

6-164A943

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No. _____
Date JUN 13 1986
Fee \$ 20.00
ICC Washington, D.C.

202 347-7170

RECORDATION NO. 14981 Filed 1425

June 13, 1986

JUN 13 1986 -10 45 AM

INTERSTATE COMMERCE COMMISSION

The Honorable James H. Bayne
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 14981 Filed 1425

JUN 13 1986 -10 55 AM

INTERSTATE COMMERCE COMMISSION

ICC OFFICE OF THE SECRETARY
JUN 13 10 40 AM '86
MOTOR OPERATING UNIT

Re: Huntsman Chemical Corporation -- Recordation of Amendment to Lease Agreement and Security Agreement

Dear Mr. Bayne:

Pursuant to 49 U.S.C. §11303 and the Commission's regulations at 49 C.F.R. §1177, I enclose on behalf of Huntsman Chemical Corporation, a Utah corporation, as additional filings under Recordation No. ~~14318~~ an original and one counterpart of each of the following documents for filing and recordation:

1. An Amendment to Rail Car Lease, dated as of May 15, 1986, between Huntsman Chemical Corporation as Lessee and Shell Oil Company as Lessor, amending the Lease dated as of March 18, 1983 between the same parties which is now on file with the Commission under Recordation No. ~~14318~~, and *Should be under → 14318*
2. A Security Agreement, dated as of March 26, 1986, among Huntsman Chemical Corporation as Debtor and The Chase Manhattan Bank (National Association) as Agent and Secured Party. *See page 4 of Security Agreement*

The names and addresses of the parties to the aforementioned documents are as follows:

Lessee - Debtor

Huntsman Chemical Corporation
50 South Main Street
Salt Lake City, Utah 84110

C. Quigley
R. J. M. M...

The Hon. James H. Bayne
June 13, 1986
Page 2

Lessor

Shell Oil Company
One Shell Plaza
P.O. Box 2099
Houston, Texas 77001

Agent/Secured Party

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

Please file and record the documents referred to in this letter, and index them under the names of the Lessee-Debtor and Agent/Secured Party. It is requested that the documents be assigned Recordation No. ~~1100-0~~ and ~~1100-0~~.

The equipment covered by the aforementioned documents consists of One Hundred Sixty-Four (164) 100-ton, 5250 cubic foot steel center flow covered hopper cars, manufactured by ACF Industries, Inc. One Hundred Twelve (112) of the cars bear Lessee - Debtor's identification marks JHPX 5204 through 5402, in an irregular numerical sequence. Fifty-two (52) of the cars bear the identification marks of the Lessor, as follows:

SCPX 5201	SCPX 5277
SCPX 5202	SCPX 5279
SCPX 5203	SCPX 5283
SCPX 5206	SCPX 5290
SCPX 5208	SCPX 5291
SCPX 5211	SCPX 5294
SCPX 5213	SCPX 5296
SCPX 5214	SCPX 5297
SCPX 5221	SCPX 5302
SCPX 5222	SCPX 5304
SCPX 5225	SCPX 5309
SCPX 5229	SCPX 5315
SCPX 5231	SCPX 5321
SCPX 5232	SCPX 5325
SCPX 5235	SCPX 5332
SCPX 5241	SCPX 5336
SCPX 5242	SCPX 5338
SCPX 5243	SCPX 5373
SCPX 5258	SCPX 5375
SCPX 5262	SCPX 5377
SCPX 5263	SCPX 5382
SCPX 5264	SCPX 5383
SCPX 5268	SCPX 5387
SCPX 5271	SCPX 5389
SCPX 5273	SCPX 5390
SCPX 5276	SCPX 5392

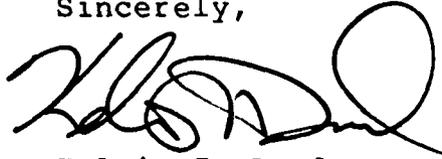
The Hon. James H. Bayne
June 13, 1986
Page 3

The AAR mechanical designation of all cars covered by the documents is "LO."

Enclosed is our check in the amount of \$60.00 to cover the requisite filing fee. Please accept for recordation one counterpart of each of the enclosed Agreements, stamp the remaining counterpart with your recordation number, and return it to the bearer of this letter along with your fee receipt addressed to the undersigned.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelvin J. Dowd", with a large, stylized loop at the end.

Kelvin J. Dowd
As Agent for
Huntsman Chemical Corporation

KJD:mfw
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

6/13/86

OFFICE OF THE SECRETARY

Kelvin J. Dowd
Slover & Loftus
1224 17th St N.W.
Washington- D.C. 20036

Dear Sir:

The enclosed documents(s) was recorded pursuant to the provision of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/13/86 at 10:45am, and assigned recordation number(s). 14981 & 14981-A

Sincerely yours,

Noreta R. McGee
Acting Secretary

See pg 4
hereafter referred

14981
Filed 1425

JUN 13 1986 - 10 45 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of March 26, 1986, among HUNTSMAN CHEMICAL CORPORATION, a Utah corporation ("HCC"), 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").

HCC, certain banks and The Chase Manhattan Bank (National Association), as agent, are parties to a Credit Agreement dated as of March 26, 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 HCC in an aggregate principal or face amount not exceeding \$60,000,000. In addition, HCC may become obligated to the 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").

HCC, certain banks and The Chase Manhattan Bank (National Association), as agent, are also parties (i) to a Loan Agreement dated as of March 26, 1986 (as modified and supplemented and in effect from time to time, the "Hoechst Guaranteed Loan Agreement"), providing, subject to the terms and conditions thereof, for loans to be made by said banks to HCC in an aggregate principal amount not exceeding \$30,000,000 which loans are to be guaranteed, as provided therein, by Hoechst Capital Corporation, a Delaware corporation (or, as contemplated therein, by American Hoechst Corporation, a Delaware corporation), and (ii) to a Loan Agreement dated as of March 26, 1986 (as modified and supplemented and in effect from time to time, the "Shell Guaranteed Loan Agreement"), providing, subject to the terms and conditions thereof, for loans to be made by said banks to HCC in an aggregate principal amount not exceeding \$12,000,000, which loans are to be guaranteed, as provided therein, by Shell Oil Company, a Delaware corporation.

To induce said banks and other financial institutions to enter into the Credit Agreement, the Hoechst Guaranteed Loan Agreement and the Shell Guaranteed Loan Agreement and to extend credit to HCC which would constitute Interest Swap Indebtedness, to induce Hoechst Capital Corporation (and American Hoechst Corporation) to execute and deliver the Guarantee under the Hoechst Guaranteed Loan Agreement and to induce Shell Oil Company to execute and deliver the Guarantee under the Shell Guaranteed Loan Agreement, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, HCC 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(d).

"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(i).

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

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

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

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

"Polycom Shares" shall mean shares of stock of Polycom owned by HCC.

"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 HCC under, the Credit Agreement or hereunder, (ii) all obligations of HCC 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 \$40,000,000), (iii) the principal of and interest on the Loans and the Notes, and all other amounts owing to the Secured Parties by HCC under, the Hoechst Guaranteed Loan Agreement and (iv) the principal of and interest on the Loans and the Notes, and all other amounts owing to the Secured Parties by HCC under, the Shell Guaranteed Loan Agreement.

"Secured Parties" shall mean, collectively, (i) the Agent, (ii) any of the banks party to the Credit Agreement, the Hoechst Guaranteed Loan Agreement or the Shell Guaranteed Loan Agreement, (iii) any of the banks or other financial institutions holding Interest Swap Indebtedness and (iv) after the payment by Hoechst Capital or AHC under their guaranty of the Loans under the Hoechst Guaranteed Loan Agreement or by Shell under its guaranty of the Loans under the Shell Guaranteed Loan Agreement, and their respective subrogation to the rights of the banks under such Agreements, Hoechst Capital, AHC and Shell, as the case may be.

"Stock Collateral" shall have the meaning ascribed thereto in Section 3(c).

"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. HCC represents and warrants to the Banks and the Agent that (i) the Pledged Stock is duly authorized, validly issued, fully paid and nonassessable, except that Polycom Shares subject to a prior Lien in favor of Polycom (as described in

the Polycom Agency Agreement) will not be fully paid until the obligations of HCC to Polycom secured by such prior Lien shall have been paid in full, (ii) HCC is, and so long as the Secured Obligations remain outstanding HCC 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 the Intercreditor Agreement 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 (except in the case of the Polycom Shares, as to which such pledge and security interest constitutes a second priority perfected pledge and security interest subject only to the prior Liens described in the Polycom Agency Agreement), (iii) the Pledged Stock constitutes (x) all of the issued and outstanding shares of capital stock of any class of HCC Ltd., and Huntsman Polymers, Inc., except that one share of the issued and outstanding shares of capital stock of HCC Ltd. is owned by J. M. Huntsman and (y) 50% of the issued and outstanding shares of stock of Polycom, and (iv) the Pledged Stock outstanding on the date hereof consists of 549,999 shares of the ordinary stock of HCC Ltd., par value 1 pound sterling, evidenced by certificate nos. 2 and 3, 2,000 shares of the common stock of Huntsman Polymers, Inc., par value \$1.00 evidenced by certificate no. 3 and 4,615 shares of the common stock of Polycom.

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, HCC hereby pledges and grants to the Agent, for the 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 HCC or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as "Collateral"):

(a) all shares of capital stock of whatever class of HCC Ltd., Huntsman Polymers, Inc. and Polycom, together with in each case (other than in the case of the Polycom Shares) the certificates evidencing the

same, accompanied by undated stock powers duly executed in blank (collectively, the "Pledged Stock");

(b) all shares, securities, moneys or property representing a dividend on any of the Pledged Stock or representing a distribution or return of capital upon or in respect of the Pledged Stock, or resulting from a split-up, revision, reclassification or other like change of the Pledged Stock or otherwise received in exchange therefor, and any subscription warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Stock;

(c) without affecting the obligations of HCC under any provision prohibiting such action under the Credit Agreement, in the event of any consolidation or merger in which any Subsidiary of HCC is not the surviving corporation, all shares of each class of the capital stock of the successor corporation formed by or resulting from such consolidation or merger (the Pledged Stock, together with all other certificates, shares, securities, properties or moneys as may from time to time be pledged hereunder pursuant to clause (a) or (b) above and this clause (c) being herein collectively called the "Stock Collateral");

(d) all accounts and general intangibles (each as defined in the Uniform Commercial Code) of HCC constituting any right to the payment of money, including (but not limited to) all moneys due and to become due to HCC in respect of any loans or advances or for Inventory Products or Equipment sold or leased or for services rendered, all moneys due and to become due to HCC under any guarantee (including a letter of credit) of the purchase price of Inventory Products or Equipment sold by HCC, all Receivables and all tax refunds (such accounts, general intangibles and moneys due and to become due being herein collectively called "Accounts");

(e) 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,

Security Agreement

including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances (herein collectively called "Instruments");

(f) all inventory (as defined in the Uniform Commercial Code) of HCC, including all goods obtained by HCC 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");

(g) all equipment (as defined in the Uniform Commercial Code) of HCC, including all motor vehicles, trucks and trailers and the railcars identified on Schedule 1 hereto (herein collectively called "Equipment");

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

(i) 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");

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

(k) all rights, claims and benefits of HCC in respect of the Assigned Agreements;

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

(m) all proceeds, products and accessions of and to any of the property described in clauses (a) through (l) above in this Section 3 (including, without limitation, any proceeds of insurance thereon) and, to

the extent related to any property described in said clauses or above in this clause (m), 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 HCC or any computer bureau or service company from time to time acting for HCC.

Section 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 HCC 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 HCC as HCC shall from time to time instruct. However, 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 5.09. 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. HCC 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 HCC 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. 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, HCC agrees that if the proceeds of any Collateral hereunder (including the payments made in respect of Accounts) shall be received by it, HCC shall as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by HCC for and as the property of the Agent and shall not be commingled with any other funds or property of HCC.

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 HCC (or, after the occurrence and during the continuance of a 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) 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 5.09 and (ii) if requested by HCC, 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 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.

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

5.01 Delivery and Other Perfection. HCC shall:

(i) If any of the above-described shares or securities required to be pledged under clauses (a), (b) and (c) of Section 3 hereof are received by HCC, HCC agrees forthwith either (x) to transfer and deliver to the Agent such shares or securities so received by HCC (together with the certificates for any such shares and securities duly endorsed in blank or accompanied by undated stock powers duly executed in blank) all of which thereafter shall be held by the Agent, pursuant to the terms of this Agreement, as part of the Collateral or (y) to take such other action as the Agent shall deem necessary or appropriate to duly record the Lien created hereunder in such shares or securities or in any of the moneys or property referred to in said clauses (a), (b) or (c);

(ii) 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 or any such Person may request; provided, that so long as no Default shall have occurred and be continuing, HCC 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 or any such Person shall, promptly upon request of HCC, make appropriate arrangements for making any other Instrument pledged by HCC 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);

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

agreement or other papers that may be necessary or desirable (in the judgment of the Agent) 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 (vii) below;

(iv) except as otherwise provided in the Intercreditor Agreement, upon the acquisition after the date hereof by HCC of any Equipment covered by a certificate of title, HCC 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;

(v) 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;

(vi) permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Agent to be present at HCC'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

(vii) 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 HCC 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.

5.02 Other Financing Statements and Liens.
Without the prior written consent of the Agent (except as

Security Agreement

otherwise permitted under Section 9.15 of the Credit Agreement), HCC 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 Stock Collateral.

(1) HCC will cause the Stock Collateral to constitute at all times 100% of the total number of shares of each class of capital stock of HCC Ltd. (except for the one share owned by J. M. Huntsman) and Huntsman Polymers, Inc. then outstanding (including treasury shares) and will cause the Stock Collateral to constitute at all times at least 50% of the total number of shares of each class of capital stock of Polycom.

(2) So long as no Event of Default shall have occurred and be continuing, HCC shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Stock Collateral for all purposes not inconsistent with the terms of this Agreement, the Credit Agreement, the Notes, any of the other Basic Documents or any other instrument or agreement referred to herein or therein, provided that HCC agrees that it will not vote the Stock Collateral in any manner that is inconsistent with the terms of this Agreement, the Credit Agreement, the Notes, any of the other Basic Documents or any such other instrument or agreement; and the Agent shall execute and deliver to HCC or cause to be executed and delivered to HCC all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as HCC may reasonably request for the purpose of enabling HCC to exercise the rights and powers which it is entitled to exercise pursuant to this Section 5.04.

(3) Unless and until an Event of Default has occurred and is continuing, HCC shall be entitled to receive

and retain any dividends on the Stock Collateral paid in cash out of earned surplus.

(4) If any Event of Default shall have occurred, then so long as such Event of Default shall continue, and whether or not the Agent or the Secured Parties exercise any available right to declare any Secured Obligation due and payable or seek or pursue any other relief or remedy available to them under applicable law or under this Agreement, the Credit Agreement, the Notes, any of the other Basic Documents or any other agreement relating to such Secured Obligation, all dividends and other distributions on the Stock Collateral shall be paid directly to the Agent and retained by it in the Collateral Account as part of the Collateral, subject to the terms of this Agreement, and, if the Agent shall so request in writing, HCC agrees to execute and deliver to the Agent appropriate additional dividend, distribution and other orders and documents to that end.

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

(i) HCC shall, at the request of the Agent, assemble the Collateral at such place or places, reasonably convenient to both the Agent and HCC, designated in its request;

(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 in its discretion may, in its name or in the name of HCC 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; and

Security Agreement

(v) the Agent may, upon 10 Business Days' prior written notice to HCC 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 HCC, 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 5.05 shall be applied in accordance with Section 5.09.

5.06 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, HCC shall remain liable for any deficiency.

5.07 Removals, etc. Without 15 days prior written notice to the Agent, HCC 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 one of the Plants or in transit from one of the Plants to another.

5.08 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. HCC 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.

5.09 Application of Proceeds. Except as otherwise herein expressly provided, 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, 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;

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 HCC, 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;

Third, to the payment of all obligations of HCC 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;

Fourth, to the payment in full of the principal of and interest on the Loans and the Notes, and all other amounts owing to the Secured Parties by HCC, under the Hoechst Guaranteed Loan Agreement ratably in accordance with the respective amounts thereof then due and owing or as such Secured Parties may otherwise agree;

Fifth, to the payment in full of the principal of and interest on the Loans and the Notes, and all other

amounts owing to the Secured Parties by HCC, under the Shell Guaranteed Loan Agreement 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 HCC, 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 HCC or any issuer of or obligor on any of the Collateral.

5.10 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 Event of Default the Agent is hereby appointed the attorney-in-fact of HCC 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 HCC representing any dividend, payment, or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

5.11 No Waiver. 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.

5.12 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 HCC.

5.13 Expenses. HCC 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 HCC in respect of the Collateral which HCC 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 hereof.

5.14 Further Assurances. HCC agrees that, from time to time upon the written request of the Agent, HCC 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.

Section 6. Miscellaneous.

6.01 Initial Financing Statements. Prior to or concurrently with the execution and delivery of this Agreement, HCC 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 HCC (except to the extent otherwise provided in the Intercreditor 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. HCC 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. This Agreement shall be governed by and construed in accordance with the law of the State of New York, provided that as to Collateral located in any jurisdiction other than New York, the Agent shall have all the rights to which a secured party under the laws of such jurisdiction is entitled.

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 HCC 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 HCC, the Agent, the Secured Parties and each subsequent holder of the Secured Obligations (provided, however, that HCC 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.

HUNTSMAN CHEMICAL
CORPORATION

By Ronald A. Rusk
Title: V.P.

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By David Miller
Title: VP

Security Agreement

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 2nd day of June, 1986, before me personally appeared, RONALD A. RASBAND, to me personally known, who being by me duly sworn, says that he is a Vice President of HUNTSMAN CHEMICAL CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen B. Shelton
NOTARY PUBLIC
Residing at Salt Lake City, Utah

My Commission Expires:
9-28-87

STATE OF New York)
 : ss.
COUNTY OF New York)

On the 4th day of June, 1986, before me personally appeared, DAVID WILLETTS, to me personally known, who being by me duly sworn, says that he is a Vice President of THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

David Willetts
VICE PRESIDENT

Christene A. Martin
NOTARY PUBLIC
Residing at: New York, N.Y.

My Commission Expires:
CHRISTENE A. MARTIN
Notary Public, State of New York
No. 43,167,646
Qualified in Richmond County
Certificate Filed in New York County
Commission Expires Nov. 30, 1988

Security Agreement

0890n
060386

SCHEDULE 1
to Security
Agreement

HUNTSMAN CHEMICAL CORPORATION RAILCARS

CAR MARK AND NUMBERS

JHPX 5204
JHPX 5205
JHPX 5207
JHPX 5209
JHPX 5210
JHPX 5212
JHPX 5215
JHPX 5216
JHPX 5217
JHPX 5218
JHPX 5219
JHPX 5220
JHPX 5223
JHPX 5224
JHPX 5226
JHPX 5227
JHPX 5228
JHPX 5230
JHPX 5233
JHPX 5234
JHPX 5236
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JHPX 5248
JHPX 5249
JHPX 5250
JHPX 5251
JHPX 5252
JHPX 5253
JHPX 5254
JHPX 5255
JHPX 5256

CAR MARK AND NUMBERS

JHPX 5292
JHPX 5293
JHPX 5295
JHPX 5298
JHPX 5299
JHPX 5300
JHPX 5301
JHPX 5303
JHPX 5305
JHPX 5307
JHPX 5308
JHPX 5310
JHPX 5311
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JHPX 5335
JHPX 5337
JHPX 5341
JHPX 5370
JHPX 5371
JHPX 5372
JHPX 5374

CAR MARK AND NUMBERS

JHPX	5257
JHPX	5259
JHPX	5260
JHPX	5261
JHPX	5265
JHPX	5266
JHPX	5267
JHPX	5270
JHPX	5272
JHPX	5274
JHPX	5275
JHPX	5278
JHPX	5280
JHPX	5281
JHPX	5282

CAR MARK AND NUMBERS

JHPX	5376
JHPX	5378
JHPX	5379
JHPX	5380
JHPX	5381
JHPX	5384
JHPX	5385
JHPX	5386
JHPX	5388
JHPX	5391
JHPX	5393
JHPX	5394
JHPX	5395
JHPX	5396
JHPX	5397
JHPX	5398
JHPX	5399
JHPX	5400
JHPX	5401
JHPX	5402