hereto, (h) Investments made by any Borrower or Guarantor (other than the Parent) in the Parent, provided the aggregate amount of such Investments do not exceed \$5,000,000 at any time outstanding, (i) Investments in any newly created Subsidiary by means of purchase or other acquisition of the equity interests of such Subsidiary including by way of merger, provided there is no investment of Collateral and (j) prior to ThermaClime’s distribution or dividend of the Special Distribution Amount to Parent pursuant to Section 7.11(a)(ii), the Borrowers may make Investments in an aggregate amount not exceeding the Special Distribution Amount in the Special Permitted Investments.”

““Permitted Purchase Money Indebtedness” means, as of any date of determination, Purchase Money Indebtedness (i) incurred after the Fifth Amendment Effective Date in an aggregate amount outstanding at any one time not in excess of \$15,000,000, and (ii) outstanding on the Fifth Amendment Effective Date in an aggregate amount outstanding not exceeding \$650,000.”

4. Deleted Definitions. The definition of “Applicable Prepayment Premium” in Section 1.1 of the Loan Agreement is hereby deleted in its entirety.

5. Section 2.1(a). Section 2.1(a) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(a) Subject to the terms and conditions of this Agreement, and during the term of this Agreement, each Lender with a Revolver Commitment agrees (severally, not jointly or jointly and severally) to make advances (“Advances”) to Borrowers in an amount at any one time outstanding not to exceed such Lender’s Pro Rata Share of an amount equal to the lesser of (i) the Maximum Revolver Amount less the Letter of Credit Usage or (ii) the Borrowing Base less the Letter of Credit Usage. For purposes of this Agreement, “Borrowing Base,” as of any date of determination, shall mean the result of the following for all Borrowers:

(A) the lesser of

(1) 85% of the amount of Eligible Accounts of such Borrowers, less the amount, if any, of the sum of the Dilution Reserve, and

- (2) an amount equal to such Borrowers' Collections with respect to Accounts for the immediately preceding 75 day period, plus
- (B) the lowest of
- (1) \$35,000,000, and
 - (2) the sum of
 - (x) the lesser of (i) 70% of the value of such Borrowers' Eligible Inventory, and (ii) 85% of the Net Orderly Liquidation Value of such Borrowers' Eligible Inventory, plus
 - (y) the lesser of (i) 60% (or, in the case of Climate Control Raw Inventory, 65%) of the value of such Borrowers' Eligible Raw Inventory, and (ii) 85% of the Net Orderly Liquidation Value of such Borrowers' Eligible Raw Inventory, minus
- (C)(z) the sum of (1) the Bank Products Reserve, and (2) the aggregate amount of reserves, if any, established by Agent under Section 2.1(b)."

6. Section 2.1(b). Section 2.1(b) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"(b) Anything to the contrary in this Section 2.1 notwithstanding, Agent shall have the right to establish reserves in such amounts, and with respect to such matters, as Agent in its Permitted Discretion shall deem necessary or appropriate, against the Borrowing Base, including reserves with respect to (i) sums that Borrowers are required to pay (such as taxes, assessments, insurance premiums, or, in the case of leased assets, rents or other amounts payable under such leases) and has failed to pay under any Section of this Agreement or any other Loan Document, and (ii) amounts owing by Borrowers to any Person to the extent secured by a Lien on, or trust over, any of the Collateral (other than any existing Permitted Lien set forth on Schedule P-1 which is specifically identified thereon as entitled to have priority over the Agent's Liens), which Lien or trust, in the Permitted Discretion of Agent likely would have a priority superior to the Agent's Liens (such as Liens or trusts in favor of landlords, warehousemen, carriers, mechanics, materialmen, laborers, or suppliers, or Liens or trusts for ad valorem, excise, sales, or other taxes where given priority under applicable law) in and to such item of the Collateral. In addition to the foregoing, Agent shall have the right to have the Inventory reappraised by a qualified appraisal company selected by Agent from time to time after the Closing Date for the purpose of redetermining the Net Orderly Liquidation Value of the Eligible Inventory and/or the Eligible Raw Inventory, which appraisals, so long as no Default or Event of Default shall have occurred and be continuing, shall be conducted at Borrowers' expense no more frequently than once during any twelve month period, and, after the occurrence and during the continuance of a Default or an Event of Default, at Borrowers' expense as frequently as Agent shall determine; provided, that, the Borrower shall not be required to reimburse the Agent for the costs of any such appraisal if, at the time of such appraisal, (x) no Default or Event of Default has occurred and is continuing and (y) no Advances have been outstanding since the Fifth Amendment Effective Date. Based upon the results of any such redetermination, and any other information received from the collateral reporting required under Section 6.2, Agent may, in its Permitted Discretion, redetermine the Borrowing Base."

7. Section 2.7(b). Section 2.7(b) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(b) On the Closing Date, each Cash Management Bank shall establish and maintain Cash Management Agreements with Agent and Borrowers in form and substance acceptable to Agent, provided that such Cash Management Agreements may not be implemented until 30 days after the Closing Date. Each such Cash Management Agreement shall provide, among other things, that (i) all items of payment deposited in such Cash Management Account and proceeds thereof are held by such Cash Management Bank as agent or bailee-in-possession for Agent, (ii) the Cash Management Bank has no rights of setoff or recoupment or any other claim against the applicable Cash Management Account, other than for payment of its service fees and other charges directly related to the administration of such Cash Management Account and for returned checks or other items of payment, and (iii) it immediately will forward by daily sweep all amounts in the applicable Cash Management Account to the Agent’s Account; provided, that, from and after the First Amendment Effective Date, the requirement set forth in this clause (iii) shall not be required so long as (A) no Event of Default has occurred and is continuing after the Fifth Amendment Effective Date and (B) Excess Availability is \$20,000,000 or greater at all times after the Fifth Amendment Effective Date, and if the conditions set forth in clauses (A) and (B) are satisfied, Agent shall direct the Cash Management Bank to forward all amounts in the Cash Management Account to Borrowers’ Account in accordance with the wire instructions set forth on Schedule 2.7(b) hereto.”

8. Section 2.11(a). Section 2.11(a) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(a) Unused Line Fee. On the first day of each month during the term of this Agreement, an unused line fee in the amount equal to 0.25% per annum times the result of (a) the Maximum Revolver Amount, less (b) the sum of (i) the average Daily Balance of Advances that were outstanding during the immediately preceding month, plus (ii) the average Daily Balance of the Letter of Credit Usage during the immediately preceding month,”

9. Section 2.11(c). Section 2.11(c) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(c) For the separate account of each member of the Lender Group, audit, appraisal, and valuation fees and charges as follows, (i) a fee of \$1,000 per day, per auditor, plus out-of-pocket expenses for each financial audit of a Borrower performed by personnel employed by Agent and each Lender that accompanies Agent’s personnel in connection with such financial audit conducted by Agent; provided, that, in the absence of a continuing Event of Default, the Borrowers shall not be obligated to pay for more than two (2) financial audits in any 12 month period; provided, further, that, the Borrower shall not be required to reimburse the Agent for the costs of more than one (1) financial audit in any 12 month period if, at the time of such financial audit, (x) no Default or Event of Default has occurred and is continuing and (y) no Advances have been outstanding since the Fifth Amendment Effective Date, (ii) if implemented, for the sole account of the Agent, a one time charge of \$3,000 plus out-of-pocket expenses for expenses for the establishment of electronic collateral reporting systems, (iii) a fee of \$1,500 per day per appraiser, plus out-of-pocket expenses, for each appraisal of the Collateral consisting of Inventory and Capital Assets performed by personnel employed by Agent; provided, that, in the absence of a continuing Event of Default, the Borrowers shall not be obligated to pay for more than one (1) appraisal in any 12 month period; provided, further, that, the Borrower shall not be required to reimburse the Agent for the costs of any such appraisal if, at the time of such appraisal, (x) no Default or Event of Default has occurred and is continuing and (y) no Advances have been outstanding since the Fifth Amendment Effective Date, and (iv) the actual charges paid or incurred by the Agent (and, subject to clause (i) above, each Lender) if it elects to employ the services of one or more third Persons to perform financial audits of Borrowers, to appraise the Collateral, or any portion thereof, or to assess a Borrower’s business valuation.”

10. Section 3.4. Section 3.4 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“**3.4 Term**. This Agreement shall become effective upon the execution and delivery hereof by Borrowers, Agent, and the Lenders and shall continue in full force and effect for a term ending on the earlier of (i) April 13, 2017 and (ii) the date of maturity of the BofA Loans or any refinancings, renewals, replacements or extensions of the BofA Loans, so long as any such refinancing, renewal, replacement or extension is permitted under and subject to the BofA Inter-Lender Agreement) (the “Maturity Date”). The foregoing notwithstanding, the Lender Group, upon the election of the Required Lenders, shall have the right to terminate its obligations under this Agreement immediately and without notice upon the occurrence and during the continuation of an Event of Default.”

11. Section 3.6. Section 3.6 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“3.6 Early Termination by Borrowers. Borrowers have the option, at any time upon 90 days prior written notice by Administrative Borrower to Agent, to terminate this Agreement by paying to Agent, for the benefit of the Lender Group, in cash, the Obligations (including (a) either (i) providing cash collateral to be held by Agent for the benefit of those Lenders with a Revolver Commitment in an amount equal to 105% of the then extant Letter of Credit Usage, or (ii) causing the original Letters of Credit to be returned to the Issuing Lender, and (b) providing cash collateral to be held by Agent for the benefit of Wells Fargo or its Affiliates with respect to the then extant Bank Products Obligations), in full, without premium or penalty. If Administrative Borrower has sent a notice of termination pursuant to the provisions of this Section, then the Commitments shall terminate and Borrowers shall be obligated to repay the Obligations (including (a) either (i) providing cash collateral to be held by Agent for the benefit of those Lenders with a Revolver Commitment in an amount equal to 105% of the then extant Letter of Credit Usage, or (ii) causing the original Letters of Credit to be returned to the Issuing Lender, and (b) providing cash collateral to be held by Agent for the benefit of Wells Fargo or its Affiliates with respect to the then extant Bank Products Obligations), in full, without premium or penalty, on the date set forth as the date of termination of this Agreement in such notice.”

12. Section 6.9. Section 6.9 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“6.9 Location of Inventory. Keep the Inventory only at the locations identified on Schedule 5.5; provided, however, that Administrative Borrower may amend Schedule 5.5 so long as such amendment occurs by written notice to Agent not less than 10 Business Days prior to the date on which the Inventory is moved to such new location, so long as such new location is within the continental United States, and so long as, at the time of such written notification, the applicable Borrower provides any financing statements necessary to perfect and continue perfected the Agent’s Liens on such assets and also provides to Agent a Collateral Access Agreement.”

13. Section 7.1(h). Section 7.1(h) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(h) Indebtedness owing by any Borrower to any Subsidiary of Parent that is not also a Subsidiary of ThermaClime, provided that the aggregate principal amount of such Indebtedness shall not exceed \$5,000,000 at any time, except as set forth in Section 7.1(f);”

14. Section 7.1(i). Section 7.1(i) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(i) other unsecured Indebtedness in an aggregate amount not to exceed \$5,000,000 at any time;”

15. Section 7.3. The last paragraph of Section 7.3 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“Clauses (a), (b) and (c) of this Section 7.3 shall not apply to (i) the merger or consolidation of a Borrower or a Subsidiary of the Borrower that is a Guarantor with and into another Borrower other than ThermaClime (in each such case, so long as a Borrower is the surviving entity of any such merger), or (ii) the sale, transfer, lease or other disposal of assets of any Borrower or any of its Subsidiaries to any other Borrower or Guarantor (other than Parent).”

16. Section 7.4(a). Section 7.4(a) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(a) a Borrower may sell or otherwise dispose of any of its other assets, provided that (i) the proceeds from such sale or disposition are either applied to prepay the Obligations in accordance with Section 2.4(b) or distributed to ThermaClime and are used by ThermaClime solely to repurchase the ThermaClime Notes, (ii) after giving effect to the repurchase of the ThermaClime Notes in accordance with clause (i) above, Excess Availability is not less than \$15,000,000, (iii) such assets are sold for Fair Market Value and (iv) the aggregate Fair Market Value of all such assets sold during each fiscal year pursuant to this Section 7.4(a) shall not exceed \$7,500,000; and”

17. Section 7.11(c). Section 7.11(c) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(c) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, (i) ThermaClime may make distributions and pay dividends to Consolidated Industries or to Parent, in respect of the management fees payable by ThermaClime to Parent in accordance with the Management Agreement, provided that the aggregate amount of all such payments made by Borrowers pursuant to this clause (c)(i) shall not exceed \$7,500,000 during any fiscal year of ThermaClime or the maximum management fees payable to Parent each calendar quarter under the Management Agreement, and (ii) ThermaClime may make distributions and pay dividends to Consolidated Industries or to Parent, in an aggregate amount not to exceed, during each fiscal year, the sum of (A) 50% of the actual consolidated net income of the Borrowers for such fiscal year determined in accordance with GAAP, plus (B) the amounts paid to Parent and Consolidated Industries during such fiscal year in accordance with Section 7.11(d);”

18. Section 7.11(e). Section 7.11(e) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“(e) each Borrower may make distributions and pay dividends to any Subsidiary of Consolidated Industries that is not also a Subsidiary of ThermaClime, provided that the aggregate amount of such distributions and dividends shall not exceed \$500,000 during each fiscal year; and”

19. Section 7.13. Section 7.13 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“**Investments**. Except for Permitted Investments, directly or indirectly, make or acquire any Investment, or incur any liabilities (including contingent obligations) for or in connection with any Investment; provided, however, that Borrowers are also permitted to make or acquire other Investments (other than in the Cash Management Accounts) not exceeding \$5,000,000 in the aggregate outstanding at any one time.”

20. Section 7.20. Section 7.20 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“**7.20 Financial Covenants**.

(a) Fail to maintain:

(i) Intentionally deleted.

(ii) Intentionally deleted.

(iii) **Fixed Charge Coverage Ratio**. A Fixed Charge Coverage Ratio, measured on a fiscal year-end basis commencing with the fiscal year ending December 31, 2001, of not less than 1.10:1.00.

(iv) Intentionally deleted.

(b) Intentionally deleted.”

21. Section 8.9. Section 8.9 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

“8.9 If there is a default in any material agreement to which any Borrower, any Guarantor (other than the Parent, Consolidated Industries and Cherokee) or any of its Subsidiaries is a party and such default (a)(i) occurs at the final maturity of the obligations thereunder, or (ii) results in a right by the other party thereto, irrespective of whether exercised, to accelerate the maturity of the applicable Borrower’s, Guarantor’s or its Subsidiaries’ obligations thereunder, to terminate such agreement, or to refuse to renew such agreement pursuant to an automatic renewal right therein, and (b) involves Indebtedness or an obligation for the payment of money in an aggregate amount in excess of \$1,000,000;”

22. Conditions Precedent. The effectiveness of this Amendment is subject to the fulfillment, in a manner satisfactory to the Agent, of each of the following conditions precedent (the first date upon which all such conditions shall have been satisfied being herein called the "Fifth Amendment Effective Date"):

(a) Representations and Warranties; No Event of Default. The representations and warranties contained herein, in Section 5 of the Loan Agreement and in each other Loan Document and certificate or other writing delivered to the Agent or any Lender pursuant hereto on or prior to the Fifth Amendment Effective Date (as updated prior to the date hereof in accordance with the Loan Agreement) shall be correct in all material respects on and as of the Fifth Amendment Effective Date as though made on and as of such date, except to the extent that such representations and warranties (or any schedules related thereto) expressly relate solely to an earlier date (in which case such representations and warranties shall be true and correct in all material respects on and as of such date); and after giving effect to the amendments, consents and waivers set forth herein, no Default or Event of Default shall have occurred and be continuing on the Fifth Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(b) Payment of Amendment Fee. The Borrower shall have paid to the Agent an amendment fee equal to \$50,000.

(c) Delivery of Documents. The Agent shall have received on or before the Fifth Amendment Effective Date the following, each in form and substance satisfactory to the Agent and, unless indicated otherwise, dated the Fifth Amendment Effective Date:

(i) counterparts of this Amendment duly executed by the Borrowers, the Agent and the Lenders;

(ii) such other agreements, instruments, approvals, opinions and other documents as the Agent may reasonably request from the Borrowers.

23. Representations and Warranties. Each Borrower, and only with respect to parts (b) and (c) below, Parent and Consolidated Industries, hereby represents and warrants to the Agent and the Lenders as follows:

(a) Representations and Warranties; No Event of Default. The representations and warranties herein, in Section 5 of the Loan Agreement (as updated prior to the date hereof in accordance with the Loan Agreement), and in each other Loan Document and certificate or other writing delivered to the Agent or any Lender pursuant hereto on or prior to the Fifth Amendment Effective Date are correct in all material respects on and as of the Fifth Amendment Effective Date as though made on and as of such date, except to the extent that such representations and warranties (or any schedules related thereto) expressly relate solely to an earlier date (in which case such representations and warranties are true and correct in all material respects on and as of such date); and after giving effect to the amendments, consents and waivers set forth herein, no Default or Event of Default has occurred and is continuing on the Fifth Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(b) Organization, Good Standing, Etc. Parent, Consolidated Industries and each Borrower (i) is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization, (ii) has all requisite power and authority to execute, deliver and perform this Amendment and the other Loan Documents to which it is a party being executed in connection with this Amendment, and to perform its respective obligations under the Loan Agreement, as amended hereby, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except where the failure to be so qualified reasonably could not be expected to have a Material Adverse Change.

(c) Authorization, Etc. The execution, delivery and performance by each Borrower, Parent and Consolidated Industries of this Amendment, and the performance by each Borrower, Parent and Consolidated Industries of the Loan Agreement and the other Loan Documents to which it is a party, each as amended hereby, (i) have been duly authorized by all necessary action on the part of such Borrower, Parent or Consolidated Industries, (ii) do not and will not contravene such Borrower's, Parent's or Consolidated Industries' charter or by-laws, any applicable law or any material contractual restriction binding on it or any of its properties, (iii) do not and will not result in or require the creation of any Lien (other than pursuant to any Loan Document) upon or with respect to any of its properties, and (iv) do not and will not result in any suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to its operations or any of its properties.

24. Miscellaneous.

(a) Continued Effectiveness of the Loan Agreement. Except as otherwise expressly provided herein, the Loan Agreement and the other Loan Documents are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, except that on and after the Fifth Amendment Effective Date (i) all references in the Loan Agreement to "this Agreement", "hereto", "hereof", "hereunder" or words of like import referring to the Loan Agreement shall mean the Loan Agreement as amended by this Amendment, and (ii) all references in the other Loan Documents to which any Borrower is a party to the "Loan Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Loan Agreement shall mean the Loan Agreement as amended by this Amendment. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as an amendment, modification or waiver of any right, power or remedy of the Lender under the Loan Agreement or any other Loan Document, nor constitute an amendment of any provision of the Loan Agreement or any other Loan Document.

(b) Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

(c) Headings. Section headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(d) Governing Law. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

(e) Costs and Expenses. The Borrowers jointly and severally agree to pay on demand all reasonable fees, costs and expenses of the Agent and each Lender in connection with the preparation, execution and delivery of this Amendment and the other related agreements, instruments and documents.

(f) Amendment as Loan Document. Each Borrower hereby acknowledges and agrees that this Amendment constitutes a "Loan Document" under the Loan Agreement. Accordingly, it shall be an Event of Default under the Loan Agreement (i) if any representation or warranty made by a Borrower under or in connection with this Amendment shall have been untrue, false or misleading in any material respect when made or (ii) if Borrowers fail to perform, keep, or observe any term, provision, condition, covenant, or agreement contained in this Amendment.

(g) General Release. Each Borrower and Guarantor hereby acknowledges and agrees that no Borrower or Guarantor has, as of the date of this Amendment, any defense, counterclaim, offset, cross-complaint, claim or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of its liability to repay the obligations or to seek affirmative relief or damages of any kind or nature from the Agent, any member of the Lender Group or any other Lender-Related Persons. Each Borrower and Guarantor hereby voluntarily and knowingly releases and forever discharges the Agent, each member of the Lender Group, the other Lender-Related Persons and each of their respective predecessors, agents, employees, attorneys, successors and assigns (collectively, the "Released Parties") from all possible claims, demands, actions, causes of action, damages, costs, expenses and liabilities whatsoever, whether known or unknown, anticipated or unanticipated, suspected or unsuspected, fixed, contingent or conditional, or at law or in equity, in any case originating in whole or in part on or before the date this Amendment is executed that any Borrower or Guarantor may now or hereafter have against the Released Parties, if any, irrespective of whether any such claims arise out of contract, tort, violation of law or regulations, or otherwise, and that arise from any Loans, the exercise of any rights and remedies under the Loan Agreement or other Loan Documents, and/or negotiation for and execution of this Amendment, including, without limitation, any contracting for, charging, taking, reserving, collecting or receiving interest in excess of the highest lawful rate applicable.

(h) Waiver of Jury Trial. EACH BORROWER, THE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AMENDMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

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

Parent:

LSB INDUSTRIES, INC.,
a Delaware corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

Consolidated Industries:

CONSOLIDATED INDUSTRIES CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

Borrowers:

THERMACLIME, L.L.C.,
an Oklahoma limited liability company

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

CHEROKEE NITROGEN COMPANY,
an Oklahoma corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

[Fifth Amendment]

CLIMATE MASTER, INC.,

a Delaware corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

CLIMATECRAFT, INC.,

an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

CLIMACOOOL, CORP.,

an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

INTERNATIONAL ENVIRONMENTAL CORPORATION,

an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

THERMACLIME TECHNOLOGIES, INC.,

an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

[Fifth Amendment]

KOAX CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

LSB CHEMICAL CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

XPEDIAIR, INC.,
an Oklahoma corporation.

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

EL DORADO CHEMICAL COMPANY,
an Oklahoma corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

CHEMEX I CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

[Fifth Amendment]

TRISON CONSTRUCTION, INC.,
an Oklahoma corporation

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

EDC AG PRODUCTS COMPANY L.L.C.,
an Oklahoma limited liability company

By: /s/ Tony Shelby
Name: Tony Shelby
Title: Vice President

[Fifth Amendment]

Agent and Lender:

WELLS FARGO CAPITAL FINANCE, INC.,
a California corporation, as Agent and Lender

By: /s/ Matt Mouledous

Name: Matt Mouledous

Title: Vice President

[Fifth Amendment]

**AMENDMENT NUMBER TWO TO THE
AMENDED AND RESTATED TERM LOAN AGREEMENT**

This AMENDMENT NUMBER TWO TO THE AMENDED AND RESTATED TERM LOAN AGREEMENT (this "Amendment") is made as of April 4, 2012, by and among ThermaClime, L.L.C. ("ThermaClime"), Cherokee Nitrogen Holdings, Inc., Northwest Financial Corporation, Chemex I Corp., Cherokee Nitrogen Company, ClimaCool Corp., ClimateCraft, Inc., Climate Master, Inc., EDC Ag Products Company L.L.C., El Dorado Chemical Company, International Environmental Corporation, Koax Corp., LSB Chemical Corp., The Climate Control Group, Inc., Trison Construction, Inc., ThermaClime Technologies, Inc., XpediAir, Inc., (each of the foregoing, a "Borrower", and, collectively, the "Borrowers"), LSB Industries, Inc., as a Guarantor (the "Parent"), Consolidated Industries Corp., as a Guarantor ("Consolidated Industries") and each Required Lender party hereto (collectively, the "Required Lenders"), and is acknowledged by Banc of America Leasing & Capital, LLC, not in its individual capacity, but solely as Administrative Agent, and as Collateral Agent and Bank of Utah, not in its individual capacity, but solely as Payment Agent. Capitalized terms used and not otherwise defined herein have the meanings given to them in the Term Loan Agreement (as defined in Preliminary Statement I), and the general interpretive provisions of Section 1.02 of the Term Loan Agreement are hereby incorporated by reference into this Amendment.

PRELIMINARY STATEMENTS

I. The Borrowers, the Parent, Consolidated Industries, the Administrative Agent, the Collateral Agent, the Payment Agent and the Lenders have entered into that certain Amended and Restated Term Loan Agreement, dated as of March 29, 2011, as amended by that certain Amendment Number One to the Amended and Restated Term Loan Agreement dated April 21, 2011 (as may be further amended, supplemented, amended and restated, or otherwise modified from time to time, the "Term Loan Agreement").

II. Parent and ThermaClime have informed the Lenders and the Agents that it intends to enter into the Fifth Amendment to the Amended and Restated Loan and Security Agreement dated as of April 4, 2012 between Parent, Consolidated Industries, ThermaClime and the other borrowers party thereto and Wells Fargo Capital Finance, Inc., as the arranger and administrative agent for the lenders party thereto (the "Fifth Revolver Amendment").

III. Parent, Consolidated Industries and ThermaClime have requested that certain changes be made to the Term Loan Agreement to conform to changes agreed to in the Fifth Revolver Amendment.

IV. In light of the request described in Preliminary Statement III and subject to the conditions set forth herein, Parent, Consolidated Industries, the Borrowers (each of the foregoing, a "Loan Party", and, collectively, the "Loan Parties"), and the Required Lenders desire to enter into this Amendment.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. Amendments to the Term Loan Agreement. As of the date hereof, the Term Loan Agreement is hereby amended as set forth in this Section 1:

(a) Section 7.02 (c) is hereby amended and restated in its entirety to read as follows:

“(c) Indebtedness (i) outstanding on the date hereof and listed on Part A of Schedule 7.02 or (ii) constituting Capitalized Lease Obligations, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets within the limitations set forth in Section 7.01(f) and incurred after the Closing Date, provided that the aggregate amount of all such Indebtedness under this clause (ii) that is originated after the Closing Date at any one time outstanding, shall not exceed \$15,000,000;”

(b) Section 7.02 (g) is hereby amended and restated in its entirety to read as follows:

“(g) Indebtedness owing by any Borrower or any Subsidiary of any Borrower to any Subsidiary of Parent that is not also a Subsidiary of ThermaClime, provided that the aggregate principal amount of such Indebtedness shall not exceed \$5,000,000 at any time, except as provided in Section 7.02(d);”

(c) Section 7.02 (k) is hereby amended and restated in its entirety to read as follows:

“(k) other unsecured Indebtedness in an aggregate principal amount not to exceed \$5,000,000 at any time outstanding.”

(d) Section 7.03 (h) is hereby amended and restated in its entirety to read as follows:

“(h) Investments made by any Borrower or Guarantor (other than Parent) in Parent, provided that the aggregate amount of such Investments do not exceed \$5,000,000 at any time outstanding;”

(e) Section 7.03 (n) is hereby amended and restated in its entirety to read as follows:

“(n) other Investments not exceeding \$5,000,000 in the aggregate outstanding at any time.”

(f) Section 7.05 (g) is hereby amended and restated in its entirety to read as follows:

“(g) Dispositions permitted under Section 7.4(a) of the Revolving Credit Agreement (as in effect on the Fifth Amendment Effective Date, as that term is defined in that certain Fifth Amendment to the Amended and Restated Loan and Security Agreement dated as of March [], 2012), provided that the proceeds of any such Disposition are applied in accordance with the requirements of Section 7.4(a) of the Revolving Credit Agreement (as in effect on the Fifth Amendment Effective Date, as that term is defined in that certain Fifth Amendment to the Amended and Restated Loan and Security Agreement);”

(g) Section 7.06 (d) is hereby amended and restated in its entirety to read as follows:

“(d) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, (i) ThermaClime may make distributions and pay dividends to Parent or, if so directed by Parent, to Consolidated Industries in respect of the management fees payable by ThermaClime to Parent in accordance with the Management Agreement, provided that the aggregate amount of all such payments made by ThermaClime pursuant to this clause (d)(i) shall not exceed \$7,500,000 during any fiscal year of ThermaClime or the maximum management fees payable to Parent each calendar quarter under the Management Agreement, and (ii) ThermaClime may make distributions and pay dividends to Parent or, if so directed by Parent, to Consolidated Industries in an aggregate amount not to exceed, during each fiscal year, the sum of (A) 50% of the actual consolidated net income of the Borrowers for such fiscal year determined in accordance with GAAP, plus (B) the amounts paid to Parent and Consolidated Industries during such fiscal year in accordance with Section 7.06(e).”

(h) Section 7.06 (f) is hereby amended and restated in its entirety to read as follows:

“(f) each Borrower may make distributions and pay dividends to any Subsidiary of Parent other than Consolidated Industries, and that is not also a Subsidiary of ThermaClime or that is a Subsidiary of ThermaClime but is not a Borrower or a Guarantor, provided that the aggregate amount of such distributions and dividends shall not exceed \$500,000 during each fiscal year; provided, however, that the foregoing limitation on the amount of distributions and dividends made or paid under this Section 7.06(f) will not apply to distributions made or dividends paid to Consolidated Industries to the extent permitted pursuant to Sections 7.06(a), (b), (d), and (e).”

SECTION 2. Representations and Warranties. Each Loan Party hereby represents and warrants as follows:

(a) after giving effect to the amendments set forth herein, each of the representations and warranties made by it as set forth in Article V of the Term Loan Agreement are true and correct in all material respects as of the date of this Amendment, it being understood and agreed that any representation or warranty that, by its terms, is made as of a specified date will be required to be true and correct in all material respects only as of such specified date;

(b) after giving effect to the amendments set forth herein, no Event of Default exists or has occurred that has not been duly cured or waived in accordance with the provisions of each applicable Loan Document;

(c) this Amendment has been duly authorized by all necessary corporate or limited liability company proceedings of, and duly executed and delivered by each Loan Party;

(d) the Term Loan Agreement, as amended by this Amendment, is a legal, valid, and binding obligation of each Loan Party, respectively, enforceable against each such Person in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, other similar laws affecting creditors' rights generally, or general principles of equity, regardless of whether the application of such principles is considered in a proceeding in equity or at law;

(e) no further consent, approval authorization, order, registration, or qualification with any governmental authority is required for, and the absence of which would not adversely affect, the valid execution and delivery or performance by any Loan Party of this Amendment or the Term Loan Agreement, as amended by this Amendment; and

(f) the execution, delivery, and performance by the Loan Parties of this Amendment do not and will not (i) contravene the terms of any of its Organization Documents; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under or require any payment to be made under (A) any Material Contract to which that Person is a party or affecting that Person or the properties of that Person or any of its Subsidiaries, including that certain Amended and Restated Loan and Security Agreement dated as of November 5, 2007 between ThermaClime and the other borrowers party thereto and Wells Fargo Capital Finance, Inc., formerly known as Wells Fargo Foothill, Inc., as the arranger and administrative agent for the lenders party thereto, as amended through the Fifth Revolver Amendment or (B) any order, injunction, writ, or decree of any Governmental Authority or any arbitral award to which that Person or its property is subject; or (iii) violate any Law.

SECTION 3. Conditions Precedent. The effectiveness of this Amendment is subject to the fulfillment, in a manner satisfactory to the Payment Agent, of each of the following conditions precedent (the first date upon which all such conditions shall have been satisfied being herein called the "Amendment Effective Date"):

(a) The representations and warranties contained herein, in Article V of the Term Loan Agreement and in each other Loan Document and certificate or other writing delivered to any Agent or any Lender pursuant hereto on or prior to the Amendment Effective Date (as updated prior to the date hereof in accordance with the Term Loan Agreement) shall be correct in all material respects on and as of the Amendment Effective Date as though made on and as of such date, except to the extent that such representations and warranties (or any schedules related thereto) expressly relate solely to an earlier date (in which case such representations and warranties shall be true and correct in all material respects on and as of such date); and after giving effect to the amendments set forth herein, no Default or Event of Default shall have occurred and be continuing on the Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(b) Borrower shall have paid to Payment Agent the Amendment Fee, as hereinafter defined.

(c) The Payment Agent shall have received the following, each in form and substance satisfactory to the Payment Agent and, unless indicated otherwise, dated the Amendment Effective Date: (i) this Amendment, duly executed by each of the Loan Parties, the Required Lenders and acknowledged by the Agents, (ii) a fully executed copy of the Fifth Revolver Amendment, along with evidence that any conditions precedent to the effectiveness of such amendment have been satisfied or duly waived, and (iii) such other documents, instruments, certificates, and agreements that the Administrative Agent, the Collateral Agent, or the Payment Agent may reasonably request in connection with the transactions contemplated by this Amendment.

SECTION 4. Release; Covenant Not to Sue.

(a) As good and valuable partial consideration for this Amendment, each Loan Party hereby absolutely and unconditionally releases and forever discharges the Administrative Agent, the Collateral Agent, the Payment Agent, and each Lender, and any and all participants, parents, subsidiaries, affiliates, insurers, indemnitors, successors, and assigns thereof, together with all of the present and former directors, officers, agents, attorneys, and employees of any of the foregoing (each, a "Released Party"), from any and all claims, demands, or causes of action of any kind, nature, or description, whether arising at law or in equity or upon contract or tort or under any state or federal law or otherwise relating to or arising from the Term Loan Agreement or any transactions relating thereto, which the Loan Party has had, now has, or has made claim to have against any such Person for or by reason of any act, omission, matter, cause, or thing whatsoever relating to or arising from the Term Loan Agreement or any transactions relating thereto, arising from the beginning of time to and including the date of this Amendment, whether such claims, demands, or causes of action are matured or unmatured or known or unknown. It is the intention of each Loan Party in providing this release that the same will be effective as a bar to each and every claim, demand, and cause of action specified, and, in furtherance of this intention, it waives and relinquishes, to the extent permitted by applicable law, all rights and benefits under any provision of any applicable law that may provide that a general release does not extend to claims that the Person giving the release does not know or suspect to exist in its favor at the time of executing the release, which if known by it might have materially affected its settlement with the recipient of the release. Each Loan Party acknowledges that it may hereafter discover facts different from or in addition to those now known or believed to be true with respect to such claims, demands, or causes of action, and agrees that this instrument shall be and remain effective in all respects, notwithstanding any such differences or additional facts. Each Loan Party understands, acknowledges, and agrees that the release set forth above may be pleaded as a full and complete defense, and may be used as a basis for an injunction against any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of the provisions of such release.

(b) Each of Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally, and irrevocably covenants and agrees with and in favor of each Released Party that it will not sue (at law, in equity, in any regulatory proceeding, or otherwise) any Released Party on the basis of any claim released, remised, or discharged by any Loan Party pursuant to the above stated release. If any Loan Party, or any of their successors, assigns, or other legal representatives violates the foregoing covenant, such Person, for itself and its successors, assigns, and legal representatives, agrees to pay, in addition to such other damages as any Released Party may sustain because of such violations, all attorneys' fees and other costs incurred by such Released Party because of such violation.

SECTION 5. Costs and Fee.

(a) The Borrowers agree to reimburse the Agents and the Required Lenders, or pay directly to the extent not previously paid, promptly following demand for their costs and expenses incurred in connection with this Amendment, including, the fees and expenses of SNR Denton US LLP in connection with the preparation and execution of this Amendment.

(b) In order to induce the Lenders to enter into and execute this Amendment, the Borrowers hereby agree to pay, concurrently with execution of this Amendment, an amendment fee in the amount of \$25,000 (the "Amendment Fee") to the Payment Agent for the benefit of those Lenders that execute this Amendment on or before the Amendment Effective Date (each such Lender a "Consenting Lender"). The Amendment Fee shall be paid in immediately available funds and shall be fully earned when payable and nonrefundable. Promptly upon receipt of the Amendment Fee, the Payment Agent shall disburse to each Consenting Lender, such Consenting Lender's proportionate share of the Amendment Fee based on the amount of such Consenting Lender's portion of the Aggregate Loan Balance to the portion of the Aggregate Loan Balance held by all Consenting Lenders.

SECTION 6. Reaffirmation, Confirmation, and Acknowledgement.

(a) each Loan Party hereby expressly confirms and agrees that the terms, conditions, and provisions of the Term Loan Agreement, except as expressly amended by this Amendment, and the other Loan Documents shall be and remain in full force and effect. Each Loan Party hereby reaffirms and confirms its respective obligations under the Term Loan Agreement, as amended by this Amendment, and the other Loan Documents.

(b) The Parent and Consolidated Industries each hereby expressly confirms and agrees that, after giving effect to this Amendment, the Guaranty made by it under Article X of the Term Loan Agreement in favor of the Secured Parties is, and shall continue to be, in full force and effect, and is hereby ratified and confirmed in all respects.

(c) The execution, delivery, and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any power, remedy, or right of any Agent, or any Lender, or constitute a waiver of any provision of, or any past or future noncompliance with, any of the Loan Documents or any other documents, instruments, and agreements executed or delivered in connection therewith, and shall not operate as a consent to any further or other matter under the Loan Documents.

(d) Each Loan Party expressly agrees and understands that by entering into and performing its obligations hereunder, this Amendment shall not constitute a novation, and shall in no way adversely affect or impair the priority of Liens of the Collateral Agent on the Collateral.

SECTION 7. Further Assurances. Each Loan Party agrees to do such further acts and things and to execute and deliver to the Payment Agent such other instruments, in form and substance satisfactory to the Payment Agent, as the Payment Agent shall request in order to effectuate the provisions of this Amendment.

SECTION 8. Governing Law. This Amendment shall, in all respects, be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflict of laws principles thereof (other than Section 5-1401 of the New York General Obligations Law) that would permit or require the application of the law of any other jurisdiction.

SECTION 9. Entire Agreement. This Amendment constitutes the entire agreement of the parties with respect to the matters contemplated herein and supersedes any prior oral or written understanding relating to such subject matter among the parties.

SECTION 10. Amendment as Loan Document. Each Loan Party hereby acknowledges and agrees that this Amendment constitutes a "Loan Document" under the Term Loan Agreement. Accordingly, it shall be an Event of Default under the Term Loan Agreement (i) if any representation or warranty made by a Loan Party under or in connection with this Amendment shall have been untrue, false or misleading in any material respect when made or (ii) if a Loan Party fails to perform, keep, or observe any term, provision, condition, covenant, or agreement contained in this Amendment.

SECTION 11. Counterparts. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. For the purposes hereof, a facsimile or electronic copy of a party's signature shall be deemed an original signature. If duly requested, the manually-executed original documents shall be promptly delivered.

SECTION 12. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

SECTION 13. Severability. Any provision of this Amendment held to be invalid, illegal, or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of that invalidity, illegality, or unenforceability without affecting the validity, legality, and enforceability of the remaining provisions hereof; and the invalidity, illegality, or unenforceability of a particular provision in a particular jurisdiction shall not affect the validity, legality, or enforceability of that provision in any other jurisdiction.

[Signature pages follow. The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first written above.

BORROWERS:

THERMACLIME, L.L.C.,
an Oklahoma limited liability company

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

CHEROKEE NITROGEN HOLDINGS, INC.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

NORTHWEST FINANCIAL CORPORATION,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

CHEMEX I CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

CHEROKEE NITROGEN COMPANY,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

CLIMACOOL CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

CLIMATECRAFT, INC.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

CLIMATE MASTER, INC.,
a Delaware corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

EDC AG PRODUCTS COMPANY L.L.C.,
a Delaware corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

EL DORADO CHEMICAL COMPANY,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

INTERNATIONAL ENVIRONMENTAL CORPORATION, an
Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby

Title: Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

KOAX CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

LSB CHEMICAL CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

THE CLIMATE CONTROL GROUP, INC.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

TRISON CONSTRUCTION, INC.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

THERMACLIME TECHNOLOGIES, INC.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

XPEDIAIR,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

GUARANTORS:

CONSOLIDATED INDUSTRIES, CORP.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

LSB INDUSTRIES, INC.,
an Oklahoma corporation

By: /s/ Tony Shelby

Name: Tony Shelby
Title: Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

LENDERS:

BANC OF AMERICA LEASING & CAPITAL, LLC, as a
Lender

By: /s/ Shelley B. LaCagnin

Name: Shelley B. LaCagnin

Title: Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

FIFTH THIRD BANK, as a Lender

By: /s/ Edward McElveen

Name: Edward McElveen

Title: Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

By: _____

Name:

Title:

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

MASSMUTUAL ASSET FINANCE, LLC,
as a Lender

By: /s/ John Young

Name: John Young

Title: Senior Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: _____

Name:

Title:

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

ACKNOWLEDGED BY AGENTS:

BANC OF AMERICA LEASING & CAPITAL, LLC, not in its individual capacity but solely as Administrative Agent

By: /s/ Albert Z. Norona

Name: Albert Z. Norona

Title: Senior Vice President

BANC OF AMERICA LEASING & CAPITAL, LLC, not in its individual capacity but solely as Collateral Agent

By: /s/ Albert Z. Norona

Name: Albert Z. Norona

Title: Senior Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement

BANK OF UTAH, not in its individual capacity but
solely as Payment Agent

By: /s/ Arge Feotis

Name: Arge Feotis

Title: Assistant Vice President

Signature Page to Amendment Number Two to Amended and Restated Term Loan Agreement