

HANSELL & POST

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

56 PERIMETER CENTER EAST, N.E.
FIFTH FLOOR
ATLANTA, GEORGIA 30346-2283
TELEPHONE 404 399-1600
TELECOPIER 404 399-1760
TELEX 80-4455

THIRTY-THIRD FLOOR FIRST ATLANTA TOWER
ATLANTA, GEORGIA 30383-3101

245 PEACHTREE CENTER AVENUE
SUITE 2600
MARQUIS ONE TOWER
ATLANTA, GEORGIA 30303

1667 K STREET, N.W.
SUITE 500
WASHINGTON, D.C. 20006-1692

CHARTER MEDICAL BUILDING
SUITE 612
MACON, GEORGIA 31202-1736

RECORDATION NO. **1 5745** FILED 1988

July 26, 1988 **JUL 26 1988-4 40 PM**

INTERSTATE COMMERCE COMMISSION

No. **8-208A040**

Date **JUL 26 1988**

Fee \$ **13.00**

ICC Washington, D. C.

Secretary
Interstate Commerce Commission
12 Street and Constitution Avenue
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

The document is a Security Agreement dated July 26, 1988 between LaRoche Chemicals Inc. (the "Assignor") and The Chase Manhattan Bank (National Association) (the "Assignee"). This document is a primary document.

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

Assignor: LaRoche Chemicals Inc.
Perimeter 400, Center Two
1100 Johnson Ferry Road, N.
Atlanta, GA 30342

Assignee: The Chase Manhattan Bank
(National Association)
One Chase Manhattan Plaza
New York, New York 10081

ICC OFFICE OF
THE SECRETARY
JUL 26 4 32 PM '88
MOTOR OPERATING UNIT

A description of the equipment covered by the documents follows: See Schedule A attached hereto and made a part hereof for a description of the rolling stock (collectively, the "Rolling Stock".)

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Secretary
July 25, 1988
Page Two

Susan C. Shumaker
HANSELL & POST
Thirty-Third Floor
First Atlanta Tower
Atlanta, Georgia 30383-3101

A short summary of the document to appear in the index follows:

Security Agreement dated July 26, 1988 between LaRoche Chemicals Inc. and The Chase Manhattan Bank (National Association) concerning the Rolling Stock.

Please date stamp the enclosed copy of this letter and return it to our messenger. Thank you for your assistance in this matter.

Very truly yours,



SUSAN C. SHUMAKER

SCS:ech
Enclosures

SCHEDULE A

ROLLING STOCK, LEASED ROLLING STOCK
AND ROLLING STOCK LEASES

Rolling Stock

KACX 5003
KACX 5005
KACX 5008
KACX 5009
KACX 5010
KACX 5015
KACX 5018
KACX 5021
KACX 5022
KACX 5023
KACX 5030
KACX 5035
KACX 5037
KACX 5038

Rolling Stock Leases and Leased Rolling Stock

Lease dated November 1, 1964 between Union Tank Car Company and Kaiser Aluminum & Chemical Corporation, as amended April 1, 1984, October 10, 1984, April 9, 1985, May 1, 1985, December 1, 1985, January 1, 1986, January 6, 1986, April 4, 1986, April 18, 1986, May 28, 1986, June 1, 1986, June 16, 1986, July 1, 1986, April 1, 1987, June 1, 1987, July 1, 1987, August 1, 1987 and March 1, 1988.

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UTLX 043401
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UTLX 045940
UTLX 045997

UTLX 081034
UTLX 082462

Leases dated as of December 22, 1981, May 28, 1982, September 19, 1983, October 31, 1984, February 22, 1985, and April 30, 1985 between General American Tank Car Co. Services and Kaiser Aluminum & Chemical Corporation.

GATX 92976
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GATX 98674
GATX 98675
GATX 98677
GATX 98678
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GATX 94610
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GATX 83417
GATX 83421
GATX 83424
GATX 83464
GATX 83481
GATX 83468
GATX 83493
GATX 83590
GATX 84726
GATX 84750
GATX 84751
GATX 99674
GATX 99675
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GATX 81787
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GATX 81793

Lease dated as of October 1, 1984 between General Electric
Railcar Services and Kaiser Aluminum & Chemical Corporation.

NAHX 93560
NAHX 93583
NAHX 93584
NAHX 390292
NAHX 99640
NAHX 99654
NAHX 99655
NAHX 99656
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NAHX 99658
NAHX 99659
NAHX 99660
NAHX 93355
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NAHX 93585
NAHX 93701
NAHX 93702
NAHX 99666
NAHX 99667
NAHX 99668
NAHX 99669
NAHX 99670
NAHX 99721

NAHX 99723
NAHX 93444
NAHX 93445
NAHX 93446
NAHX 93447
NAHX 390111
NAHX 390114
NAHX 92994
NAHX 390117

Leases dated as of May 3, 1983, February 2, 1984, and March 27, 1986 between Transportation Equipment, Inc., and Kaiser Aluminum & Chemicals Corporation.

NAHX 390041
NAHX 390042
NAHX 390043
NAHX 390164
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NAHX 390169
NAHX 390171
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UTLX 48713

Leases dated as of January 31, 1976 between Pullman Leasing Co. and Kaiser Aluminum & Chemical Corporation.

TLDX 71726
TLDX 817055
TLDX 817056
TLDX 817057
TLDX 817061
TLDX 817064

Rec. No 15745

TLDX 817065
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TLDX 216142

Lease between ACF Industries, Inc. (Shippers Car Line) and Kaiser Aluminum & Chemical Corporation, dated January 10, 1984, February 25, 1982, March 1, 1983, October 18, 1983, October 9, 1986, November 2, 1987, October 8, 1986, October 15, 1986, February 6, 1986, April 17, 1986, June 14, 1984, August 6, 1984, March 5, 1985, January 24, 1986, June 6, 1986, August 27, 1987, January 30, 1984, May 22, 1987, May 15, 1986, April 18, 1979, September 20, 1984, November 2, 1987, August 25, 1987, May 8, 1984.

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Interstate Commerce Commission
Washington, D.C. 20423

7/27/88

OFFICE OF THE SECRETARY

Susan C. Shumaker
Hansell & Post
Thirty Third Floor
First Atlanta Tower
Atlanta Georgia 30383-3101

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 7/26/88 at 4:40pm, and assigned recordation number(s). 15745

Sincerely yours,

Nesta L. McEwen

Secretary

Enclosure(s)

1 5745
RECORDATION NO. _____ FILED 1500

JUL 26 1988 -4 24 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

AGREEMENT dated as of July 26, 1988 between LAROCHE CHEMICALS INC., a Delaware corporation (with its successors, the "Borrower"), and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), as agent (the "Agent").

W I T N E S S E T H :

WHEREAS, the Borrower, certain banks (the "Banks") and the Agent are parties to a Credit Agreement dated as of July 26, 1988 (as the same may be amended 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 the Banks to the Borrower;

WHEREAS, the Borrower may, after the date hereof, become obligated to one or more Banks under one or more Interest Rate Agreements as contemplated by Section 9.23 of the Credit Agreement; and

WHEREAS, in order to induce the Banks and the Agent to enter into the Credit Agreement and in order to induce the Banks to enter into any Interest Rate Agreements, the Borrower has agreed to grant a continuing security interest in and to the Collateral (as hereafter defined) to secure its obligations under the Credit Agreement, including, without limitation, its obligations under the notes issued pursuant to the Credit Agreement and its reimbursement obligations with respect to letters of credit issued pursuant thereto and its obligations in respect of Secured Interest Rate Indebtedness (as defined below);

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions

Terms defined in the Credit Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein. The following additional terms, as used herein, have the following respective meanings:

"Accounts" means all "accounts" (as defined in the UCC) now owned or hereafter acquired by the Borrower and shall also mean and include all accounts receivable, contract rights, book debts, notes, drafts and other obligations or indebtedness owing to the Borrower arising from the sale, lease or exchange of goods or other property by it and/or the performance of services by it (including, without limitation, any such obligation which might be characterized as an account, contract right or general intangible under the Uniform Commercial Code in effect in any jurisdiction) and all of the Borrower's rights in, to and under all purchase orders for goods, services or other property, and all of the Borrower's rights to any goods, services or other property represented by any of the foregoing (including returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights to stoppage in transit) and all monies due to or to become due to the Borrower under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services by it (whether or not yet earned by performance on the part of the Borrower), in each case whether now in existence or hereafter arising or acquired including, without limitation, the right to receive the proceeds of said purchase orders and contracts and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

"Collateral" has the meaning set forth in Section 3.

"Collateral Account" has the meaning set forth in Section 5.

"Copyright License" means any written agreement now or hereafter in existence granting to the Borrower any right to publication as to which a Copyright is in existence, including, without limitation, the agreements described in Schedule 1 to Exhibit D hereto.

"Copyrights" means all the following: (i) all copyrights under the laws of the United States or any other country, all registrations and recordings thereof, and all applications for copyrights under the laws of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule 1 to Exhibit D hereto, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

"Copyright Security Agreement" means the Copyright Security Agreement executed and delivered by the Borrower in favor of the Agent, for the benefit of the Secured Parties, substantially in the form of Exhibit D hereto, as the same may be amended from time to time.

"Documents" means all "documents" (as defined in the UCC) or other receipts covering, evidencing or representing goods, now owned or hereafter acquired, by the Borrower.

"Equipment" means all "equipment" (as defined in the UCC) now owned or hereafter acquired by the Borrower, including, without limitation, all motor vehicles, trucks, trailers and Rolling Stock. ✓

"General Intangibles" means all "general intangibles" (as defined in the UCC) now owned or hereafter acquired by the Borrower, including, without limitation, all right, title and interest of the Borrower under the Assigned Agreements, all obligations or indebtedness owing to the Borrower (other than Accounts) from whatever source arising and all Copyright Licenses, Copyrights, Patent Licenses, Patents, Trademark Licenses, Trademarks, rights in intellectual property, goodwill, trade names, service marks, trade secrets, permits and licenses.

"Instruments" means all "instruments", "chattel paper" or "letters of credit" (each as defined in the UCC) 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, now owned or hereafter acquired by the Borrower.

"Inventory" means all "inventory" (as defined in the UCC), now owned or hereafter acquired by the Borrower, wherever located, and shall also mean and include, without limitation, all raw materials and other materials and supplies, work-in-process and finished goods and any products made or processed therefrom and all substances, if any, commingled therewith or added thereto.

"Leased Rolling Stock" has the meaning set forth in Section 3(A).

"Majority Banks" means, at any time, Secured Parties holding at least 66 2/3% of the outstanding aggregate principal amount of the Loans (other than Swing Loans) and Letter of Credit Liabilities (other than in respect of Swing Letters of Credit but including, without limitation, participation in the Participation Letters of Credit) under the Credit Agreement.

"Patent License" means any written agreement now or hereafter in existence granting to the Borrower any right to practice any invention on which a Patent is in existence, including, without limitation, the agreements described in Schedule 1 to Exhibit B hereto.

"Patents" means all the following: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule 1 to Exhibit B hereto, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

"Patent Security Agreement" means the Patent Security Agreement executed and delivered by the Borrower in favor of the Agent, for the benefit of the Secured Parties, substantially in the form of Exhibit B hereto, as the same may be amended from time to time.

"Perfection Certificate" means a certificate substantially in the form of Exhibit A hereto, completed and supplemented with the schedules and attachments contemplated thereby to the satisfaction of the Agent, and duly executed by the chief executive officer and the chief legal officer of the Borrower.

"Permitted Liens" means the Security Interests and the Liens on the Collateral permitted to be created, assumed or exist pursuant to Section 9.14 of the Credit Agreement.

"Proceeds" means all proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, collateral, including, without limitation, all claims of the Borrower against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any collateral, and any condemnation or requisition payments with respect to any collateral, in each case whether now existing or hereafter arising.

"Rolling Stock" means all railcars, barges and other water carrier equipment, including, without limitation, those listed in Exhibit E hereto, and all accessions, appurtenances and parts installed on and additions thereto, and replacements thereof, now owned or hereafter acquired by the Borrower. ✓

"Rolling Stock Leases" has the meaning set forth in Section 3(A).

"Rolling Stock Revenues" means any monies, revenues, payments or credits now owned or hereafter acquired by the Borrower which are generated by or attributable to the Rolling Stock or Leased Rolling Stock, including, without limitation, railcar hire payments, mileage allowances, per diem mileage payments, empty mileage allowances, mileage credits and excess mileage credits, in each case whether now existing or hereafter arising.

"Secured Interest Rate Indebtedness" means the obligations of the Borrower to the Banks in respect of the Interest Rate Agreements contemplated by Section 9.23 of the Credit Agreement.

"Secured Obligations" means the obligations secured under this Agreement, including (a) all principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Borrower) on any Loan to the Borrower under, or any Note issued by the Borrower pursuant to, or any Reimbursement Obligation of the Borrower under, the Credit Agreement; (b) all other amounts payable by the Borrower

under the Credit Agreement; (c) all obligations of the Borrower to the Secured Parties constituting Secured Interest Rate Indebtedness; (d) all other amounts payable by the Borrower hereunder; and (e) any renewals or extensions of any of the foregoing.

"Secured Parties" means (i) the Banks, (ii) the Agent and (iii) the Banks holding Secured Interest Rate Indebtedness.

"Security Interests" means the security interests granted pursuant to Section 3, as well as all other security interests created or assigned as additional security for the Secured Obligations pursuant to the provisions of this Agreement.

"Trademark License" means any written agreement now or hereafter in existence granting to the Borrower any right to use any Trademark, including, without limitation, the agreements described in Schedule 1 to Exhibit C hereto.

"Trademarks" means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule 1 to Exhibit C hereto, and (ii) all reissues, extensions or renewals thereof.

"Trademark Security Agreement" means the Trademark Security Agreement executed and delivered by the Borrower in favor of the Agent, for the benefit of the Secured Parties, substantially in the form of Exhibit C hereto, as the same may be amended from time to time.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other

than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

SECTION 2. Representations and Warranties

The Borrower represents and warrants as follows:

(A) The Borrower has good and marketable title to all of the Collateral, free and clear of any Liens other than the Permitted Liens. The Borrower has taken all actions necessary under the UCC to perfect its interest in any Accounts purchased by it or in which it otherwise has an interest, as against its assignors and creditors of its assignors.

(B) The Borrower has not performed any acts which might prevent the Agent from enforcing any of the terms of this Agreement or which would limit the Agent in any such enforcement. Other than financing statements or other similar or equivalent documents or instruments with respect to the Security Interests and Permitted Liens, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a Lien on such Collateral. No Collateral is in the possession of any Person (other than the Borrower) asserting any claim thereto or security interest therein, except that the Agent or its designee may have possession of Collateral as contemplated hereby.

(C) Not later than the date of the first borrowing under the Credit Agreement, the Borrower shall deliver the Perfection Certificate to the Agent. The information set forth therein shall be correct and complete. Not later than 60 days following the date of the first borrowing, the Borrower shall furnish to the Agent file search reports from each filing office set forth in Schedule 7 to the Perfection Certificate or other evidence satisfactory to the Majority Banks confirming the filing information set forth in such Schedule.

(D) When UCC financing statements in appropriate form have been filed in the offices specified in the Perfection Certificate, and this Agreement and any amendments hereto in appropriate form have been filed in the office of

the Secretary of the Interstate Commerce Commission, with respect to any Rolling Stock, Leased Rolling Stock or Rolling Stock Leases, the Security Interests shall constitute valid and perfected security interests in the Collateral (except Inventory in transit) to the extent that a security interest therein may be perfected by filing pursuant to the UCC and the Interstate Commerce Act, prior to all other Liens and rights of others therein except for the Permitted Liens. When the Patent Security Agreement and the Trademark Security Agreement have been filed with the United States Patent and Trademark Office, the Security Interests shall constitute valid and perfected security interests in all right, title and interest of the Borrower in Patents and Trademarks, prior to all other Liens and rights of others therein except for the Permitted Liens. When the Copyright Security Agreement has been filed with the United States Copyright Office, the Security Interests shall constitute valid and perfected security interests in all right, title and interest of the Borrower in Copyrights, prior to all other Liens and rights of others therein except for the Permitted Liens.

(E) The Inventory and Equipment are insured in accordance with the requirements of the Credit Agreement.

(F) All Inventory has or will have been produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended.

SECTION 3. The Security Interests

(A) In order to secure the full and punctual payment of the Secured Obligations in accordance with the terms thereof, and to secure the performance of all of the obligations of the Borrower hereunder, under the Credit Agreement and under the Secured Interest Rate Indebtedness, the Borrower hereby hypothecates and grants to the Agent for the ratable benefit of the Secured Parties a continuing security interest in and to all right, title and interest of the Borrower in the following property, whether now owned or existing or hereafter acquired or arising and regardless of where located (all being collectively referred to as the "Collateral"):

- (1) Accounts;
- (2) Inventory;
- (3) General Intangibles;

- (4) Documents;
- (5) Instruments;
- (6) Equipment;

(7) The Collateral Account, all cash deposited therein from time to time, the Liquid Investments made pursuant to Section 5(D) and other monies and property of any kind of the Borrower in the possession or under the control of the Agent;

(8) All books and records (including, without limitation, customer lists, marketing information, credit files, price lists, operating records, vendor and supplier price lists, sales literature, computer programs, printouts and other computer materials and records) of the Borrower pertaining to any of the Collateral;

(9) All right, title, claims and benefits now owned or hereafter acquired by the Borrower in and to any railcar leases, subleases, rental agreements and car hire contracts in which the Borrower shall at any time have any interest, including, without limitation, those railcar leases listed in Exhibit E hereto, and any right, title, claim and benefits of the Borrower now owned or hereafter acquired in and to any management agreement concerning all such leases and agreements (collectively, "Rolling Stock Leases"); and all right, title and interest of the Borrower in the railcars and equipment, including, without limitation, those railcars listed in Exhibit E hereto, provided pursuant to any Rolling Stock Leases including, without limitation, those railcars listed in Exhibit E hereto, ("Leased Rolling Stock"); in each case, including, without limitation, all rights of the Borrower to receive and apply any Rolling Stock Revenues attributable to any Leased Rolling Stock or pursuant to any Rolling Stock Leases;

(10) All rights now owned or hereafter acquired by the Borrower to receive and collect any Rolling Stock Revenues;

(11) All Proceeds of, attachments or accessions to, or substitutions for all or any of the Collateral described in Clauses 1 through 10 hereof.

(B) The Security Interests are granted as security only and shall not subject the Agent or any other Secured Party to, or transfer or in any way affect or modify, any obligation or liability of the Borrower with respect to any of the Collateral or any transaction in connection therewith.

SECTION 4. Further Assurances; Covenants

(A) (I) The Borrower will not change (i) the location of its places of business and its chief executive office or (ii) the locations where it keeps or holds any Collateral (other than Inventory and Rolling Stock) or records relating thereto from the applicable location described in the Perfection Certificate unless it shall have given the Agent notice thereof and an opinion of counsel with respect thereto in accordance with Section 4(N). The Borrower shall not in any event change the location of any Collateral if such change would cause the Security Interests in such Collateral to lapse or cease to be perfected.

(II) The Borrower will not change its name, identity or corporate structure in any manner unless it shall have given the Agent prior notice thereof and delivered an opinion of counsel with respect thereto in accordance with Section 4(N).

(B) The Borrower will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including, without limitation, any filings with the United States Patent and Trademark Office, any filings with the United States Copyright Office, any filings with the Interstate Commerce Commission and any filings of financing or continuation statements under the UCC) that from time to time may be necessary or desirable, or that the Agent may request, in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm or validate the Security Interests or to enable the Agent and the other Secured Parties to obtain the full benefits of this Agreement, or to enable the Agent to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. To the extent permitted by law, the Borrower hereby authorizes the

Agent to execute and file financing statements or continuation statements without the Borrower's signature appearing thereon. The Borrower agrees that a carbon, photographic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. The Borrower shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements concerning the Collateral.

(C) If any Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Borrower's agents or processors, the Borrower shall, upon the request of the Agent acting on the instructions of the Majority Banks, notify such warehouseman, bailee, agent or processor of the Security Interests created hereby and to hold all such Collateral for the Agent's account subject to the Agent's instructions.

(D) The Borrower shall 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 Majority Banks may reasonably request in order to reflect the Security Interests.

(E) The Borrower will immediately deliver and pledge each Instrument to the Agent, appropriately endorsed to the Agent, provided that so long as no Event of Default shall have occurred and be continuing, the Borrower 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 5(B) shall apply) received by it in the ordinary course of business and the Agent shall, promptly upon request of the Borrower, make appropriate arrangements for making any other Instrument pledged by the Borrower available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate to the Agent, against trust receipt or like document).

(F) The Borrower shall use its best efforts to cause to be collected from its account debtors, as and when due, any and all amounts owing under or on account of each Account (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that, unless an Event of Default has occurred and is continuing and the Agent is exercising its rights hereunder to collect Accounts, the

Borrower 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 the Borrower 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 the Borrower's ordinary course of business consistent with its historical collection practices. The costs and expenses (including, without limitation, attorney's fees) of collection, whether incurred by the Borrower or the Agent, shall be borne by the Borrower.

(G) Upon the occurrence and during the continuance of any Event of Default, upon the request of the Majority Banks acting through the Agent, the Borrower will promptly notify (and the Borrower hereby authorizes the Agent so to notify) each account debtor in respect of any Account or Instrument 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 or its designee.

(H) The Borrower shall, (i) as soon as practicable after the date hereof, in the case of Equipment now owned constituting goods in which a security interest is perfected by a notation on the certificate of title or similar evidence of the ownership of such goods, and (ii) within 10 days of acquiring any other similar Equipment (a) having a value in excess of \$200,000 or (b) having a value in excess of \$100,000, if the aggregate of all such items owned by the Borrower at any time is greater than \$1,000,000, deliver to the Agent any and all certificates of title, applications for title or similar evidence of ownership of such Equipment and shall cause the Agent to be named as lienholder on any such certificate of title or other evidence of ownership. The Borrower shall promptly inform the Agent of any additions to or deletions from the Equipment and shall not permit any such items to become a fixture to real estate other than real estate described in the Mortgages.

(I) The Borrower shall as soon as practicable after the date hereof, at its own 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 as 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. The Borrower may permit the Rolling

Stock to be operated within the United States, but shall not permit the Rolling Stock to be operated outside the boundaries of the continental United States.

(J) Without the prior written consent of the Majority Banks, the Borrower will not (a) sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any Collateral except as permitted under Section 9.13 of the Credit Agreement and, in the case of any such sale or exchange, the Security Interests created hereby in such item (but not in any Proceeds arising from such sale or exchange) shall cease immediately without any further action on the part of the Agent; or (b) create, incur or suffer to exist any Lien with respect to any Collateral, except for the Permitted Liens.

(K) Prior to the date of the first borrowing under the Credit Agreement, the Borrower will cause the Agent to be named as an insured party and loss payee on each insurance policy covering risks relating to any of its Inventory and deliver to the Agent, upon request of the Agent, the insurance policies for such insurance. Each such insurance policy shall include effective waivers by the insurer of all claims for insurance premiums against the Agent or any Secured Party, provide that all insurance proceeds in excess of \$100,000 shall be adjusted with and payable to the Agent and provide that no cancellation or termination thereof shall be effective until at least 30 days after receipt by the Agent of written notice thereof.

(L) The Borrower will, promptly upon request, provide to the Agent all information and evidence it may reasonably request concerning the Collateral, and in particular the Accounts, to enable the Agent to enforce the provisions of this Agreement.

(M) The Borrower shall notify the Agent immediately if it knows, or has reason to know, that any application or registration relating to any Copyright, Patent or Trademark may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Copyright Office, the United States Patent and Trademark Office, or any court) regarding the Borrower's ownership of any Copyright, Patent or Trademark, its right to register the same, or to keep and maintain the same. In the event that any Copyright, Copyright License, Patent, Patent License, Trademark or Trademark License is infringed, misappropriated or diluted by

a third party, the Borrower shall notify the Agent promptly after it learns thereof and shall, unless the Borrower shall reasonably determine that any such action would be of negligible economic value, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as the Borrower shall reasonably deem appropriate under the circumstances to protect such Copyright, Copyright License, Patent, Patent License, Trademark or Trademark License. In no event shall the Borrower, either itself or through any agent, employee or licensee, file an application for the registration of any Copyright with the United States Copyright Office or any Patent or Trademark with the United States Patent and Trademark Office, or with any similar office or agency in any other country or any political subdivision thereof, unless not less than 30 days prior thereto it informs the Agent, and, upon request of the Agent, executes and delivers any and all agreements, instruments, documents and papers the Agent may request to evidence the Security Interests in such Copyright, Patent or Trademark and the goodwill and general intangibles of the Borrower relating thereto or represented thereby, and the Borrower hereby constitutes the Agent its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, shall be irrevocable until the Secured Obligations are paid in full.

(N) Not more than six months nor less than 10 days prior to each date on which the Borrower proposes to take any action contemplated by Section 4(A)(I) or (II), the Borrower shall, at its cost and expense, cause to be delivered to the Secured Parties an opinion of counsel satisfactory to the Agent (the Borrower's general counsel being deemed to be satisfactory unless the Agent notifies the Borrower otherwise), substantially in the form of Exhibit F hereto, to the effect that all financing statements and amendments or supplements thereto, continuation statements and other documents required to be recorded or filed in order to perfect and protect the Security Interests for a period, specified in such opinion, continuing until a date not earlier than eighteen months from the date of such opinion, against all creditors of and purchasers from the Borrower have been filed in each filing office necessary for such purpose and that all filing fees and taxes, if any, payable in connection with such filings have been paid in full.

(O) Within five (5) Business Days of entering into any Rolling Stock Lease, the Borrower will deliver such Rolling Stock Lease to the Agent and the Borrower shall not thereafter without the consent of the Agent permit to occur any amendment, other modification or termination of such Rolling Stock Lease.

(P) From time to time upon request by the Agent, the Borrower shall, at its cost and expense, cause to be delivered to the Secured Parties an opinion of counsel satisfactory to the Agent as to such matters relating to the transactions contemplated hereby as the Majority Banks may reasonably request.

SECTION 5. Collateral Account

(A) 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 the Collateral required to be delivered to the Agent pursuant to subsection (B) of this Section 5 or any other provision of this Agreement. Any income received by the Agent with respect to the balance from time to time standing to the credit of the Collateral Account, including any interest or capital gains on Liquid Investments, shall remain, or be deposited, in the Collateral Account. All right, title and interest in and to the cash amounts on deposit from time to time in the Collateral Account together with any Liquid Investments from time to time made pursuant to subsection (D) of this Section shall vest in the Agent, shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied thereto as hereinafter provided.

(B) The Borrower shall instruct all account debtors and other Persons obligated in respect of all Accounts or in respect of any Rolling Stock Revenues to make all payments in respect of such Accounts or Rolling Stock Revenues 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 such bank) under a Lockbox Letter substantially in the form of Exhibit G hereto duly executed by the Borrower and such bank or under other arrangements, in form and sub-

stance satisfactory to the Agent, pursuant to which the Borrower 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 the Agent may otherwise instruct such bank. All such payments made to the Agent shall be deposited in the Collateral Account. In addition to the foregoing, the Borrower agrees that if the proceeds of any Collateral hereunder (including the payments made in respect of Accounts or Rolling Stock Revenues) shall be received by it, the Borrower shall as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by the Borrower for and as the property of the Agent and the Secured Parties and shall not be commingled with any other funds or property of the Borrower.

(C) The balance from time to time standing to the credit of the Collateral Account shall, except upon the occurrence and continuation of an Event of Default, be distributed to the Borrower upon the order of the Borrower. If immediately available cash on deposit in the Collateral Account is not sufficient to make any distribution to the Borrower referred to in the previous sentence of this Section 5(C), the Agent shall liquidate as promptly as practicable Liquid Investments as required to obtain sufficient cash to make such distribution and, notwithstanding any other provision of this Section 5, such distribution shall not be made until such liquidation has taken place. Upon the occurrence and continuation of an Event of Default, the Agent shall, if so instructed by the Majority Banks, apply or cause to be applied (subject to collection) any or all of the balance from time to time standing to the credit of the Collateral Account in the manner specified in Section 9.

(D) Amounts on deposit in the Collateral Account shall be invested and re-invested from time to time in such Liquid Investments as the Borrower shall determine, which Liquid Investments shall be held in the name and be under the control of the Agent, provided that, if an Event of Default has occurred and is continuing, the Agent shall, if instructed by the Majority Banks, liquidate any such Liquid Investments and apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 9. For this purpose, (i) each Liquid Investment shall mature within 30 days after it is acquired by the Agent and (ii) in order to provide the Agent, for the benefit of the Secured Parties, with a perfected

security interest therein, each Liquid Investment shall be either:

(i) evidenced by negotiable certificates or instruments, or if non-negotiable then issued in the name of the Agent, which (together with any appropriate instruments of transfer) are delivered to, and held by, the Agent or an agent thereof (which shall not be the Borrower or any of its Affiliates) in the State of New York; or

(ii) in book-entry form and issued by the United States and subject to pledge under applicable state law and Treasury regulations and as to which (in the opinion of counsel to the Agent) appropriate measures shall have been taken for perfection of the Security Interests.

SECTION 6. General Authority

The Borrower hereby irrevocably appoints the Agent its true and lawful attorney, with full power of substitution, in the name of the Borrower, the Agent, the Secured Parties or otherwise, for the sole use and benefit of the Agent and the other Secured Parties, but at the Borrower's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

(i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof,

(ii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,

(iii) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Agent were the absolute owner thereof, and

(iv) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided that the Agent shall give the Borrower not less than ten days' prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Borrower agrees that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the UCC.

SECTION 7. Remedies upon Event of Default

(A) If any Event of Default has occurred and is continuing, the Agent may exercise on behalf of the Secured Parties all rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and, in addition, the Agent may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (i) withdraw all cash and Liquid Investments in the Collateral Account and apply such monies, Liquid Investments and other cash, if any, then held by it as Collateral as specified in Section 9 and (ii) if there shall be no such monies, Liquid Investments or cash or if such monies, Liquid Investments or cash shall be insufficient to pay all the Secured Obligations in full, sell the Collateral or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Agent may deem satisfactory. The Agent or any other Secured Party may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same, absolutely, free from any right or claim of whatsoever kind. The Borrower will execute and deliver such documents and take such other action as the Agent deems necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of the Borrower which, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale required by Section 6 shall (1) in case of a public sale, state the time and place fixed for such sale, and (2) in the

case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Agent may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Agent may determine. The Agent shall not be obligated to make any such sale pursuant to any such notice. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Agent until the selling price is paid by the purchaser thereof, but the Agent shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. The Agent, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(B) For the purpose of enforcing any and all rights and remedies under this Agreement the Agent may (i) require the Borrower to, and the Borrower agrees that it will, at its expense and upon the request of the Agent, forthwith assemble all or any part of the Collateral as directed by the Agent and make it available at a place designated by the Agent which is, in its opinion, reasonably convenient to the Agent and the Borrower, whether at the premises of the Borrower or otherwise, (ii) to the extent permitted by applicable law, enter, with or without process of law and without breach of the peace, any premise where any of the Collateral is or may be located, and without charge or liability to it seize and remove such Collateral from such premises, (iii) have access to and use the Borrower's books and records relating to the Collateral and (iv) prior to the disposition of the Collateral, store or transfer it without charge in or by means of any storage or transportation facility owned or leased by the Borrower, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Agent deems appropriate and, in connection with such preparation and disposition, use without charge any copyright, trademark, trade name, patent or technical process used by the Borrower.

(C) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) the Agent may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Copyrights, Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Agent shall in its sole discretion determine;

(ii) the Agent may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Borrower in, to and under any Copyright Licenses, Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, and the Borrower hereby releases the Agent and each of the other Secured Parties from, and agrees to hold the Agent and each of the other Secured Parties free and harmless from and against any claims arising out of, any lawful action so taken or omitted to be taken with respect thereto; and

(iii) upon request by the Agent, the Borrower will execute and deliver to the Agent a power of attorney, in form and substance satisfactory to the Agent, for the implementation of any lease, assignment, license, sublicense, grant of option, sale or other disposition of a Copyright, Patent or Trademark. In the event of any such disposition pursuant to this Section, the Borrower shall supply its know-how and expertise relating to the manufacture and sale of the products bearing Trademarks or the products or services made or rendered in connection with Patents, and its customer lists and other records relating to such Patents or Trademarks and to the distribution of said products, to the Agent.

SECTION 8. Limitation on Duty of Agent
in Respect of Collateral.

Beyond the safe custody thereof, the Agent shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee

or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Agent in good faith.

SECTION 9. Application of Proceeds

Upon the occurrence and during the continuance of an Event of Default, the proceeds of any sale of, or other realization upon, all or any part of the Collateral and any cash held in the Collateral Account shall be applied by the Agent in the following order of priorities:

first, to payment of the expenses of such sale or other realization, including reasonable compensation to the Agent and its agents and counsel, and all expenses, liabilities and advances incurred or made by the Agent in connection therewith, and any other unreimbursed expenses for which the Agent or any other Secured Party is to be reimbursed pursuant to Section 12.03 of the Credit Agreement or Section 13 hereof and unpaid fees owing to the Agent under the Credit Agreement;

second, to the ratable payment of accrued but unpaid interest on the Secured Obligations and amounts owing to the Secured Parties in respect of Secured Interest Rate Indebtedness; provided that any payments made or to be made to the Borrower pursuant to any Interest Rate Agreements shall be applied first to the payment in full of the accrued but unpaid interest on the Term Loans of the Borrower and the Term Loan Notes issued by the Borrower and then ratably amongst such other Secured Obligations;

third, to the ratable payment of unpaid principal of the Secured Obligations;

fourth, to the ratable payment of all other amounts payable by the Borrower under the Credit Agreement;

fifth, to the ratable payment of all other Secured Obligations, until all Secured Obligations shall have been paid in full; and

finally, to payment to the Borrower or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

The Agent may make distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

SECTION 10. Assigned Agreements

The Borrower hereby irrevocably authorizes and empowers the Agent for and on behalf of the Secured Parties, in the Agent's sole discretion, if an Event of Default has occurred and is continuing, to assert, either directly or on behalf of the Borrower any claims the Borrower may have, from time to time, against any other party to the Assigned Agreements or to otherwise exercise any right or remedy of the Borrower under the Assigned Agreements (including, without limitation, the right to enforce directly against any party to an Assigned Agreement all of the Borrower's rights thereunder, to make all demands and give all notices and make all requests required or permitted to be made by the Borrower under the Assigned Agreements) as the Agent may deem proper. The Borrower hereby irrevocably makes, constitutes and appoints the Agent (and all officers, employees or agents designated by the Agent) as the Borrower'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. The Borrower shall keep the Agent informed of all material circumstances bearing upon the right, title and interest of the Borrower under the Assigned Agreements.

SECTION 11. Concerning the Agent

The provisions of Section 11 of the Credit Agreement shall inure to the benefit of the Agent in respect of this Agreement and shall be binding upon the parties to the Credit Agreement in such respect. In furtherance and not in

derogation of the rights, privileges and immunities of the Agent therein set forth:

(A) The Agent is authorized to take all such action as is provided to be taken by it as Agent hereunder and all other action reasonably incidental thereto. As to any matters not expressly provided for herein (including, without limitation, the timing and methods of realization upon the Collateral) the Agent shall act or refrain from acting in accordance with written instructions from the Majority Banks or, in the absence of such instructions, in accordance with its discretion.

(B) The Agent shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder. The Agent shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Agreement by the Borrower.

SECTION 12. Appointment of Co-Agents

At any time or times, in order to comply with any legal requirement in any jurisdiction, the Agent may appoint another bank or trust company or one or more other persons, either to act as co-agent or co-agents, jointly with the Agent, or to act as separate agent or agents on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment (which may, in the discretion of the Agent, include provisions for the protection of such co-agent or separate agent similar to the provisions of Section 11).

SECTION 13. Expenses

In the event that the Borrower fails to comply with the provisions of the Credit Agreement or this Agreement, such that the value of any Collateral or the validity, perfection, rank or value of any Security Interest is thereby diminished or potentially diminished or put at risk, the Agent if requested by the Majority Banks may, but shall not be required to, effect such compliance on behalf of the Borrower, and the Borrower shall reimburse the Agent for the

costs thereof on demand. All insurance expenses and all expenses of protecting, storing, warehousing, appraising, insuring, handling, maintaining, and shipping the Collateral, any and all excise, property, sales, and use taxes imposed by any state, federal, or local authority on any of the Collateral, or in respect of periodic appraisals and inspections of the Collateral to the extent the same may be requested by the Majority Banks from time to time, or in respect of the sale or other disposition thereof shall be borne and paid by the Borrower; and if the Borrower fails to promptly pay any portion thereof when due, except, if no Event of Default has occurred and is continuing, with respect to taxes which are being contested as permitted by Section 9.02 of the Credit Agreement, the Agent or any other Secured Party may, at its option, but shall not be required to, pay the same and charge the Borrower's account therefor (giving notice of such charge to the Borrower), and the Borrower agrees to reimburse the Agent or such Secured Party therefor on demand. All sums so paid or incurred by the Agent or any other Secured Party for any of the foregoing and any and all other sums for which the Borrower may become liable hereunder and all costs and expenses (including attorneys' fees, legal expenses and court costs) reasonably incurred by the Agent or any other Secured Party in enforcing or protecting the Security Interests or any of their rights or remedies under this Agreement, shall, together with interest thereon until paid at the rate applicable to Prime Rate Loans made under the Credit Agreement, be additional Secured Obligations hereunder.

SECTION 14. Termination of Security Interests; Release of Collateral

Upon the repayment in full of all Secured Obligations and the termination of the Commitments and Letters of Credit under the Credit Agreement and the expiration or termination of the commitments of the Banks to make payments under any Interest Rate Agreements, the Security Interests shall terminate and all rights to the Collateral shall revert to the Borrower. At any time and from time to time prior to such termination of the Security Interests, the Agent may release any of the Collateral with the prior written consent of the Banks. Upon any such termination of the Security Interests or release of Collateral, the Agent will, at the expense of the Borrower, execute and deliver to the Borrower such documents as the Borrower shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be.

SECTION 15. Notices

All notices, approvals, requests, demands and other communications hereunder shall be given in accordance with Section 12.02 of the Credit Agreement.

SECTION 16. Waivers, Non-Exclusive Remedies

No failure on the part of the Agent to exercise, and no delay in exercising and no course of dealing with respect to, any right under the Credit Agreement or this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent of any right under the Credit Agreement or this Agreement preclude any other or further exercise thereof or the exercise of any other right. The rights in this Agreement and the Credit Agreement are cumulative and are not exclusive of any other remedies provided by law.

SECTION 17. Successors and Assigns

This Agreement is for the benefit of the Agent and the other Secured Parties and their successors and assigns, and in the event of an assignment of all or any of the Secured Obligations, the rights hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This Agreement shall be binding on the Borrower and its successors and assigns.

SECTION 18. Changes in Writing

Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing signed by the Borrower and the Agent with the consent of the Majority Banks.

SECTION 19. New York Law

This Agreement shall be construed in accordance with and governed by the laws of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than New York are governed by the laws of such jurisdiction.

SECTION 20. Severability

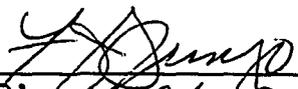
If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Agent and the other Secured Parties in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 21. Counterparts

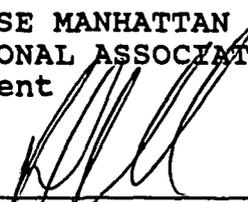
This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

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

LAROCHE CHEMICALS INC.

By 
Title: V.P. & CFO

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By 
Title: VP

STATE OF GEORGIA)
 : ss.:
COUNTY OF DEKALB)

This instrument was acknowledged before me on July 26, 1988 by F.J. Prinzo, Vice President and Chief Executive Officer of LAROCHE CHEMICALS INC., a Delaware corporation, on behalf of said corporation.



Notary Public in and for The
State of Georgia

Name: Wendy L. Bryan

My Commission Expires:
September 4, 1988

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 26th day of July, 1988 before me personally came PAUL BECKWITH, to me known, who, being by me duly sworn, did depose and says that he resides at NEW YORK, NEW YORK; that he is a VICE PRESIDENT OF THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), the association described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said association.



Notary Public

TERRI S. GALLO
Notary Public, State of New York
No. 43-5431930
Qualified in Richmond County
Term Expires February 28, 1989

PERFECTION CERTIFICATE

The undersigned, the president and chief legal officer of LAROCHE CHEMICALS INC., a Delaware corporation (the "Borrower"), hereby certify with reference to the Security Agreement dated as of July 25, 1988 between the Borrower and The Chase Manhattan Bank (National Association), as Agent (terms defined therein being used herein as therein defined), to the Agent and each Secured Party as follows:

1. Names. (a) The exact corporate name of the Borrower as it appears in its certificate of incorporation is as follows:

LaRoche Chemicals Inc.

(b) Set forth below is each other corporate name the Borrower has had since its organization, together with the date of the relevant change:

None

(c) The Borrower has not changed its identity or corporate structure in any way within the past five years.

(d) The following is a list of all other names (including trade names or similar appellations) used by the Borrower or any of its divisions or other business units at any time during the past five years:

No Other names

2. Current Locations. (a) The chief executive office of the Borrower is located at the following address:

<u>Mailing Address</u>	<u>County</u>	<u>State</u>
Perimeter 400, Center Two 1100 Johnson Ferry Road, N.E. Atlanta, Georgia 30342	Fulton	Georgia

(b) The following are all the locations where the Borrower maintains any books or records relating to any Accounts:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
Borrower	P. O. Box 1031 Baton Rouge, LA 70821	East Baton Rouge Parish	Louisiana
Borrower	Chief Executive Office as above	Fulton	Georgia

(c) The following are all the places of business of the Borrower not identified above:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
Chalmette Facility	St. Bernard Highway P. O. Box 1600 Chalmette, LA 70044	St. Bernard Parish	Louisiana
Purvis Facility	Purvis Coke Plant North Highway Purvis, MS 39475	Lamar	Mississippi
Dolton Facility	14200 Cottage Grove Ave. Dolton, IL 60419	Cook	Illinois
Houston Office	12600 North Burrough Dr. Houston, TX 77067	Harris	Texas
Coke Calciner Facility	P. O. Box 220 Norco, LA 77079	[St. John Parish]	Louisiana
Brea Office	1800 East Lambert Road Suite 100A Brea, CA 92621	Orange	California
Research Facility	<u>Pleasanton, CA</u>	Alameda	California
Gramercy Facility	Airline Highway P. O. Box 337 Gramercy, LA 70052	[St. James Parrish]	Louisiana
Chagrin Office	30100 Chagrin Boulevard Cleveland, Ohio 44124	Cuyahoga	Ohio

(Patents), Exhibit C (Trademarks) and Exhibit D (Copyrights) (i) in the records of the Interstate Commerce Commission with respect to all Rolling Stock and Leased Rolling Stock and (ii) in the records of the United States Patent and Trademark Office with respect to all Patents and Trademarks, and no filings other than those referred to in paragraph 6 below related to such Patents, Trademarks, Rolling Stock and Leased Rolling Stock were discovered in such searches.

6. Filings. A duly signed financing statement on Form UCC-1 in substantially the form of Schedule 6(A) hereto has been duly filed in the Uniform Commercial Code filing office in each jurisdiction identified in paragraph 2(a), (b), and (c), and hereof, a duly signed copy of the Security Agreement has been duly filed with the Secretary of the Interstate Commerce Commission, and duly signed copies of the Patent Security Agreement and the Trademark Security Agreement have been duly filed with the United States Patent and Trademark Office.

7. Schedule of Filings. Attached hereto as Schedule 7 is a schedule setting forth filing information with respect to the filings described in paragraph 6 above.

8. Filing Fees. All filing fees and taxes payable in connection with the filings described in paragraph 6 above have been paid.

IN WITNESS WHEREOF, we have hereunto set our hands
this 25th day of July, 1988.

Name:
Title: Chairman

Harvey R. Linder
Title: Corporate Director,
Law, Human & Corporate
Resources

Description of Collateral

All accounts, contract rights, general intangibles, inventory, equipment, chattel paper and documents, now owned or hereafter acquired, wherever located and all proceeds thereof.

SCHEDULE OF FILINGS

<u>Debtor</u>	<u>Filing Officer</u>	<u>File Number</u>	<u>Date of Filing*</u>
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* Indicate lapse date, if other than fifth anniversary.

PATENT SECURITY AGREEMENT

(PATENTS, PATENT APPLICATIONS AND PATENT LICENSES)

WHEREAS, LaRoche Chemicals Inc., a Delaware corporation (herein referred to as "Grantor") owns the Patents listed on Schedule 1 annexed hereto, and is a party to the Patent Licenses listed on Schedule 1 annexed hereto;

WHEREAS, the Grantor, certain banks and The Chase Manhattan Bank (National Association), as agent for such banks, are parties to a Credit Agreement of even date herewith (as the same may be amended and in effect from time to time among said parties and such subsidiaries of the Grantor and such banks (the "Banks") as may from time to time be parties thereto, the "Credit Agreement");

WHEREAS, the Company may, after the date hereof, become obligated to the Banks in respect of indebtedness under one or more Interest Rate Agreements (as defined in the Credit Agreement) as contemplated by Section 9.23 of the Credit Agreement;

WHEREAS, pursuant to the terms of the Security Agreement dated as of July 25, 1988 (as said Agreement may be amended and in effect from time to time, the "Security Agreement"), between Grantor and The Chase Manhattan Bank (National Association), as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity, the "Grantee"), Grantor has granted to Grantee for the ratable benefit of such secured parties a security interest in substantially all the assets of the Grantor including all right, title and interest of Grantor in, to and under all Grantor's Patents (as defined in the Security Agreement), together with any reissue, continuation, continuation-in-part or extension thereof, all Grantor's Patent applications and all Grantor's Patent Licenses (as defined in the Security Agreement), whether presently existing or hereafter arising or acquired, and all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents, to secure the payment of all amounts owing by the Grantor under the Credit Agreement and obligations of the Grantor constituting Secured Interest Rate Indebtedness (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether presently existing or hereafter arising or acquired:

(i) each Patent and Patent application, including, without limitation, each Patent and Patent application referred to in Schedule 1 annexed hereto;

(ii) each Patent License, including, without limitation, each Patent License listed on Schedule 1 annexed hereto; and

(iii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent, including, without limitation, any Patent referred to in Schedule 1 annexed hereto, and any Patent licensed under any Patent License listed, including, without limitation, any Patent License listed on Schedule 1 annexed hereto.

This security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Security Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be duly executed by its officer thereunto duly authorized as of the 25th day of July, 1988.

LAROCHE CHEMICALS INC.

By: _____
Title: President

Acknowledged:

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By: _____
Title: Vice President

STATE OF GEORGIA) : ss.:
COUNTY OF DEKALB)

On the 25th day of July, 1988 before me personally came C.M. Henderson, to me personally known and known to me to be the person described in and who executed the foregoing instrument as President of LAROCHE CHEMICALS INC. who being by me duly sworn, did depose and say that he resides at Atlanta, Georgia; that he is President of LAROCHE CHEMICALS INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that the said instrument was signed and sealed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Wendy L. Bryan
Notary Public

Notary Public, State of Georgia

[Seal]

My commission expires:
September 4, 1988

PATENTS

A. U.S. Patents

<u>I.D. No.</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
1. Caustic Chlorine (K.25.200)	4,076,603	02/28/78	CAUSTIC AND CHLORINE PRO- DUCTION PROCESS
	4,077,463	03/07/78	CAUSTIC COOLING SYSTEM
2. Gramercy Fluorocarbons (L.25.200)	3,843,546	10/12/74	PROCESS FOR FLUORINATING CHLOROALKANES AND FLUORI- NATING COMPOSITION THERE- FOR
	4,102,981	07/25/78	REMOVAL OF ACIDIC IM- PURITY FROM CHLOROFLURO- METHANES
3. Specialty Aluminas (N.25.200)	3,594,982	07/27/71	PROCESS FOR DRYING UN- SATURATED ORGANIC GASEOUS COMPOUNDS
	3,608,060	09/21/71	METHOD OF MAKING CELLULAR ACTIVATED ALUMINA
	3,623,837	11/30/71	PROCESS FOR PRODUCING FINE PARTICLE SIZE ALUMINA HYDRATES
	3,623,993	11/30/71	ALUMINA DESICCANT FOR DRYING UNSATURATED ORGANIC GASEOUS COMPOUNDS
	3,630,670	12/28/71	PSEUDOBOEHMITIC ALUMINA AND PROCESS FOR MAKING SAME
	3,699,041	10/17/72	SURFACE MODIFIED ALUMINA HYDRATE FILLER

<u>I.D. No.</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
3,714,313	01/30/73		AGGLOMERATING PARTIALLY DEHYDRATED GEL-DERIVED PSEUDOBOEHMITIC ALUMINA TO FORM STRONG POROUS SPHERES
3,725,531	04/03/73		CATALYTIC CONVERSION OF ORGANIC SULFUR COMPONENTS OF INDUSTRIAL OFF-GASES
3,739,062	06/12/73		DIRECT CONVERSION OF DAWSONITE TO PSEUDOBOEHMITE
3,826,775	07/30/74		MODIFIED ALUMINA HYDRATE FLAME RETARDANT FILLER FOR POLYPROPYLENE
3,832,442	08/27/74		METHOD FOR PRODUCING ALUMINA HYDRATES
3,860,688	01/14/75		PRODUCTION OF HIGH PURITY ALUMINA HYDRATE
3,878,166	05/15/75		FLAME RETARDANT POLYMERIC COMPOSITIONS
3,879,310	04/22/75		SURFACE STABILIZED ACTIVE ALUMINA
3,928,236	12/23/75		ALUMINA CATALYST CARRIERS AND THE PROCESS FOR PRODUCING THEM
4,001,144	01/04/77		PROCESS FOR MODIFYING THE PORE VOLUME DISTRIBUTION OF ALUMINA BASE CATALYST SUPPORTS
4,045,234	08/30/77		PROCESS FOR PRODUCING HIGH DENSITY SINTERED ALUMINA
4,076,580	02/28/78		FLAME RETARDANT CELLULOSIC BOARDS
4,126,473	11/21/78		FLAME RETARDING COMPOSITION FOR CELLULOSIC BOARDS

<u>I.D. No.</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
4,216,130	08/05/80		BAUXITE AS FLAME-RETARDANT FILLER FOR POLYMER COMPOSITIONS
4,639,259	01/27/87		PROMOTED SCAVENGER FOR PURIFYING HCL-CONTAMINATED GASES

B. U.S. Patent Applications

- Claus Catalyst High Macro Porosity, Serial No. 30013
- Catalyst for Fluorocarbons, Serial No. 62655
- Alumina of High Macroporosity and Stability, Serial No. 177,233
- One half an undivided interest in Alumina-Titania Composition, filed in U.S. Patent Office on April 28, 1988 (other half interest held by Harshaw-Filtrol Partnership).

C. Foreign Patents

<u>I.D. No.</u>	<u>Title</u>	<u>Patent No.</u>	<u>Issue Date</u>
1. Specialty Aluminas	METHOD OF MAKING CELLULAR ACTIVATED ALUMINA	Canada-894,227	02/29/72
	PROCESS FOR DRYING UNSATURATED ORGANIC GASEOUS COMPOUNDS	Canada-942,203	02/19/74
	ALUMINA DESICCANT FOR DRYING UNSATURATED ORGANIC GASEOUS COMPOUNDS	Canada-944,757	04/02/74
	METHOD FOR PRODUCING ALUMINA HYDRATES	Canada-946,129	04/30/74
	PSEUDOBOEHMITIC ALUMINA AND PROCESS FOR MAKING SAME	Canada-937,028	11/20/73
	" "	France-7,118,565	01/06/75

<u>I.D. No.</u>	<u>Title</u>	<u>Patent No.</u>	<u>Issue Date</u>
"	"	Germany- serial no. P21 25 625.7	filed 05/24/71
"	"	Japan- 871,883	07/20/77
	SURFACE MODIFIED ALUMINA HYDRATE FILLER	Canada- 949,705	06/25/74
	GEL DERIVED ALUMINA SHAPES AND METHOD OF MAKING SAME	Canada- 940,542	01/22/77
"	"	France- 7,141,887	08/21/72
"	"	Great Britain- 1,318,336	09/23/73
"	"	Japan- 954,863	05/31/79
	CATALYTIC CONVERSION OF ORGANIC SULFUR COMPONENTS OF INDUS- TRIAL OFF-GASES	Canada- 939,118	01/01/74
"	"	France- 7,205,801	03/21/77
	MODIFIED ALUMINA HYDRATE FLAME RETAR- DANT FILLER FOR POLY- PROPYLENE	Australia- 469,270	05/14/76
"	"	Canada- 1,013,879	07/12/77
	PRODUCTION OF HIGH PURITY ALUMINA HYDRATE	Canada- 1,010,630	04/20/77E
	FLAME RETARDANT POLYMERIC COMPOSI- TIONS	Canada- 1,021,489	11/22/77

<u>I.D. No.</u>	<u>Title</u>	<u>Patent No.</u>	<u>Issue Date</u>
	THERMALLY STABLE SHAPED ALUMINA CATALYST CARRIERS	Canada- 1,049,483	02/27/79
	" "	France- 7,535,881	01/28/80
	" "	Great Britain- 1,468,648	07/27/77
	PROCESS FOR MODIFY- ING THE PORE VOLUME DISTRIBUTION OF ALUMINA BASE CATALYST SUPPORTS	Canada- 1,069,873	01/15/80
	" "	France- 2,335,263	11/08/82
	" "	Germany- 2,648,338	02/06/86
	" "	Great Britain- 1,493,909	03/06/86
	" "	Japan- 986,280	02/07/80
	FLAME RETARDING COM- POSITIONS FOR CELLU- LOSIC BOARDS	Canada- 1,089,605	11/18/80
	BAUXITE AS FLAME-RE- TARDANT FILLER FOR POLYMER COMPOSITIONS	Canada- 1,102,499	06/02/81
	PROMOTED SCAVENGER FOR PURIFYING HCL- CONTAMINATED GASES	Australia- serial no. 63564/86	filed 10/07/86

TRADEMARK SECURITY AGREEMENT

(TRADEMARKS, TRADEMARK REGISTRATIONS, TRADEMARK APPLICATIONS
AND TRADEMARK LICENSES)

WHEREAS, LaRoche Chemicals Inc., a Delaware corporation (herein referred to as "Grantor"), owns the Trademark and Trademark registration listed on Schedule 1 annexed hereto;

WHEREAS, the Grantor, certain banks and The Chase Manhattan Bank (National Association), as agent for such banks, are parties to a Credit Agreement of even date herewith (as the same may be amended and in effect from time to time among said parties and such subsidiaries of the Grantor and such banks (the "Banks") as may from time to time be parties thereto, the "Credit Agreement");

WHEREAS, the Company may, after the date hereof, become obligated to the Banks in respect of indebtedness under one or more Interest Rate Agreements (as defined in the Credit Agreement) as contemplated by Section 9.23 of the Credit Agreement;

WHEREAS, pursuant to the terms of the Security Agreement dated as of July 25, 1988 (as said Agreement may be amended and in effect from time to time, the "Security Agreement"), between Grantor and The Chase Manhattan Bank (National Association), as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity, the "Grantee"), Grantor has granted to Grantee for the ratable benefit of such secured parties, a security interest in substantially all the assets of the Grantor including all right, title and interest of Grantor in, to and under all Grantor's Trademarks (as defined in the Security Agreement), Trademark registrations, together with any reissues, extensions or renewals thereof, Trademark applications and Trademark Licenses (as defined in the Security Agreement), whether presently existing or hereafter arising or acquired, together with the goodwill of the business symbolized by the Trademarks and the applications therefor and the registrations thereof, and all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement or dilution thereof or injury to the associated goodwill, to secure the payment of all amounts owing by the Grantor under

the Credit Agreement and obligations of the Grantor constituting Secured Interest Rate Indebtedness (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter arising or acquired:

(i) each Trademark, Trademark registration and Trademark application, including, without limitation, each Trademark and Trademark registration referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application;

(ii) each Trademark License and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark licensed; and

(iii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademarks and Trademark registrations referred to in Schedule 1 annexed hereto, and any Trademark licensed under any Trademark License, or for injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License.

This security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Security Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 25th day of July, 1988.

LAROCHE CHEMICALS INC.

By: _____
Title: President

Acknowledged:

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By: _____
Title: Vice President

STATE OF GEORGIA) : ss.:
COUNTY OF DEKALB)

On the 25th day of July, 1988 before me personally came C.M. Henderson, to me personally known and known to me to be the person described in and who executed the foregoing instrument as President of LAROCHE CHEMICALS INC. who being by me duly sworn, did depose and say that he resides at Atlanta, Georgia; that he is President of LAROCHE CHEMICALS INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that the said instrument was signed and sealed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Wendy L. Bryan
Notary Public

Notary Public, State of Georgia

[Seal]

My commission expires:
September 4, 1988

U.S. TRADEMARK REGISTRATIONS

A. U.S. Registered Trademarks

<u>Product</u>	<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
1. Carbon Calcining (A.25.201)	RT RAMPASTE	1,389,097	04/08/86

B. Trade Names

	<u>Trade Name</u>	<u>Product</u>
1. Gramercy Fluorocarbons	K-11	Fluorocarbons
	K-12	Fluorocarbons
	K-22	Fluorocarbons
	K-502	Flouorocarbons
2. Specialty Aluminas	A-1	Activated Alumina
	A-2	Activated Alumina
	A-201	Activated Alumina
	A-201(HF)	Activated Alumina (Fluoride Scavenger)
	A-203(CL)	Activated Alumina (Chloride Scavenger)
	A-204	Activated Alumina
	A-300	Activated Alumina
	A-305(CS)	Activated Alumina (Spherical)
	C-1	Calcined Alumina
	C-2	Calcined Alumina

<u>Trade Name</u>	<u>Product</u>
C-3	Calcined Alumina
C-4	Calcined Alumina
C-5R	Calcined Alumina
C-11	Calcined Alumina
C-55	Calcined Alumina
C-60	Calcined Alumina
C-70	Calcined Alumina
C-75	Calcined Alumina
C-77	Calcined Alumina
C-79	Calcined Alumina
DRYSEP	Desiccant
D-201	Desiccant
DCF	Tabular Dust Collector Fines
H-30	Hydrated Alumina
H-31	Hydrated Alumina
H-36	Hydrated Alumina
S-200	Claus Catalyst
S-201	Claus Catalyst
S-301	Claus Catalyst
S-501	Claus Catalyst
S-701	Claus Catalyst
SoAl 200	Sodium Aluminate
SoAl 235	Sodium Aluminate
SoAl 235	Sodium Aluminate
SoAl 245	Sodium Aluminate

<u>Trade Name</u>	<u>Product</u>
SoAl 255	Sodium Aluminate
T-1050	Tabular Alumina
T-1061	Tabular Alumina
Versal 150	Catalyst Grade Alumina
Versal 250	Catalyst Grade Alumina
Versal 400	Catalyst Grade Alumina
Versal 450	Catalyst Grade Alumina
Versal 850	Catalyst Support Grade Alumina
Versal 900	Alumina, Highly Disperse
Versal 901	Alumina, Highly Disperse
Versal B	Catalyst Grade Alumina
Versal GH	Catalyst Support or Wash Grade Alumina
Versal GL	Catalyst Support or Wash Grade Alumina

COPYRIGHT SECURITY AGREEMENT

(COPYRIGHTS, COPYRIGHT APPLICATIONS AND COPYRIGHT LICENSES)

WHEREAS, LaRoche Chemicals Inc., a Delaware corporation (herein referred to as "Grantor") owns the Copyrights listed on Schedule 1 annexed hereto, and is a party to the Copyright Licenses listed on Schedule 1 annexed hereto;

WHEREAS, the Grantor, certain banks and The Chase Manhattan Bank (National Association), as agent for such banks, are parties to a Credit Agreement of even date herewith (as the same may be amended and in effect from time to time among said parties and such subsidiaries of the Grantor and such banks (the "Banks") as may from time to time be parties thereto, the "Credit Agreement");

WHEREAS, the Company may, after the date hereof, become obligated to the Banks in respect of indebtedness under one or more Interest Rate Agreements (as defined in the Credit Agreement) as contemplated by Section 9.23 of the Credit Agreement;

WHEREAS, pursuant to the terms of the Security Agreement dated as of July 25, 1988 (as said Agreement may be amended and in effect from time to time, the "Security Agreement"), between Grantor and The Chase Manhattan Bank (National Association), as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity, the "Grantee"), Grantor has granted to Grantee for the ratable benefit of such secured parties a security interest in substantially all the assets of the Grantor including all right, title and interest of Grantor in, to and under all Grantor's Copyrights (as defined in the Security Agreement), together with any reissue, continuation, continuation-in-part or extension thereof, all Grantor's Copyright applications and all Grantor's Copyright Licenses (as defined in the Security Agreement), whether presently existing or hereafter arising or acquired, and all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Copyrights, to secure the payment of all amounts owing by the Grantor under the Credit Agreement and obligations of the Grantor constituting Secured Interest Rate Indebtedness (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Copyright Collateral"), whether presently existing or hereafter arising or acquired:

(i) each Copyright and Copyright application, including, without limitation, each Copyright referred to in Schedule 1 annexed hereto;

(ii) each Copyright License, including, without limitation, each Copyright License listed on Schedule 1 annexed hereto; and

(iii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Copyright, including, without limitation, any Copyright referred to in Schedule 1 annexed hereto, and any Copyright licensed under any Copyright License listed, including, without limitation, any Copyright License listed on Schedule 1 annexed hereto.

This security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Security Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the security interest in the Copyright Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

STATE OF GEORGIA) : ss.:
COUNTY OF DEKALB)

On the 25th day of July, 1988 before me personally came C.M. Henderson, to me personally known and known to me to be the person described in and who executed the foregoing instrument as President of LAROCHE CHEMICALS INC. who being by me duly sworn, did depose and say that he resides at Atlanta, Georgia; that he is President of LAROCHE CHEMICALS INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that the said instrument was signed and sealed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Wendy L. Bryan
Notary Public

Notary Public, State of Georgia

[Seal]

My commission expires:
September 4, 1988

IN WITNESS WHEREOF, Grantor has caused this
Copyright Security Agreement to be duly executed by its
officer thereunto duly authorized as of the 25th day of July,
1988.

LAROCHE CHEMICALS INC.

By: _____
Title: President

Acknowledged:

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By: _____
Title: Vice President

COPYRIGHTS

<u>Subject</u>	<u>No.</u>	<u>Issue Date</u>	<u>Title</u>
1. Gramercy Fluorocarbons			
	A648979	06/30/75	AT ISSUE: FLUORO-CARBONS
	A314655	02/22/72	REFRIGERATOR & AIR CONDITIONING
2. Specialty Aluminas			
	TX-1-516-385	10/16/84	A GLOSSARY OF TERMS MOST FREQUENTLY USED IN ALUMINA TECHNOLOGY
	TX-180-122	01/22/79	S-701 TECHNICAL BULLETIN
	A 454241	07/31/73	SPHERICAL CLAUS CATALYST
	A 611272	03/05/75	ALUMINA HYDRATE FILLERS

ROLLING STOCK, LEASED ROLLING STOCK
AND ROLLING STOCK LEASES

Rolling Stock

KACX 5003
KACX 5005
KACX 5008
KACX 5009
KACX 5010
KACX 5015
KACX 5018
KACX 5021
KACX 5022
KACX 5023
KACX 5030
KACX 5035
KACX 5037
KACX 5038

Rolling Stock Leases and Leased Rolling Stock

Lease dated November 1, 1964 between Union Tank Car Company and Kaiser Aluminum & Chemical Corporation, as amended April 1, 1984, October 10, 1984, April 9, 1985, May 1, 1985, December 1, 1985, January 1, 1986, January 6, 1986, April 4, 1986, April 18, 1986, May 28, 1986, June 1, 1986, June 16, 1986, July 1, 1986, April 1, 1987, June 1, 1987, July 1, 1987, August 1, 1987 and March 1, 1988.

UTLX 030500
UTLX 030501
UTLX 030502
UTLX 030503
UTLX 030504
UTLX 030505
UTLX 030506
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UTLX 030508
UTLX 030509
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UTLX 064935
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UTLX 630007
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UTLX 630012
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UTLX 043401
UTLX 044621
UTLX 045939
UTLX 045940
UTLX 045997

UTLX 081034
UTLX 082462

Leases dated as of December 22, 1981, May 28, 1982, September 19, 1983, October 31, 1984, February 22, 1985, and April 30, 1985 between General American Tank Car Co. Services and Kaiser Aluminum & Chemical Corporation.

GATX 92976
GATX 92977
GATX 92979
GATX 92980
GATX 98674
GATX 98675
GATX 98677
GATX 98678
GATX 98679
GATX 98680
GATX 94610
GATX 94611
GATX 94612
GATX 94613
GATX 94614
GATX 94615
GATX 94616
GATX 94617
GATX 94618
GATX 94619
GATX 83407
GATX 83410
GATX 83414
GATX 83417
GATX 83421
GATX 83424
GATX 83464
GATX 83481
GATX 83468
GATX 83493
GATX 83590
GATX 84726
GATX 84750
GATX 84751
GATX 99674
GATX 99675
GATX 99676
GATX 99677
GATX 99678
GATX 99679
GATX 99680

GATX 99681
GATX 99682
GATX 99683
GATX 81777
GATX 81780
GATX 81781
GATX 81782
GATX 82783
GATX 81784
GATX 81785
GATX 81786
GATX 81787
GATX 81788
GATX 81789
GATX 81790
GATX 81791
GATX 81792
GATX 81793

Lease dated as of October 1, 1984 between General Electric
Railcar Services and Kaiser Aluminum & Chemical Corporation.

NAHX 93560
NAHX 93583
NAHX 93584
NAHX 390292
NAHX 99640
NAHX 99654
NAHX 99655
NAHX 99656
NAHX 99657
NAHX 99658
NAHX 99659
NAHX 99660
NAHX 93355
NAHX 93356
NAHX 93357
NAHX 93442
NAHX 93443
NAHX 93585
NAHX 93701
NAHX 93702
NAHX 99666
NAHX 99667
NAHX 99668
NAHX 99669
NAHX 99670
NAHX 99721

NAHX 99723
NAHX 93444
NAHX 93445
NAHX 93446
NAHX 93447
NAHX 390111
NAHX 390114
NAHX 92994
NAHX 390117

Leases dated as of May 3, 1983, February 2, 1984, and March 27, 1986 between Transportation Equipment, Inc., and Kaiser Aluminum & Chemicals Corporation.

NAHX 390041
NAHX 390042
NAHX 390043
NAHX 390164
NAHX 390165
NAHX 390166
NAHX 390167
NAHX 390168
NAHX 390169
NAHX 390171
TEIX 22701
TEIX 22702
TEIX 22703
TEIX 22704
TEIX 22705
TEIX 22706
TEIX 22707
TEIX 22708
TEIX 22709
TEIX 22710
TEIX 22711
TEIX 22712
UTLX 48713

Leases dated as of January 31, 1976 between Pullman Leasing Co. and Kaiser Aluminum & Chemical Corporation.

TLDX 71726
TLDX 817055
TLDX 817056
TLDX 817057
TLDX 817061
TLDX 817064

TLDX 817065
TLDX 817066
TLDX 817067
TLDX 817068
TLDX 817069
TLDX 817070
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TLDX 216134
TLDX 216135
TLDX 216136
TLDX 216137
TLDX 216138
TLDX 216139
TLDX 216140
TLDX 216141
TLDX 216142

Lease between ACF Industries, Inc. (Shippers Car Line) and Kaiser Aluminum & Chemical Corporation, dated January 10, 1984, February 25, 1982, March 1, 1983, October 18, 1983, October 9, 1986, November 2, 1987, October 8, 1986, October 15, 1986, February 6, 1986, April 17, 1986, June 14, 1984, August 6, 1984, March 5, 1985, January 24, 1986, June 6, 1986, August 27, 1987, January 30, 1984, May 22, 1987, May 15, 1986, April 18, 1979, September 20, 1984, November 2, 1987, August 25, 1987, May 8, 1984.

ACFX 46110
ACFX 46175
ACFX 46177
ACFX 46179
ACFX 46181
ACFX 46182
ACFX 46183
ACFX 46185
ACFX 46188
ACFX 46206
ACFX 46207
ACFX 46210
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EXHIBIT F
to
EXHIBIT G

OPINION OF
COUNSEL FOR BORROWER

* * * *

The Security Agreement creates and constitutes as security for the Secured Obligations (as defined in the Security Agreement and including any future advances which are Secured Obligations), in favor of the Agent for the ratable benefit of the Secured Parties, a valid security interest in all right, title and interest of the Borrower in the Collateral and all right, title and interest of the Borrower in the Collateral Account. The security interests of the Agent in all right, title and interest of the Borrower in the Collateral created by the Security Agreement constitute perfected security interests under the Uniform Commercial Code, as in effect in the State of Georgia ("UCC"), the Interstate Commerce Act ("ICA"), the United States Copyright Act ("CA"), the United States Patent Act ("PA") and the United States Trademark Act ("TA"), to the extent that a security interest therein may be perfected under the UCC, the ICA, the CA, the PA or the TA. The priority of the security interests created by the Security Agreement in the Collateral in which the Borrower has rights on the date hereof will be the same with respect to (i) advances made or deemed made pursuant to the Credit Agreement after the date hereof and (ii) obligations of the Borrower with respect to any Interest Rate Agreement as with respect to any such advances made or obligations incurred on the date hereof, except to the extent that any priority may be affected by any security interest, lien or other encumbrance imposed by law in favor of any government or governmental authority or agency. Unless otherwise specifically defined herein, each term defined herein has the meaning assigned to such term in the Security Agreement.

With respect to the enforceability of the Security Documents, we express no opinion as to the availability of specific performance. Moreover, our opinion with respect to the enforceability of the Security Documents is subject to the further qualification that certain remedial provisions thereof may be limited by the law of the State of Georgia and applicable law of the United States of America, but such laws do not, in our opinion, make the remedies afforded thereby inadequate for the practical realization of the benefits of the security intended to be provided thereby.

[FORM OF LOCKBOX LETTER]

July __, 1988

Mellon Bank
1 Mellon Bank Center
Pittsburgh, Pennsylvania 15258

Re: LAROCHE CHEMICALS INC.

Gentlemen:

We hereby notify you that effective July 25, 1988, we have transferred exclusive ownership and control of our lockbox account no. 1162917 (the "Lockbox Account") maintained with you (the "Lockbox Account") to The Chase Manhattan Bank (National Association), as Agent (the "Agent").

We hereby irrevocably instruct you to make all payments to be made by you out of or in connection with the Lockbox Account (i) to the Agent for credit to account no. 910-2-59-0099 maintained by it at its office at 1 Chase Manhattan Plaza, New York, New York 10081 or (ii) as you may otherwise be instructed by the Agent.

We also hereby notify you that the Agent shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lockbox Account, including, without limitation, the right to specify when payments are to be made out of or in connection with the Lockbox Account.

All funds deposited into the Lockbox Account will not be subject to deductions, set-off, banker's lien or any other right in favor of any other person than the Agent, except that you may set-off against the Lockbox Account the face amount of any check deposited in and credited to such Lockbox Account which is subsequently returned for any reason. Your compensation for providing the services contemplated herein shall be as mutually agreed between you and us from time to time and we will continue to pay such compensation.

Please confirm your acknowledgement of and agreement to the foregoing instructions by signing in the space provided below.

Very truly yours,

LAROCHE CHEMICALS INC.

By _____
Title:

Acknowledged and agreed
to as of this ___th day of
July, 1988.

MELLON BANK

By _____
Title: