

DAVIS POLK & WARDWELL

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WRITER'S DIRECT NUMBER:

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6-213A024

15012

No.

Date AUG 1 1986

RECORDATION #0 Filed 1425

August 1, 1986

Fee \$ 10.00 AUG 1 1986 -12 40 PM

INTERSTATE COMMERCE COMMISSION

Office of the Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Room 2303
Washington, D.C. 20423

100 OFFICE OF THE SECRETARY
AUG 1 12 33 PM '86
MOTOR OPERATING UNIT

Re: Documents for Recordation -
Sterling Chemicals, Inc.
Security Agreement dated as
of August 1, 1986

To Whom it May Concern:

I have enclosed an original and one counterparty of the Security Agreement described below covering, amongst other things, railway equipment described below pursuant to Section 11303 of Title 49 of the U.S. Code. The documents are primary documents as defined in 49 C.F.R. 1177.1(a). Also enclosed is a check in the amount of \$30.00 to pay the recordation fee. The original Security Agreement and any extra counterparts not needed by the Commission when filed should be returned to:

B.Y. Smith, Esq.
Davis Polk & Wardwell
One Chase Manhattan Plaza
New York, New York 10005

Wardwell James
Chase Manhattan

Description of Parties

1. The name and address of the Mortgagee (the "Mortgagee"):

The Chase Manhattan Bank
(National Association)
One Chase Manhattan Plaza
New York, New York 10005

as Agent for certain banks and financial institutions described in the Security Agreement as the "Secured Parties".

2. The name and address of the Mortgagor (the "Mortgagor") is:

Sterling Chemicals, Inc.
Eight Greenway Plaza
Suite 702
Houston, Texas 77046

Description of Railroad Equipment covered by such Security Agreement.

(a) Railcars of the type and capacity and having the AAR designation and car numbers and used in hauling the commodities set out in Schedule A to this letter;

(b) The right, title, claims and benefits of Mortgagor in leases relating to the 105 railcars described in Schedule B hereto; and

(c) included in the property covered by the aforesaid Security Agreement are also barges, other water carrier equipment, railcars and other rolling stock intended for use related to interstate commerce, or interests therein, owned by Sterling Chemicals, Inc. at the date of said Security Agreement (as more specifically described in the aforesaid Schedule A and Schedule B to this letter) or thereafter acquired by it or its successors.

Summary of the Documents to Appear in the Index.

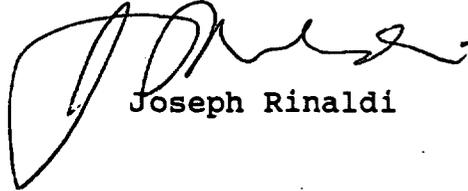
The Security Agreement dated as of August 1, 1986 between the Chase Manhattan Bank (National Association) as agent for the Secured Parties referred to therein and Sterling Chemicals, Inc. covering certain personal property of Sterling Chemicals, Inc., including without limitation, the

August 1, 1986

railcars, barges, and other water carrier equipment described above as well as leases relating thereto.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Joseph Rinaldi', written in a cursive style. The signature is positioned above the printed name.

Joseph Rinaldi

SCHEDULE A

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-10007	DOT 103W	T103	LACTIC ACID	10
MONX-20056	DOT 111A100W1	T105	SANTICIZER 711	21
MONX-20057	DOT 111A100W1	T105	SANTICIZER 711	21
MONX-20108	DOT 111A100W1	T105	SANTICIZER 790	21
MONX-20116	DOT 111A100W1	T105	STYRENE MONOMER	21
MONX-20119	DOT 111A100W1	T105	STYRENE MONOMER	21
MONX-20130	DOT 111A100W1	T105	STYRENE MONOMER	21
MONX-20830	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20831	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20832	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20833	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20834	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20835	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20836	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20837	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20838	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20839	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20840	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20841	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20842	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20843	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20844	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20845	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20846	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20847	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20848	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20849	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20850	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20851	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20852	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20853	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-24000	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-24001	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-24002	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-24003	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-26003	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26010	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26013	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26014	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26015	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26016	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26018	DOT 111A100W1	T107	PHTH ANHYD FUSED	27

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-26021	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26800	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26801	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26802	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26803	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26805	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26806	DOT 111A100W1	T107	FLUX OIL	27
MONX-26807	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26810	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26813	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26814	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26815	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26818	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26821	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26823	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26824	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26825	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26826	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26827	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26828	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26829	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26830	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26831	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26832	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26833	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26834	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26835	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26836	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26837	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26838	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26840	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26841	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26843	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26844	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-30002	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30006	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30008	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30009	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30013	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30017	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30018	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30019	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30020	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30021	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30022	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30023	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30024	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30025	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-35000	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35002	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35003	DOT 111A100W1	T109	SANTICIZER 711	35

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-35004	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35005	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35006	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35007	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35008	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35009	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35010	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35011	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35012	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35013	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35014	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35015	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35016	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35017	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35018	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35019	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-41011	DOT 111A100W1	T105	FLUX OIL	21
MCPX-5503	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5505	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5506	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5507	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5508	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5518	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-8818	DOT 103W	T102	LACTIC ACID	4
MCPX-8819	DOT 103W	T102	LACTIC ACID	4
MCPX-8820	DOT 103W	T102	LACTIC ACID	4
MCPX-8821	DOT 103W	T102	LACTIC ACID	4
MCPX-8822	DOT 103W	T102	LACTIC ACID	4
MCPX-10004	DOT 103W	T103	OXO ALCOHOL	10
MCPX-20003	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20005	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20016	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20020	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20021	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20502	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20503	DOT 111A100W1	T105	DIUNDECYL PHTHALATE	21
MCPX-20504	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20505	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20506	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20507	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20509	DOT 111A100W1	T105	OXO ALCOHOL	21
MCPX-20512	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20513	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20519	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20520	DOT 111A100W1	T105	DIUNDECYL PHTHALATE	21

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MCPX-21000	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21001	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21002	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21009	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21012	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21014	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21022	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21024	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21034	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21038	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21040	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21044	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21045	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21046	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21048	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21053	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21055	DOT 111A100W1	T105	SANTICIZER 790	21

LEASED CARS

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
ACFX-82110	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-82111	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-83658	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-83663	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-83665	DOT 111A100W1	T105	OXO ALCOHOL	21
GATX-98525	DOT 111A100W1	T105	SANTICIZER 711	21
GATX-98537	DOT 111A100W1	T105	SANTICIZER 711	21
GLNX-03516	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03517	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03518	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03520	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03521	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-24137	DOT 111A100W3	T106	PHTH ANHYD FUSED	21
NATX-75140	DOT 111A100W1	T105	LACTIC ACID	20
NATX-75141	DOT 111A100W1	T105	LACTIC ACID	20
NATX-75142	DOT 111A100W1	T105	LACTIC ACID	20
NATX-77055	DOT 111A100W1	T106	DIUNDECYL PHTHALATE	24
NATX-77056	DOT 111A100W1	T106	DIUNDECYL PHTHALATE	24
NATX-77057	DOT 111A100W1	T106	SANTICIZER 711	24
NATX-78401	DOT 111A100W1	T106	DIUNDECYL PHTHALATE	24
TATX-20716	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TATX-20717	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TATX-20718	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TATX-20719	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TLDX120079	DOT 111A100W1	T105	SANTICIZER 711E	21
TLDX120080	DOT 111A100W1	T105	MONSANTO HEAVY OXO E	21
USLX-21017	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
USLX-21084	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
USLX-21085	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
USLX-21086	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
UTLX-40875	DOT 111A100W1	T108	METHANOL	30
UTLX-48607	DOT 111A100W1	T108	METHANOL	30
UTLX-48622	DOT 111A100W1	T108	METHANOL	30
UTLX-48777	DOT 111A100W1	T108	METHANOL	30
UTLX-49302	DOT 111A100W1	T108	METHANOL	30
UTLX-74671	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74683	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74687	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74691	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74692	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-76368	DOT 111A100W3	T105	PHTH ANHYD FUSED	10
UTLX-76374	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76388	DOT 111A100W3	T106	SANTICIZER 711	24
UTLX-76391	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76393	DOT 111A100W3	T106	DIUNDECYL PHTHALATE	24
UTLX-76394	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76412	DOT 111A100W3	T106	DIUNDECYL PHTHALATE	24
UTLX-76429	DOT 111A100W3	T106	SANTICIZER 711	24

LEASED CARS (continued).

<u>CAR NUMBER</u>	<u>DOT</u>	<u>CLASSIFICATION</u>	<u>AAR</u>	<u>DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY</u> <u>(K) GALLONS</u>
UTLX-76445	DOT	111A100W1		T103	PHTH ANHYD FUSED	10
UTLX-76452	DOT	111A100W3		T106	SANTICIZER 711	24
UTLX-76470	DOT	111A100W3		T106	SANTICIZER 711	24
UTLX-76471	DOT	111A100W3		T106	SANTICIZER 711	24
UTLX-76472	DOT	111A100W3		T106	SANTICIZER 711	24
UTLX-76527	DOT	111A100W1		T103	PHTH ANHYD FUSED	10
UTLX-76547	DOT	111A100W1		T103	PHTH ANHYD FUSED	10
UTLX-76603	DOT	111A100W1		T103	PHTH ANHYD FUSED	10
UTLX-76634	DOT	111A100W1		T103	PHTH ANHYD FUSED	10

Interstate Commerce Commission

Washington, D.C. 20423

8/1/86

OFFICE OF THE SECRETARY

B.Y. Smith, Esq .
David Polk & Wardwell
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/1/86 at 12:40pm, and assigned re-
recording number(s). 15012

Sincerely yours,

Norata R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 15012 Form 1425

AUG 1 1986 -12 40 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of August 1, 1986 among Sterling Chemicals, Inc., a Delaware corporation ("Sterling") and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), as agent for the Secured Parties referred to below (in such capacity, together with its successors in such capacity, the "Agent").

WHEREAS, Sterling, certain banks and The Chase Manhattan Bank (National Association), as agent, are parties to a Credit Agreement dated as of August 1, 1986 (as modified and supplemented and in effect from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for extensions of credit (by making loans and issuing letters of credit) to be made by said banks to Sterling in an aggregate principal or face amount not exceeding \$140,000,000. In addition, after the date hereof, Sterling may become obligated to said banks or other financial institutions in respect of indebtedness under one or more Interest Swap Agreements (as defined in the Credit Agreement) as contemplated by Section 9.22 of the Credit Agreement (such indebtedness being referred to as the "Interest Swap Indebtedness"); and

WHEREAS, to induce said banks and other financial institutions to enter into the Credit Agreement, and to extend credit to Sterling which would constitute Interest Swap Indebtedness, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Sterling has agreed to pledge and grant a security interest in the Collateral (as hereinafter defined). Accordingly, the parties hereto agree as follows:

Section 1. Definitions. Except as the context shall otherwise require terms defined in the Credit Agreement are used herein as defined therein. In addition, as used herein:

"Accounts" shall have the meaning ascribed thereto in Section 3(a).

"Acetic Unit Personal Property" shall mean the property that is the subject of the BP Bill of Sale

and any other machinery, Equipment, tools, dies, furniture, license rights, patents, know-how, designs, books and records and other personal property utilized in connection with or located upon the Acetic Unit at the time of the conveyance, transfer and assignment referred to in Section 5.01(x).

"BP Bill of Sale" shall mean the Bill of Sale dated August 1, 1986 given by Sterling in favour of BP.

"Collateral" shall have the meaning ascribed thereto in Section 3.

"Collateral Account" shall have the meaning ascribed thereto in Section 4.01.

"Documents" shall have the meaning ascribed thereto in Section 3(f).

"Equipment" shall have the meaning ascribed thereto in Section 3(d).

"Instruments" shall have the meaning ascribed thereto in Section 3(b).

"Inventory Products" shall have the meaning ascribed thereto in Section 3(c).

"Rolling Stock" shall have the meaning ascribed thereto in Section 3(d).

"Rolling Stock Leases" shall have the meaning ascribed thereto in Section 3(d).

"Secured Obligations" shall mean, collectively, (i) the principal of and interest on the Loans, the Notes, the Reimbursement Obligations and all other amounts owing to the Secured Parties by Sterling under the Credit Agreement or hereunder, and (ii) all obligations of Sterling to the Secured Parties constituting Interest Swap Indebtedness (up to but not exceeding an aggregate amount as to all Secured Parties the amount thereof incurred in respect of a notional principal amount equal to \$60,000,000).

"Secured Parties" shall mean, collectively, (i) the Agent, (ii) any of the Banks party to the Credit Agreement, and (iii) any of the Banks or other financial institutions holding Interest Swap Indebtedness.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

Section 2. Representations and Warranties. Sterling represents and warrants to the Banks and the Agent that Sterling is and so long as the Secured Obligations remain outstanding Sterling will at all times be, the sole beneficial owner of the Collateral and no Lien exists or will exist upon any Collateral at any time, except for Liens created pursuant to, or permitted by, the Security Documents and except for the pledge and security interest in favor of the Agent created or provided for herein which pledge and security interest constitutes a first priority perfected pledge and security interest in and to all of the Collateral. All Inventory Products in existence on the date of this Agreement were, and all Inventory Products hereafter acquired or coming into existence will have been, produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended.

Section 3. Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, Sterling hereby pledges and grants to the Agent, for the ratable benefit of the Secured Parties as hereinafter provided, a security interest in all of its right, title and interest in the following property, whether now owned by Sterling or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as "Collateral"):

(a) all accounts and general intangibles (each as defined in the Uniform Commercial Code) of Sterling constituting any right to the payment of money or to the payment of any other form of property (including, without limitation, goods, products and services under any swap, tolling or exchange agreement), including (but not limited to) all moneys and other property due and to become due to Sterling in respect of any loans or advances or for Inventory Products or Equipment sold or leased or to be sold or leased or for services rendered, or to be rendered, all moneys due and to become due to Sterling under any guarantee (including a letter of credit) of the purchase price of Inventory Products or Equipment sold by Sterling, all Receivables and all tax refunds and insurance

proceeds (such accounts, general intangibles and moneys due and to become due being herein collectively called "Accounts");

(b) all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances (herein collectively, but excluding the BP Note, call "Instruments");

(c) all inventory (as defined in the Uniform Commercial Code) of Sterling, including all goods obtained by Sterling in exchange for such inventory, and any products made or processed from such inventory including all substances, if any, commingled therewith or added thereto and all Inventory (herein collectively called "Inventory Products") provided, however, that for the purposes hereof "Inventory Products" shall not include "Raw Materials", "Agreement Products" (as both terms are defined in the Product Sale Agreement dated as of August 1, 1986, between BASF Corporation and Sterling as in effect on the date hereof) and Agreement Products and Raw Materials in process during the term of such Product Sale Agreement or during the term of the Security Agreement dated as of August 1, 1986, between Sterling and BASF (as in effect on the date hereof);

(d) all equipment (as defined in the Uniform Commercial Code) of Sterling, including all motor vehicles, trucks and trailers and the railcars, barges (railcars and barges and other water carrier equipment being hereinafter referred to as "Rolling Stock") identified on Schedule 1 hereto (herein collectively called "Equipment") and all right, title, claims and benefits now owned or hereafter acquired by Sterling in and to those leases for railcars identified in Schedule 2 hereto and any other leases covering Rolling Stock in which Sterling shall at any time have any interest and any right, title, claim and benefits of Sterling now owned or hereafter acquired in and to any management agreement concerning all such leases (collectively "Rolling Stock Leases") other than the property identified in Schedule 3 hereto;

(e) each contract and other agreement relating to the sale or other disposition of Inventory Products or Equipment;

(f) all documents of title (as defined in the Uniform Commercial Code) or other receipts covering, evidencing or representing Inventory Products

or Equipment (herein collectively called "Documents");

(g) all rights, claims and benefits of Sterling against any Person arising out of, relating to or in connection with Inventory Products or Equipment purchased by Sterling, including, without limitation, any such rights, claims or benefits against any Person storing or transporting such Inventory Products or Equipment;

(h) all rights, claims and benefits of Sterling in respect of the BP Note and all other Assigned Agreements;

(i) the balance from time to time in the Collateral Account; and

(j) all proceeds, profits, interest, rental or other receipts, products and accessions of and to any of the property described in clauses (a) through (i) above in this Section 3 (including, without limitation, any proceeds of insurance thereon) and, to the extent related to any property described in said above clauses or above in this clause (j), all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of Sterling or any computer bureau or service company from time to time acting for Sterling.

4. Cash Proceeds of Collateral.

4.01 Collateral Account. There is hereby established with the Agent a cash collateral account (the "Collateral Account") in the name and under the control of the Agent into which there shall be deposited from time to time the cash proceeds of any of the Collateral required to be delivered to the Agent pursuant hereto and into which Sterling may from time to time deposit any additional amounts which it wishes to pledge to the Agent as additional collateral security hereunder. The balance from time to time in the Collateral Account shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. Except as expressly provided in the next sentence, the Agent shall remit the collected balance outstanding to the credit

of the Collateral Account to or upon the order of Sterling as Sterling shall from time to time instruct. However, upon the occurrence and continuation of an Event of Default, the Agent may (and, if instructed by the Majority Banks, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time standing to the credit of the Collateral Account to the payment of the Secured Obligations in the manner specified in Section 5.08. The balance from time to time in the Collateral Account shall be subject to withdrawal only as provided herein except that amounts deposited in the Collateral Account pursuant to Section 3.02(b) of the Credit Agreement shall be subject to withdrawal only as provided in said Section 3.02(b).

4.02 Proceeds of Accounts. Sterling shall instruct all account debtors and other Persons obligated in respect of all Accounts to make all payments in respect of the Accounts either (i) directly to the Agent (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Agent) or (ii) to one or more other banks in any state (other than Louisiana) in the United States (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Agent) under arrangements, in form and substance satisfactory to the Agent pursuant to which Sterling shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all proceeds of such payments directly to the Agent for deposit into the Collateral Account or as Agent may otherwise instruct such Bank. All payments made to the Agent, as provided in the preceding sentence, shall be immediately deposited in the Collateral Account. In addition to the foregoing, Sterling agrees that if the proceeds of any Collateral hereunder (including the payments made in respect of Accounts) shall be received by it, Sterling shall as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by Sterling for and as the property of the Agent and shall not be commingled with any other funds or property of Sterling.

4.03 Investment of Balance in Collateral Account. Amounts on deposit in the Collateral Account shall be invested from time to time in such Liquid Securities as Sterling (or, after the occurrence and during the continuance of an Event of Default, the Agent) shall determine, which Liquid Securities shall be held in the name and be under the control of the Agent, provided that (i) upon the occurrence and continuance of an Event of Default the Agent may (and, if

instructed by the Majority Banks, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Liquid Securities and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 5.08 and (ii) if requested by Sterling, such Liquid Securities may be held in the name and under the control of one or more of the Banks (and in that connection each Bank, pursuant to Section 11.10 of the Credit Agreement, has agreed that such Liquid Securities shall be held by such Bank as a collateral sub-agent for the Agent hereunder). For purposes hereof, "Liquid Securities" shall mean (i) certificates of deposit maturing within 90 days of the acquisition thereof and issued by a bank or trust company organized under the laws of the United States of America or a State thereof, having combined capital and surplus of at least \$250,000,000 and which has (or which is a Subsidiary of a bank holding company which has) publicly traded debt securities given one of the two highest ratings by any nationally recognized rating agency; (ii) obligations issued or guaranteed by the United States of America, with maturities not more than one year after the date of issue; and (iii) commercial paper with maturities of not more than 90 days and a published rating of not less than A-1 and P-1 (or the equivalent rating).

Section 5. Further Assurances; Remedies. In furtherance of the grant of security in Section 3 hereof, Sterling hereby agrees with the Agent as follows:

5.01 Delivery and Other Perfection. Sterling shall:

(i) deliver and assign to the Agent the BP Note and the Agent shall hold in its possession the BP Note subject to the provisions of this Agreement; Sterling hereby appoints the Agent its agent for the purposes of making any notations to the BP Note that may be required and such notations shall, absent manifest error, be conclusive evidence of all amounts owing under the BP Note; Sterling agrees that it will advise the Agent of such amounts owed to it pursuant to the BP Note at any time the Agent reasonably requests such information and in the event that the Agent shall deliver the BP Note to Sterling for any reason during the term of this Agreement, Sterling hereby agrees to redeliver the BP Note to the Agent no later than three (3) Business Days following its receipt thereof;

(ii) Sterling shall endeavor to cause to be collected from the account debtor and other Persons obligated with respect of all Accounts, as and when due (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Account, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that, prior to the occurrence of and continuance of an Event of Default, Sterling may allow in the ordinary course of business as adjustments to amounts owing under its Accounts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which Sterling finds appropriate in accordance with sound business judgment and (ii) a refund or credit due as a result of returned or damaged merchandise, all in accordance with Sterling's ordinary course of business consistent with its collection practices as in effect from time to time. The costs and expenses (including, without limitation, attorney's fees) of collection, whether incurred by Sterling or the Agent, shall be borne by Sterling;

(iii) deliver and pledge to the Agent any and all Instruments, endorsed and/or accompanied by such Instruments of assignment and transfer in such form and substance as the Agent may request; provided, that so long as no Default shall have occurred and be continuing, Sterling may retain for collection in the ordinary course any Instruments (other than checks and drafts constituting payments in respect of Accounts, as to which the provisions of Section 4.02 shall apply) received by it in the ordinary course of business and the Agent shall, promptly upon request of Sterling, make appropriate arrangements for making any other Instrument pledged by Sterling available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Agent, against trust receipt or like document);

(iv) give, execute, deliver, file and/or record any financing statement, notice, instrument,

document, agreement or other papers that may be necessary or (in the judgment of the Agent) desirable to create, preserve, perfect or validate any security interest granted pursuant hereto or to enable the Agent to exercise and enforce its rights hereunder with respect to such security interest, provided that notices to account debtors in respect of any Accounts or Instruments shall be subject to the provisions of clause (ix) below;

(v) upon the acquisition after the date hereof by Sterling of any Equipment covered by a certificate of title, Sterling will cause the Agent to be listed as the lienholder on such certificate of title and within 120 days of the acquisition thereof deliver evidence of the same to the Agent;

(vi) keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Agent may reasonably require in order to reflect the security interests granted by this Agreement;

(vii) subject to Section 12.07 of the Credit Agreement permit representatives of the Agent to inspect the Collateral and to examine and make extracts and copies from the books and records of Sterling and any of its subsidiaries pertaining to the Collateral during normal business hours, and permit representatives of the Agent to be present at Sterling's place of business to receive copies of all communications and remittances relating to the Collateral, all in such manner as the Agent may require; and

(viii) keep all Inventory and Inventory Products now held or subsequently acquired by it at (or in transit to) any one of the locations shown on Schedule 4 hereto, or such new location as may be notified in writing to the Agent and with respect to which such new location Sterling shall have taken all action satisfactory to the Agent to cause the security interest intended to be granted hereby to be and continue at all times to be fully perfected and in full force and effect;

(ix) upon the occurrence and during the continuance of any Default, upon request of the Agent at the direction of the Majority Banks under the

Credit Agreement, promptly notify (and Sterling hereby authorizes the Agent so to notify) each account debtor in respect of any Accounts or Instruments that such Collateral has been assigned to the Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Agent and

(x) with respect to the Rolling Stock and Rolling Stock Leases, Sterling hereby represents and warrants and agrees that (i) within 10 Business Days of a written request from the Agent to Sterling, Sterling will at its cost and expense, cause to be plainly, distinctly, permanently and conspicuously placed, fastened, or painted upon each side of each item of Rolling Stock a legend bearing such words the Agent may request indicating the lien over and security interest in such Rolling Stock created hereby in letters not less than one inch in height; (ii) the description of the Rolling Stock contained in Schedule 1 hereto is an accurate description of (x) in the case of rail cars, the type of railway equipment that the rail cars constitute, the A.A.R. mechanical designation thereof, all identifying marks thereon and serial numbers thereof and (y) in the case of barges and other water carrier equipment, the type of vessel or equipment, description as contained in the U.S. Coast Guard certificate of enrollment, the number of each type of equipment or vessel and all identifying marks thereon, in both cases sufficient in all respects to comply with the requirements of any applicable filing or other regulations; and (iii) Sterling has heretofore delivered true and correct copies of the Rolling Stock Leases as of this date and will deliver within five (5) Business Days of entering therein, any other Rolling Stock Lease and Sterling shall not without the consent of the Agent permit to occur any amendment, other modification or termination of the Rolling Stock Leases; and

(xi) take any action (including, without limitation, execute and deliver any instrument, remedy any condition, not permit the occurrence of any contingency or the existence of any state of affairs, make any payment and give any notice) required by it to be done to obtain on or prior to August 1, 1996 good and marketable title in the Acetic Unit Personal Property from BP pursuant to

the terms of the BP Bill of Sale free and clear of any lien, mortgage, security interest or other encumbrance and Sterling shall not from the date hereof enter into any arrangement, or agreement or otherwise take or fail to take any action or suffer to exist any condition that could result in such title not being obtained by Sterling from BP pursuant to the terms of the BP Bill of Sale. Upon obtaining of such title by Sterling the Acetic Unit Personal Property and the property described in Schedule 3 hereof shall become subject to the lien and security interests created by this Agreement.

5.02 Other Financing Statements and Liens. Sterling hereby represents and warrants that (i) there is no financing statement or like instrument covering or purporting to cover any interest of any kind in the Collateral on file in any jurisdiction and (ii) no certificate of title, financing statement, filing with the Interstate Commerce Commission ("ICC"), the Association of American Railroads, the Department of Transport or other government or industry authority with respect to the Rolling Stock is or will be outstanding or on file at any time, except in both cases such instruments filed or to be filed in respect of and covering the security interests granted hereby or filed in respect of the Liens otherwise permitted pursuant to Section 9.15 of the Credit Agreement. Without the prior written consent of the Agent (except as otherwise permitted under Section 9.15 of the Credit Agreement), Sterling shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Agent is not named as the sole secured party for the benefit of the Secured Parties.

5.03 Preservation of Rights. The Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

5.04 Events of Default. etc. During the period an Event of Default shall have occurred and be continuing:

(i) Sterling shall, at the request of the Agent, assemble, store and keep the Collateral at such place or places designated by the Agent;

(ii) the Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of

payment, arrange for payment in instalments, or otherwise modify the terms of, any of the Collateral;

(iii) the Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted);

(iv) the Agent may, in its name or in the name of Sterling or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(v) the Agent may withdraw all monies and Liquid Securities in the Collateral Account for application in the manner provided in Section 5.08 hereof;

(vi) the Agent may, upon 10 Business Days' prior written notice to Sterling of the time and place with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Agent, the Secured Parties or any of their respective agents, sell, lease, assign or otherwise dispose of all or any of such Collateral, at such place or places as the Agent deems best, and for cash or on credit or for future delivery (without thereby assuming any credit risk) at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place thereof (except such notice as is required above or by applicable statute and cannot be waived) and the Agent or any Secured Party or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale), and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any equity of redemption, of Sterling, any such demand, notice or right and equity being hereby expressly waived and released. The proceeds of each collection, sale or other disposition under

this Section 5.04 shall be applied in accordance with Section 5.08.

5.05 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured obligations, Sterling shall remain liable for any deficiency.

5.06 Removals, etc. Without 60 days prior written notice to the Agent, Sterling shall not maintain any of its books or records with respect to the Accounts at any office or maintain its chief executive office or its principal place of business at any place or permit any Inventory Products or Equipment to be located anywhere, other than at the address indicated beneath its signature to the Credit Agreement or at the Plant or in transit to the Plant.

5.07 Private Sale. The Agent and the Secured Parties shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale conducted in a commercially reasonable manner. Sterling hereby waives any claims against the Agent or any Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

5.08 Application of Proceeds. Except as otherwise herein expressly provided:

(a) The proceeds of any collection, sale or other realization of all or any part of the Collateral, and any other cash at the time held by the Agent under this Section 5 or Section 4 hereof, other than any such proceeds or cash that are directly attributable to interest payments made or to be made by BP under the BP Note (including any interest due on past due interest on the BP Note), shall be applied by the Agent:

First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable compensation to the Agent and its agents and counsel, and all expenses, and advances made or incurred by the Agent in connection therewith together with interest at the Post-

Default Rate on such costs, expenses, compensation and advances from the date any such cost, expense or liability is due, owing or unpaid or any such advance is made, in each case until paid in full.

Second, to the payment in full of the principal of and interest on the Loans, and the Notes, the Reimbursement Obligations and all other amounts owing to the Secured Parties by Sterling, under the Credit Agreement or hereunder; ratably in accordance with the respective amounts thereof then due and owing or as such Secured Parties may otherwise agree provided, that, in any case, as amongst all such amounts then due and owing, any such proceeds or cash attributable to (i) principal payments made or to be made by BP (and any interest due on past due principal payments) pursuant to the BP Note, and (ii) any payments made or to be made to Sterling pursuant to the Interest Swap Agreements shall be applied first to the payment in full of the principal of, and interest on, the Project Loans and the Project Loan Notes and then ratably amongst such other Loans, Notes, Reimbursement Obligations, and such other amounts owing to the Secured Parties or as such Secured Parties may otherwise agree;

Third, if such obligations are outstanding at the time of such application, to the payment of all obligations of Sterling to the Secured Parties constituting Interest Swap Indebtedness ratably in accordance with the respective amounts thereof then due and owing or as such Secured Parties may otherwise agree; and

Finally, to the payment to Sterling, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

(b) The proceeds of any collection, sale or other realization of all or any part of the interest payments made or to be made by BP under the BP Note (including any interest due on past due interest on the BP Note) and any other cash at the time held by the Agent that is attributable to interest payments made by BP under the BP Note (including any interest due on past due interest on the BP Note) under this Section 5 or Section 4 of the Agreement, shall be applied by the Agent:

First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable compensation to the Agent and its agents and counsel, and all expenses, and advances made or incurred by the Agent in connection therewith together with interest at the Post Default Rate on such costs, expenses, compensation and advances from the date any such costs, expense or liability is due, owing or unpaid or any such advance is made, in each case until paid in full;

Second, if such obligations are outstanding at the time of such application, to the payment of all obligations of Sterling to Secured Parties constituting Interest Swap Indebtedness (other than any termination payments Sterling may owe in connection with the termination of any Interest Swap Agreement, the obligation to make such payments being hereafter referred to as the "Swap Termination Obligations") ratably in accordance with the respective amounts thereof then due and owing or as such Secured Parties may otherwise agree;

Third, to the payment in full of the principal of an interest on the Loans, the Notes, the Reimbursement Obligations and all other amounts owing to the Secured Parties by Sterling, under the Credit Agreement or hereunder and the Swap Termination Obligations ratably in accordance with the respective amounts thereof then due and owing or as such Secured Parties may otherwise agree provided that, in any case, as amongst all such amounts then due and owing, such proceeds or cash shall be applied first to the payment in full of the principal of, and interest on the Project Loans and the Project Loan Notes and then rateably amongst such other Loan, Notes, Reimbursement Obligations and other amounts owing to the Secured Parties or as such Secured Parties shall otherwise agree; and

Finally, to the payment to Sterling, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

As used in this Section 5, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or

adjustment of debt of Sterling or any issuer of or obligor on any of the Collateral.

5.09 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Default the Agent is hereby appointed the attorney-in-fact of Sterling for the purpose of carrying out the provisions of this Section 5 and taking any action and executing any instruments which the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Agent shall be entitled under this Section 5 to make collections in respect of the Collateral, the Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of Sterling in respect of the Collateral or any part thereof and to give full discharge for the same.

5.10 No Waiver by Agent. No failure on the part of the Agent or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

5.11 Termination. When all Secured Obligations shall have been paid in full, the Commitments and Letters of Credit of the Banks under the Credit Agreement terminated and the commitments to extend credit and make payments under any Interest Swap Agreement shall have expired or been terminated, this Agreement shall terminate, and the Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of Sterling.

5.12 Expenses. Sterling agrees to pay to the Agent all out-of-pocket expenses (including reasonable expenses for legal services of every kind) of, or incident to, the enforcement of any of the provisions of this Section 5, or performance by the Agent of any obligations of Sterling in respect of the Collateral which Sterling has failed or refused to perform, or any actual or attempted sale, or any

exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Agent in respect thereof, by litigation or otherwise, including expenses of insurance, and all such expenses shall be Secured Obligations to the Agent secured under Section 2 thereof.

5.13 Further Assurances. Sterling agrees that from time to time upon the written request of the Agent, Sterling will execute and deliver such further documents and do such other acts and things as the Agent may reasonably request in order fully to effect the purposes of this Agreement.

5.14 Waiver of Claims. Except as otherwise provided in this Agreement, Sterling hereby waives, to the extent permitted by applicable law, (i) notice or judicial hearing in connection with the Agent's taking possession or the Agent's disposition of any of the Collateral including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which Sterling would otherwise have under the constitution or any statute of the United States or of any state, and (ii):

(a) all damages occasioned by such taking of possession except any damages which are the direct result of the Agent's gross negligence or wilful misconduct;

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Agent's rights hereunder; and

(c) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and Sterling, for itself and all that may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity of Sterling therein and thereto, and

shall be a perpetual bar both at law and in equity against Sterling and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under Sterling.

5.15 Assigned Agreements. (a) Sterling hereby irrevocably authorizes and empowers Agent for and on behalf of the Secured Parties in Agent's sole discretion, to assert, either directly or on behalf of Sterling any claims Sterling may have, from time to time, against any other party to the Assigned Agreements or to otherwise exercise any right or remedy of Sterling under the Assigned Agreements (including, without limitation, the right to enforce directly against any party to an Assigned Agreement all of Sterling's rights thereunder, to make all demands and give all notices and make all requests required or permitted to be made by Sterling under the Assigned Agreements) as Agent may deem proper. Sterling hereby irrevocably makes, constitutes and appoints Agent (and all officers, employees or agents designated by Agent) as Sterling's true and lawful attorney-in-fact for the purpose of enabling the Agent to assert and collect such claims and to exercise such rights and remedies. Sterling shall keep Agent informed of all material circumstances bearing upon the right, title and interest of Sterling under the Assigned Agreements.

(b) the Agent on behalf of the Secured Parties, acknowledges that pursuant to the Assignment of Contract Rights dated as of August 1, 1986 between BP and Sterling (as attached hereto as Exhibit A and as in effect on the date hereof the "BP Contract Assignment"), Sterling will assign to BP those rights, claims and benefits of Sterling under the Asset Purchase Agreement that are more particularly described in Exhibit A to the BP Contract Assignment (the "BP Rights") upon the happening of certain contingencies. The Agent, for and on behalf of the Secured Parties, acknowledges that, during the term of the BP Contract Assignment, only for the period from the Consent Effective Date (as defined in the BP Contract Assignment) until the [REDACTED] Reversion Date [REDACTED] (as [REDACTED] terms [REDACTED] defined in the "BP Contract Assignment"), (the "Assignment Period") any security interest or rights and remedies of the Agent and Secured Parties with respect to the BP Rights pursuant to this Security Agreement shall be subject to, and subordinate to, the security interest, rights and remedies of BP pursuant to the BP Contract Assignment provided that nothing contained in this section 5.15 shall be construed to modify, diminish or affect the rights, remedies and security interest of the Agent and the Secured

Such

Parties hereunder with respect to any of the Collateral (other than the BP Rights) or to the BP Rights at any time other than the Assignment Period.

6. Miscellaneous.

6.01 Initial Financing Statements. Prior to or concurrently with the execution and delivery of this Agreement, Sterling shall file such financing statements and other documents in such offices, cause the Agent to be listed as the lienholder on all certificates of title relating to vehicles owned by Sterling (provided that with respect to vehicles transferred to Sterling pursuant to the Asset Purchase Agreement, Sterling shall cause the Agent to be listed as the lienholder on such certificate as soon as practicable after the execution and delivery of this Agreement) and give notice to such Persons, as the Agent may request to perfect the security interests granted by Section 3 of this Agreement.

6.02 Taxes. Sterling agrees to pay before delinquency any tax or other governmental charge which is or can become through assessment, distraint or otherwise a Lien on the Collateral and to pay any tax or other governmental charge which may be levied on the transactions hereunder.

6.03 Governing Law. Except as otherwise provided by mandatory provisions of applicable law, this Agreement shall be governed by and construed in accordance with the law of the State of New York.

6.04 Notices. All notices, requests, consents and demands hereunder shall be in writing and telexed, telecopied, telegraphed, cabled or delivered to the intended recipient at its address or telex number specified pursuant to Section 12.02 of the Credit Agreement and shall be deemed to have been given at the times specified in said Section 12.02.

6.05 Waivers etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by Sterling and the Agent. Any such amendment or waiver shall be binding upon the Agent and each Secured Party, each subsequent holder of any Secured Obligation, and each other party to this Agreement.

6.06 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Sterling, the Agent, the Secured

Parties and each subsequent holder of the Secured Obligations (provided, however that Sterling shall not assign or transfer its rights hereunder without the prior written consent of the Secured Parties).

6.07 Counterparts. This Agreement may be executed in one or more counterparts and all of such counterparts taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed as of the day and year first above written.

STERLING CHEMICALS, INC.

By: Frank J. Peruzzi
Title: VICE PRESIDENT

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By: [Signature]
Title: [Signature]

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on August 1, 1986 by Frank J. Heurdejs,
Vice President of Sterling Chemicals, Inc., a
Delaware corporation, on behalf of said corporation.



Debra J. Winans
Notary Public in and for
The State of T E X A S

Name: Debra J. Winans
My commission expires: 10-25-90

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on August 1, 1986 by Paul L. M. Beckwith,
Assistant Treasurer of The Chase Manhattan Bank
(National Association), a national banking association, on
behalf of said association.



Debra J. Winans
Notary Public in and for
The State of T E X A S

Name: Debra J. Winans
My commission expires: 10-25-90

SCHEDULE 1

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-10007	DOT 103W	T103	LACTIC ACID	10
MONX-20056	DOT 111A100W1	T105	SANTICIZER 711	21
MONX-20057	DOT 111A100W1	T105	SANTICIZER 711	21
MONX-20108	DOT 111A100W1	T105	SANTICIZER 790	21
MONX-20116	DOT 111A100W1	T105	STYRENE MONOMER	21
MONX-20119	DOT 111A100W1	T105	STYRENE MONOMER	21
MONX-20130	DOT 111A100W1	T105	STYRENE MONOMER	21
MONX-20830	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20831	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20832	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20833	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20834	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20835	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20836	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20837	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20838	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20839	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20840	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20841	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20842	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20843	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20844	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20845	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20846	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20847	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20848	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20849	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20850	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20851	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20852	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-20853	DOT 111A100W1	T105	ACRYLONITRILE	21
MONX-24000	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-24001	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-24002	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-24003	DOT 111A100W1	T106	SANTICIZER 711	24
MONX-26003	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26010	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26013	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26014	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26015	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26016	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26018	DOT 111A100W1	T107	PHTH ANHYD FUSED	27

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-26021	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
MONX-26800	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26801	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26802	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26803	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26805	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26806	DOT 111A100W1	T107	FLUX OIL	27
MONX-26807	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26810	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26813	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26814	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26815	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26818	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26821	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26823	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26824	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26825	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26826	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26827	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26828	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26829	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26830	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26831	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26832	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26833	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26834	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26835	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26836	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26837	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26838	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26840	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26841	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26843	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-26844	DOT 111A100W1	T107	STYRENE MONOMER	27
MONX-30002	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30006	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30008	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30009	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30013	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30017	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30018	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30019	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30020	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30021	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30022	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30023	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30024	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-30025	DOT 111A100W1	T108	ACRYLONITRILE	30
MONX-35000	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35002	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35003	DOT 111A100W1	T109	SANTICIZER 711	35

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-35004	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35005	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35006	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35007	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35008	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35009	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35010	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35011	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35012	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35013	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35014	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35015	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35016	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35017	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35018	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-35019	DOT 111A100W1	T109	SANTICIZER 711	35
MONX-41011	DOT 111A100W1	T105	FLUX OIL	21
MCPX-5503	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5505	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5506	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5507	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5508	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-5518	DOT 111A100W1	T103	ACRYLONITRILE	10
MCPX-8818	DOT 103W	T102	LACTIC ACID	4
MCPX-8819	DOT 103W	T102	LACTIC ACID	4
MCPX-8820	DOT 103W	T102	LACTIC ACID	4
MCPX-8821	DOT 103W	T102	LACTIC ACID	4
MCPX-8822	DOT 103W	T102	LACTIC ACID	4
MCPX-10004	DOT 103W	T103	OXO ALCOHOL	10
MCPX-20003	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20005	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20016	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20020	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20021	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20502	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20503	DOT 111A100W1	T105	DIUNDECYL PHTHALATE	21
MCPX-20504	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20505	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20506	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20507	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20509	DOT 111A100W1	T105	OXO ALCOHOL	21
MCPX-20512	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-20513	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20519	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-20520	DOT 111A100W1	T105	DIUNDECYL PHTHALATE	21

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MCPX-21000	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21001	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21002	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21009	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21012	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21014	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21022	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21024	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21034	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21038	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21040	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21044	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21045	DOT 111A100W1	T105	SANTICIZER 711	21
MCPX-21046	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21048	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21053	DOT 111A100W1	T105	SANTICIZER 790	21
MCPX-21055	DOT 111A100W1	T105	SANTICIZER 790	21

LEASED CARS

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
ACFX-82110	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-82111	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-83658	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-83663	DOT 111A100W1	T105	SANTICIZER 711	21
ACFX-83665	DOT 111A100W1	T105	OXO ALCOHOL	21
GATX-98525	DOT 111A100W1	T105	SANTICIZER 711	21
GATX-98537	DOT 111A100W1	T105	SANTICIZER 711	21
GLNX-03516	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03517	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03518	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03520	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-03521	DOT 111A100W3	T106	PHTH ANHYD FUSED	24
GLNX-24137	DOT 111A100W3	T106	PHTH ANHYD FUSED	21
NATX-75140	DOT 111A100W1	T105	LACTIC ACID	20
NATX-75141	DOT 111A100W1	T105	LACTIC ACID	20
NATX-75142	DOT 111A100W1	T105	LACTIC ACID	20
NATX-77055	DOT 111A100W1	T106	DIUNDECYL PHTHALATE	24
NATX-77056	DOT 111A100W1	T106	DIUNDECYL PHTHALATE	24
NATX-77057	DOT 111A100W1	T106	SANTICIZER 711	24
NATX-78401	DOT 111A100W1	T106	DIUNDECYL PHTHALATE	24
TATX-20716	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TATX-20717	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TATX-20718	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TATX-20719	DOT 111A100W3	T105	PHTH ANHYD FUSED	21
TLDX120079	DOT 111A100W1	T105	SANTICIZER 711E	21
TLDX120080	DOT 111A100W1	T105	MONSANTO HEAVY OXO E	21
USLX-21017	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
USLX-21084	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
USLX-21085	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
USLX-21086	DOT 111A100W1	T105	PHTH ANHYD FUSED	21
UTLX-40875	DOT 111A100W1	T108	METHANOL	30
UTLX-48607	DOT 111A100W1	T108	METHANOL	30
UTLX-48622	DOT 111A100W1	T108	METHANOL	30
UTLX-48777	DOT 111A100W1	T108	METHANOL	30
UTLX-49302	DOT 111A100W1	T108	METHANOL	30
UTLX-74671	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74683	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74687	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74691	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-74692	DOT 111A100W1	T107	PHTH ANHYD FUSED	27
UTLX-76368	DOT 111A100W3	T105	PHTH ANHYD FUSED	10
UTLX-76374	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76388	DOT 111A100W3	T106	SANTICIZER 711	24
UTLX-76391	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76393	DOT 111A100W3	T106	DIUNDECYL PHTHALATE	24
UTLX-76394	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76412	DOT 111A100W3	T106	DIUNDECYL PHTHALATE	24
UTLX-76429	DOT 111A100W3	T106	SANTICIZER 711	24

LEASED CARS (continued)

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
UTLX-76445	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76452	DOT 111A100W3	T106	SANTICIZER 711	24
UTLX-76470	DOT 111A100W3	T106	SANTICIZER 711	24
UTLX-76471	DOT 111A100W3	T106	SANTICIZER 711	24
UTLX-76472	DOT 111A100W3	T106	SANTICIZER 711	24
UTLX-76527	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76547	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76603	DOT 111A100W1	T103	PHTH ANHYD FUSED	10
UTLX-76634	DOT 111A100W1	T103	PHTH ANHYD FUSED	10

SCHEDULE 3
EXCLUDED PROPERTY

Acetic Acid Railcars Owned By Sterling:

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-13549	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13552	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13554	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13558	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13559	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13562	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13564	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13569	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13574	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13575	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13576	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13577	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13579	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13581	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13582	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13583	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13585	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13586	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13587	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13589	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13590	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13591	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13592	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13594	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13595	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13596	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13597	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13598	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13599	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13600	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13601	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13602	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13603	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13605	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13607	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13608	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13609	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13611	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13612	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13613	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13614	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13615	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13616	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13617	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13618	DOT 111A60ALW1	T016	ACETIC ACID	23

OFF-PLANT SITE
INVENTORY LOCATION
August 1, 1986

<u>Location</u>	<u>Product</u>	<u>Estimated Data</u>		
		<u>k Lbs.</u>	<u>Unit Cost</u>	<u>K\$</u>
Senior Service Warehouse 2001 5th Ave. South Texas City, TX 77590	Lactic Acid	375	.63868	240
Excello Corp. Terminal 30 Water Front Street New Haven, CT 06509	Styrene	2,000	.16750	335
Powell Duffryn Terminal P. O. Box 727 Lemont, IL 60439	Styrene	1,500	.16750	251
Coastal States 700 14th St. South Texas City, TX 77590	Benzene	15,000	.10183	1,527
PGP Industries 13429 Alondra Blvd. Santa Fe Springs, CA 90670	Rhodium (Troy oz)	482	1170.0000	564
USCO Services, Inc. 4327 Gustine Avenue St. Louis, MO 63116	Lactic Acid	29	.63868	19
Monsanto Company Delaware River Plant Bridgeport, NJ 08014	Styrene	3,800	.16750	637
Monsanto Company Kearny Plant Pennsylvania Avenue Kearny, NJ 07032	Lactic Acid	63	.63868	40
Distribution Centers of Chicago, Inc. 7715 South 78th Avenue Bridgeview, IL 60455	Lactic Acid	120	.63868	77

<u>Location</u>	<u>Product</u>	<u>Estimated Data</u>		
		<u>k Lbs.</u>	<u>Unit Cost</u>	<u>K\$</u>
Trammel Crow Distribution Corp. 5884 E. Slauson Avenue Commerce, CA 90040	Lactic Acid	14	.63868	9

45ADWSH

CONSENT TO ASSIGNMENT

1. Consent to Assignment and Reversion. Subject to the terms and conditions set forth herein, MONSANTO COMPANY, a Delaware corporation ("Monsanto"), hereby consents to (a) the assignment by STERLING CHEMICALS, INC., a Delaware corporation ("Sterling"), of Sterling's rights against Monsanto under the Asset Purchase Agreement dated as of August 1, 1986 between Monsanto and Sterling (the "Agreement") and the conveyance instruments executed by Monsanto and delivered to Sterling in connection therewith ("Conveyance Instruments") to BP Chemicals Americas Inc., a Delaware corporation ("BP") to the extent and only to the extent that such Rights relate solely to the Acetic Acid Unit at the Texas City, Texas plant described in Exhibit A hereto ("Rights"), and (b) the reversion of the Rights to Sterling as contemplated in Section 2.2 below.

2. Assignment, Acceptance and Assumption.

2.1. Subject to the conditions set forth in Section 3 hereof, Sterling hereby assigns, effective upon the Consent Effective Date (as defined herein) and until the Reversion Date (as defined herein) to BP the Rights. BP hereby accepts such assignment and hereby assumes, from and

after the Consent Effective Date (as defined herein) until the Reversion Date (as defined herein), all of Sterling's obligations under the Asset Purchase Agreement and the agreements and instruments executed by Sterling and delivered to Monsanto in connection therewith to the extent and only to the extent that such obligations relate to the Acetic Acid Unit after the Consent Effective Date and until the Reversion Date ("Obligations").

2.2. The Rights will automatically revert to Sterling on the tenth anniversary date of the date hereof ("Reversion Date"). BP shall be and remain liable only for the Obligations arising after the Consent Effective Date and prior to the Reversion Date.

3. Conditions To Effectiveness of Consent. The consent to assignment in Section 1 shall be effective only on the date of receipt by Monsanto (the "Consent Effective Date"), occurring within ten years from the date hereof, of a Certificate, substantially in the form attached hereto as Exhibit B, properly authorized and executed by BP.

4. No Impairment. Neither the assignment of the Rights nor anything contained herein shall (a) diminish or impair any defense, claim or right now existing or hereafter

arising under or in connection with the Agreement, the Conveyance Instruments or the other instruments and documents delivered at the Closing of the transactions contemplated by the Agreement (the "Other Instruments") or in any way preclude Monsanto from asserting against Sterling or BP any such defenses, claims or rights with respect to any Obligations, (b) increase or diminish in any manner whatsoever the obligations or duties of Monsanto under the Agreement, the Conveyance Instruments or the Other Instruments or (c) relieve Sterling of any of its obligations or duties under the Agreement, the Conveyance Instruments or the Other Instruments.

5. Subject To Agreement. The Rights are subject to all terms and conditions of the Agreement, the Conveyance Instruments and the Other Instruments except that (a) the sale and lease-back of the Acetic Acid Unit among Sterling and BP effective as of the date hereof; (b) the assignment of the Rights to BP as contemplated hereby; or (c) the exercise of BP's rights to take possession of the Acetic Acid Unit as described in Exhibit "C", after the Consent Effective Date shall not in and of themselves constitute a "change of control" pursuant to Article 27.6 of the Agreement, provided that if BP exercises its rights described on Exhibit "C" attached hereto to take possession of the Acetic Acid Unit before the Consent Effective Date, the same shall

constitute a "change of control" with respect to the Acetic Acid Unit.

6. No Assignment. Neither Sterling (except as otherwise provided in Section 2.1 hereof) nor BP shall assign the Rights, by operation of law or otherwise, in whole or in part, without the prior written consent of Monsanto.

7. Notices. Any notice, reply, demand or other communication required or permitted to be given hereunder shall be in writing, and shall be deemed sufficiently given when delivered in person or transmitted by telegram, or when deposited in the United States mail (registered or certified) postage prepaid, to the addresses given below or sent by telex to the telex numbers set forth below provided that the telex shall reflect the answerback of the receiving party:

Monsanto: Monsanto Company
 800 North Lindbergh Boulevard
 St. Louis, Missouri 63167

Attn: Mr. Earl N. Brasfield
 Vice President

Telex No. 447282

Answerback: Monsanto STL

Sterling: Sterling Chemicals, Inc.
 Eight Greenway Plaza, Suite 702
 Houston, Texas 77046

Attn: President

Telex No. 76-2141

Answerback: Bracepat-Houston

BP: BP Chemicals Americas Inc.
411 Theodore Fremd Avenue
Rye, New York 10580

Copy To: BP Chemicals Americas Inc.
1 Second Avenue South
Texas City, Texas 77590

Any party may change its address, telex numbers or answer-back by notice to the other parties in the manner set forth above.

8. Assignment. No party may assign its rights or obligations under this Consent or any portion thereof, by operation of law or otherwise, to any person or entity without the prior written consent of the other parties.

9. Successors and Assigns. This Consent shall be binding upon Monsanto, Sterling and BP and their respective permitted successors and assigns, if any.

10. Amendment. No amendment or modification to the Agreement, insofar as it relates to the Acetic Acid Unit described on Exhibit A hereto may be made without the prior written consent of each party to this Consent.

Dated and Effective as of August 1, 1986.

Monsanto Company

By

Name:

Title:

Don R. Davies
Asst Controller

DRAFT

Sterling Chemicals, Inc.

By J. Sigil Maggall
Name: J. Sigil Maggall
Title: President

BP Chemicals Americas Inc.

DRAFT

By Tom R. Fordman
Name: Tom R. Fordman
Title: V. President

GUARANTY

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned BP North America Inc., a Delaware corporation ("BPNA") and the owner of all of the issued and outstanding shares of capital stock of BP Chemicals Americas Inc., a Delaware corporation ("BPCA"), hereby unconditionally guarantees the timely performance of all obligations of BPCA under the terms of the foregoing Consent to Assignment ("Consent"). On default by BPCA under the Consent, Sterling and Monsanto may, at their respective sole options, proceed directly and at once against BPNA to enforce its obligations under this unconditional guaranty, without notice to BPCA or the necessity for proceeding or taking any action against BPCA. BPNA hereby consents to any amendments to the Consent approved in writing by BPCA.

BP North America, Inc.

By _____
Name: _____
Title: _____

91JLBSA

EXHIBIT "A"

TRACT 1

ACETIC ACID SITE
METES AND BOUNDS DESCRIPTION
77,729 S.F OUT OF A 237.0539 ACRE TRACT
NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 77,729 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72, James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence S 00° 23' 20" E - 949.19'; Thence N 89° 36' 40" E - 1,069.61' to the POINT OF BEGINNING of the herein described parcel;

THENCE N 0° 23' 20" W - 439.50' to a point;

THENCE N 89° 36' 40" E - 284.60' to a point;

THENCE S 0° 23' 20" E - 141.50' to a point;

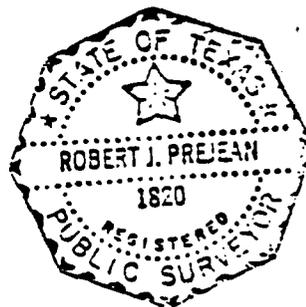
THENCE S 89° 36' 40" W - 158.90' to a point;

THENCE S 0° 23' 20" E - 298.00' to a point;

THENCE S 89° 36' 40" W - 125.70' to the POINT OF BEGINNING and containing 77,729 square feet.

Compiled By:
Prejean & Company Inc.,
Surveying and Mapping

July 30, 1986



Handwritten signature

TRACT 2
SYNGAS UNIT
METES AND BOUNDS DESCRIPTION
96,295 S. F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 96,295 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72 and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence S 00° 23' 20" E - 112.22'; Thence N 89° 36' 40" E - 1,523.94' to the POINT OF BEGINNING of the herein described parcel;

THENCE S 89° 13' 04" E - 228.21' to a point for corner;

THENCE S 01° 28' 20" E - 252.06' to a point for corner;

THENCE S 88° 44' 19" E - 112.24' to a point for corner;

THENCE S 02° 12' 19" W - 113.22' to a point for corner;

THENCE S 88° 28' 45" W - 197.05' to a point for corner;

THENCE N 01° 56' 59" E - 19.03' to a point for corner;

THENCE S 89° 19' 25" W - 142.19' to a point for corner;

THENCE N 00° 38' 20" W - 358.61' to the POINT OF BEGINNING and containing 96,295 square feet (2.2106 acres) of land, more or less.

Compiled by:

PREJEAN & COMPANY, INC.
surveying/mapping

July 30, 1986



TRACT 3

FLARE FOR SYNGAS UNIT
METES AND BOUNDS DESCRIPTION
796 S.F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 796 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72, and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence S 00° 23' 20" E - 467.50'; Thence N 89° 36' 40" E - 1,461.50' to the POINT OF BEGINNING of the herein described parcel;

THENCE N 00° 23' 20" W - 32.50' to a point for corner;

THENCE N 89° 36' 40" E - 24.50' to a point for corner;

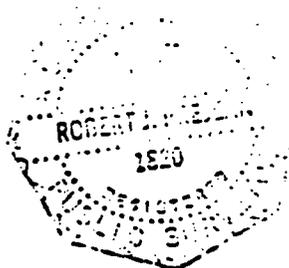
THENCE S 00° 23' 20" E - 32.50' to a point for corner;

THENCE S 89° 36' 40" W - 24.50' to the POINT OF BEGINNING and containing 796 square feet of land, more or less.

Compiled by:

PREJEAN & COMPANY, INC.
surveying/mapping

July 30, 1986



TRACT 4

DAY TANKS SITE
METES AND BOUNDS DESCRIPTION
4,773 S.F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 4,773 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72, and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence S 00° 23' 20" E - 470.50'; Thence N 89° 36' 40" E - 1,218.30' to the POINT OF BEGINNING of the herein described parcel;

THENCE N 00° 23' 20" W - 64.50' to a point for corner;

THENCE N 89° 36' 40" E - 74.00' to a point for corner;

THENCE S 00° 23' 20" E - 64.50' to a point for corner;

THENCE S 89° 36' 40" W - 74.00' to the POINT OF BEGINNING and containing 4,773 square feet of land, more or less.

Compiled by:

PREJEAN & COMPANY, INC.
surveying/mapping

July 30, 1986



A handwritten signature in black ink, appearing to be "R. J. Prejean".

ACETIC ACID TANK SITE
METES AND BOUNDS DESCRIPTION
56,220 SQUARE FEET GROUND LEASE
JOHN GRANT SURVEY, A - 72
SYLVESTER BOWEN SURVEY, A - 24
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 56,220 square feet for ground lease out of the John Grant Survey, A - 72 and the Sylvester Bowen Survey, A - 24 in Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod marking the southeast corner of that certain 22.71 acres of land described in a deed dated 8-19-1969 from Texas City Terminal Railway Company to Monsanto Company filed at Volume 2051, Page 654 Galveston County Deed Records, thence N 00° 51' 00" W - 389.07', along the east line of said 22.71 acre tract being westerly of, parallel with and 50' perpendicular distance from the centerline of said flood wall, to a set 5/8" iron rod set for the southerly southeast corner of said 22.71 acre tract, thence N 20° 52' 05" W - 209.65', continuing along the east line of said 22.71 acre tract, to a set 5/8" iron rod for angle point' thence N 89° 46' 57" E - 80.15', along an interior south line of said 22.71 acre tract, to a set 5/8" iron rod for corner, thence N 20° 52' 05" W - 82.13', along the east line of said flood wall, to a set 5/8" iron rod for corner, thence N 00° 50' 20" E - 204.69', along the east line of said 22.71 acre tract being easterly of, parallel with and 25' perpendicular distance from the centerline of said flood wall, to a point for corner, thence N 89° 09' 40" W - 86.82', to the POINT OF BEGINNING of the herein described tract:

THENCE N 01° 17' 29" E - 143.99', to a point for corner;

THENCE S 75° 20' 45" W - 306.41', to a point for corner;

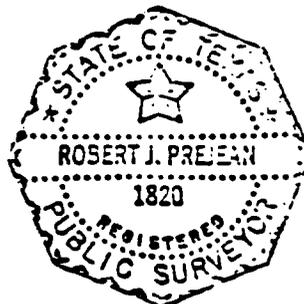
THENCE S 00° 36' 19" E - 242.45', to a point for corner;

THENCE N 89° 33' 49" E - 137.79', to a point for corner;

THENCE N 16° 37' 18" W - 126.42', to a point for corner;

THENCE N 74° 06' 25" E - 196.52', to the POINT OF BEGINNING and containing 56,220 square feet for ground lease more or less.

Compiled By:
Prejean and Company, Inc.
Surveying and Mapping
July 30, 1986



A handwritten signature in black ink, appearing to read "R. J. Prejean", written over the bottom right portion of the professional seal.

TRACT 6

METHANOL TANK SITE
METES AND BOUNDS DESCRIPTION
72,362 S. F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 72,362 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72 and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence S 00° 23' 20" E - 438.00'; Thence N 89° 36' 40" E - 30.00' to the POINT OF BEGINNING of the herein described parcel;

THENCE N 00° 23' 20" W - 373.00' to a point for corner;

THENCE N 89° 36' 40" E - 194.00' to a point for corner;

THENCE S 00° 23' 20" E - 373.00' to a point for corner;

THENCE S 89° 36' 40" W - 194.00' to the POINT OF BEGINNING and containing 72,362 square feet of land, more or less.

Compiled by:

PREJEAN & COMPANY, INC.
surveying/mapping

July 30, 1986



A handwritten signature in black ink, appearing to be "R. L. Prejean", written over the seal and extending towards the bottom right of the page.

TRACT 7

CARBON DIOXIDE SITE
METES AND BOUNDS DESCRIPTION
10,360 S.F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 10,360 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72, and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence N 89° 36' 40" E - 1,882.50'; Thence N 00° 23' 20" W - 261.00' to the POINT OF BEGINNING of the herein described parcel;

THENCE N 00° 23' 20" W - 285.00' to a point for corner;

THENCE N 89° 36' 40" E - 27.00' to a point for corner;

THENCE S 00° 23' 20" E - 220.00' to a point for corner;

THENCE N 89° 36' 40" E - 41.00' to a point for corner;

THENCE S 00° 23' 20" E - 65.00' to a point for corner;

THENCE S 89° 36' 40" W - 68.00' to the POINT OF BEGINNING and containing 10,360 square feet of land, more or less.

Compiled by:

PREJEAN & COMPANY, INC.
surveying/mapping

July 30, 1986



A handwritten signature in black ink, appearing to be "R. H. J.", written over the seal.

EXHIBIT "B"

Certificate

The undersigned hereby certifies to Monsanto Company that BP Chemicals Americas Inc. ("BP") has not exercised its rights described on Exhibit "C" to that certain Consent dated August 1, 1986 among Sterling Chemicals, Inc., BP and Monsanto Company to take possession of the Acetic Acid Unit.

Dated _____, 19__.

BP Chemicals Americas Inc.

By _____
Name: _____
Title: _____

91JLBSA

EXHIBIT "C"

2.13 Upon the occurrence of any Lease Event of Default, BP shall have the right, at BP's election, to terminate this Agreement, in which event the Company shall surrender the Unit to BP within thirty (30) days after receipt of written notice from BP that a Lease Event of Default has occurred, and if the Company fails so to do, BP may, without prejudice to any other remedy which it may have for possession, enter upon and take possession of the Unit and expel or remove the Company and any other person or entity who may be occupying the Unit or any part thereof, without being liable for prosecution or any claim of damages therefor; and the Company agrees to pay to BP on demand any reasonable costs and expenses incurred by BP in expelling or removing the Company and entering upon and taking possession of the Unit (including, but not limited to reasonable attorneys' fees), and all necessary costs and expenses incurred by BP in repairing any damages to or destruction of the Unit arising as a result of or caused by the gross negligence or willful misconduct of the Company, its agents or employees. Failure by BP to enforce the remedy herein provided upon any Lease Event of Default shall not be deemed or construed to constitute a waiver of such default or of any other violations or breach of any of the terms, provisions and covenants herein contained. No waiver by BP of any breach by the Company of any of the Company's obligations, agreements or covenants hereunder shall be a waiver of any subsequent breach or of any other obligation, agreement or covenant, nor shall any forbearance by BP to seek such remedy for any breach by the Company be a waiver by BP of its rights and remedy with respect to such subsequent breach. The foregoing remedy of BP to terminate this Agreement and to enter upon and take possession of the Unit shall be exclusive of any other remedy provided at law or in equity; provided, however, that nothing contained in this Agreement shall prohibit BP from (i) securing injunctive relief or any other relief or remedy necessary to enforce its right of entry upon and possession

of the Unit, or (ii) seeking and recovering Damages and/or holdover rentals from the Company in the event that the Company holds over in the Unit after the termination of the Lease Term pursuant to the provisions of this Section 2.13, or in the event BP's remedy pursuant to the provisions of this Section 2.13 is deemed or construed to be illegal, invalid or unenforceable for any reason whatsoever.