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RECORDATION NO. **15594** Filed 1428

APR 20 1988 - 2:50 AM

INTERSTATE COMMERCE COMMISSION April 19, 1988

## VIA FEDERAL EXPRESS

Ms. Rita McGee  
Secretary  
Interstate Commerce Commission  
12th and Constitution Avenue, NorthWest  
Room 2215  
Washington, D.C. 20423

No. **8-111A045**  
Date **APR 20 1988**  
Fee \$ **13.00**

ICC Washington, D. C.

Rexene Corporation  
1988 LBO

Dear Secretary:

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

This document is a security agreement, a primary document, dated as of April 13, 1988.

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

Grantor: El Paso Products Company  
619 North Grant Street  
P.O. Box 3986  
Odessa, Texas 79760

Agent for the Secured Parties: Citibank, N.A., as agent  
641 Lexington Avenue  
New York, New York 10043

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A description of the equipment covered by the document follows:

Included in the property covered by the aforesaid security agreement are all railroad cars, locomotives, railroad tank cars, railroad hopper cars and other rolling stock intended for use related to interstate commerce, or interests therein, owned by El Paso Products Company at the date of said security agreement or thereafter acquired by it or its successors as owners of the railroad cars, locomotives, railroad tank cars, railroad hopper cars or other rolling stock covered by the security agreement.

A fee of \$13 (thirteen dollars) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to me at the following address:

Anders Laren  
Shearman & Sterling  
599 Lexington Avenue  
New York, New York 10022

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

Security Agreement between El Paso Products Company, 619 North Grant Street, P.O. Box 3986, Odessa, Texas 79760, grantor of the security interest, and Citibank, N.A., as agent, 641 Lexington Avenue, New York, New York 10043, dated as of April 13, 1988 and covering all right title and interest of El Paso Products Company in and to all rolling stock, whether owned at the date of said security agreement or thereafter acquired by it or its successors.

Please feel free to call if you have any questions. Thank you for your assistance.

Very truly yours,



Anders F. Laren

Interstate Commerce Commission  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

4/21/88

Anders F. Laren  
Shearman & Sterling  
599 Lexington Avenue  
New York, N.Y. 10022

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 4/20/88 at 2:50pm, and assigned recordation number(s). 15594

Sincerely yours,

*Narta L. McGee*  
Secretary

Enclosure(s)

1 5594  
RECORDATION NO. \_\_\_\_\_ FILED 2282

[EXECUTION COPY]

APR 20 1988-2 10 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of April 13, 1988

Made by

EL PASO PRODUCTS COMPANY

to

CITIBANK, N.A., as Agent

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SECURITY AGREEMENT dated as of April 13, 1988, made by EL PASO PRODUCTS COMPANY, a Delaware corporation with an office at 619 North Grant Street, P.O. Box 3986, Odessa, Texas 79760 (the "Grantor"), to CITIBANK, N.A., with an office at 641 Lexington Avenue, New York, New York 10043 ("Citibank"), as agent (the "Agent") for the Banks parties to the Credit Agreement (as hereinafter defined).

PRELIMINARY STATEMENT. The Banks and the Agent have entered into a Credit Agreement dated as of April 12, 1988, with El Paso Chemical Corporation, a Delaware corporation (said Agreement, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "Credit Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined), which, simultaneously with the execution of this Security Agreement, is merging with and into the Grantor. It is a condition precedent to the making of Advances by the Banks and the issuance by Citibank of Letters of Credit for the account of the Grantor under the Credit Agreement that the Grantor shall have granted the liens and security interests contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Banks to make Advances and Citibank to issue Letters of Credit under the Credit Agreement, the Grantor hereby agrees with the Agent for its benefit and the ratable benefit of the Banks as follows:

SECTION 1. Grant of Security. The Grantor hereby assigns and pledges to the Agent for its benefit and the ratable benefit of the Banks, and hereby grants to the Agent for its benefit and the ratable benefit of the Banks, a lien on and security interest in all of the right, title and interest of the Grantor in and to the following, whether now owned or hereafter acquired (the "Collateral"):

(a) All equipment in all of its forms, wherever located, now or hereafter existing (including, but not limited to, all catalyst systems, fractionation towers, deep well injection systems, boilers, reactors, manufacturing lines, "Liquid Pool" technology, blown film lines, cast lines, purification equipment, ammonia converter units, cuprous ammonium acetate liquid-liquid purification systems, hydrocarbon storage and loading and unloading facilities, storage tanks, storage bins, brine ponds, brine handling facilities, liquid waste disposal wells for brine disposal, underground storage wells, pumps, piping facilities, chillers, circulation pumps,

air conditioning units, pelletizers, core cutters, slitter rewinders, forklifts, electric lifts, power mixers, vacuum loaders, rail car unloaders, storage racks, silos, scales, vented vertruders, conveyors, film grinders, treater rolls, bow rolls, rubber wip rolls, motors, slit seal units, hole punchers, portable treaters, bag machines, film folders, auto screen changers, extruders, blown film dies, pallet wrappers, drill presses, core buffers, resin blenders, resin vacuum systems, pallet lifts, roll lifts, stencil cutting machines, edge guides, trim blowers, drive panels, control panels, crammer hoppers, treaters, lab equipment, office equipment, feed vaporizers, extractors, strippers, butadiene refrigeration packages, vapor recovery systems, scrubbers, compressors, tank car loading facilities, railroad trackage, fire water facilities, railroad tank cars, railroad hopper cars, heaters, heat exchangers, pipes and vessels, winders, drawings, books, records and equipment containing books and records or in which books and records are stored), and all parts thereof and all accessions thereto (any and all such equipment, parts and accessions being the "Equipment");

(b) To the extent not included above, all fixtures, wherever located, now or hereafter existing;

(c) All inventory in all of its forms, wherever located, now or hereafter existing (including, but not limited to, (i) all polypropylene resin, polyethylene resin, styrene monomer, amorphous polyalphaolefins, blown and cast plastic film, scrap film, thermoplastic resins, propylene, ethylene, benzene, propane, ethane, natural gas liquids, hydrocarbon liquids, petrochemicals, ammonia, nitric acid, butadiene, butylene, feedstocks, aromatic concentrate, butylene-butadiene concentrate, "THC-32A Catalyst", hydrogen, nitrogen, 4-dinitrophenol, brine solution, "PP 23B2A CSS226 (X0304)", hexane and "PP 17C9A" and raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (ii) goods in which the Grantor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Grantor has an interest or right as consignee), and (iii) goods that are returned to or repossessed by the Grantor), and all accessions thereto and products thereof and documents therefor (any and all such inventory, accessions, products and documents being the "Inventory");

(d) To the extent not covered by clause (e), (f) or (g) below, all cash, accounts, general intangibles (including, but not limited to, all tax refunds, know how, trade secrets, engineering plans, computer software, drawings and other proprietary information, patents and patent applications, unpatented inventions (whether or not patentable), copyrights, trademarks, trade names, service marks, the goodwill of the businesses relating thereto and trademark and service mark applications, license agreements relating to any of the foregoing and income therefrom, and the right to sue for all past, present and future infringements of the foregoing), contract rights (including, but not limited to, all rights of the Grantor to receive moneys due and to become due under or pursuant to any accounts, general intangibles and contract rights and all of the rights of the Grantor to terminate, and to perform, compel performance and otherwise exercise all remedies under, such accounts, general intangibles and contract rights), chattel paper, instruments and other obligations of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all rights now or hereafter existing in and to all mortgages, security agreements, leases and other contracts securing or otherwise relating to any such cash, accounts, general intangibles, contract rights, chattel paper, instruments or other obligations (any and all such cash, accounts, general intangibles, contract rights, chattel paper, instruments and obligations being the "Receivables", and any and all such mortgages, security agreements, leases and other contracts being the "Related Contracts");

(e) All rights of the Grantor under the agreements listed on Schedule I to the extent not prohibited by the terms of such agreements or otherwise permissible by law, as each of such agreements may be amended, supplemented or otherwise modified and in effect from time to time (such agreements as so amended or modified and in effect, being the "Assigned Agreements"), including, without limitation, (i) all rights of the Grantor to receive moneys due and to become due under or pursuant to the Assigned Agreements, (ii) all rights of the Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, (iii) claims of the Grantor for damages arising out of or for breach of or default or misrepresentation under the Assigned Agreements or any documents, instruments or opinions delivered pursuant thereto, and (iv) the right of the Grantor to terminate the Assigned Agreements, to

perform thereunder and to compel performance and otherwise exercise all remedies thereunder, and all rights now or hereafter existing in and to all mortgages, security agreements, leases and other contracts securing or otherwise relating to any such agreements;

(f) All of the following collateral (the "Account Collateral"):

(i) the Cash Collateral Account (as hereinafter defined), all funds held therein and all certificates and instruments, if any, from time to time representing or evidencing the Cash Collateral Account;

(ii) all Eligible Securities from time to time held and all certificates and instruments from time to time representing or evidencing Eligible Securities;

(iii) all Lockbox Accounts (as hereinafter defined), all funds held therein, and all certificates and instruments, if any, from time to time representing or evidencing the Lockbox Accounts;

(iv) all notes, certificates of deposit, deposit accounts, checks and other instruments from time to time hereafter delivered to or otherwise possessed by the Agent for or on behalf of the Grantor in substitution for or in addition to any or all of the then existing Account Collateral; and

(v) all interest, dividends, cash, instruments, general intangibles and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Account Collateral;

(g) all of the following collateral (the "Security Collateral"):

(i) all shares (the "Pledged Shares") of stock described in Part I of Schedule II and issued by the corporations named therein and the certificates representing the Pledged Shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Shares;

(ii) all indebtedness (the "Pledged Debt") described in Part II of Schedule II and issued by the obligors named therein and the instruments evidencing the Pledged Debt, all liens and security interests securing or purporting to secure the Pledged Debt, together with all mortgages, security agreements and other documents evidencing such liens and security interests, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Debt;

(iii) all additional shares of stock from time to time acquired by the Grantor in any manner, and the certificates representing such additional shares, and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional shares; and

(iv) all additional indebtedness from time to time owed to the Grantor and the instruments evidencing such indebtedness, all liens and security interests related to such indebtedness, together with all mortgages, security agreements and other documents evidencing such liens and security interests, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness;

(h) All proceeds of any and all of the foregoing Collateral (including, without limitation, proceeds that constitute property of the types described in clauses (a), (b), (c), (d), (e), (f) and (g) of this Section 1) and, to the extent not otherwise included, (x) all payments under insurance (whether or not the Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, and (y) all cash, wherever located, not included above in clause (x).

**SECTION 2. Security for Obligations.** This Agreement secures the payment of all obligations of every kind and character now or hereafter existing, whether matured or unmatured, contingent or liquidated, of each of the Loan Parties now or hereafter existing under the Credit Agreement,

the Notes, including any extensions, replacements, modifications, substitutions, amendments and renewals of the Notes (including, without limitation, the reimbursement and all other obligations of the Grantor in connection with the issuance of, and drawings under, the Letters of Credit), and the other Loan Documents, whether for principal, interest, fees, expenses or otherwise and all such obligations of the Grantor now or hereafter existing under this Agreement (all such obligations being the "Obligations").

SECTION 3. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Agent of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) neither the Agent nor any Bank shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Agent or any Bank be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. The Lockbox Accounts. (a) The Grantor presently maintains with certain banks (the "Lockbox Banks") certain lockboxes and certain blocked deposit accounts listed on Schedule III into which monies, instruments and other property are deposited from time to time (all such lockboxes and blocked deposit accounts, together with all other accounts disclosed to the Banks and the Agent and maintained with such financial institutions as are satisfactory to the Agent in its sole discretion and as to which a Lockbox Letter (as hereinafter defined) has been obtained in accordance with clause (ii) of subsection (b) below, and all monies, instruments and other property deposited therein being collectively the "Lockbox Accounts") for the deposit of cash and proceeds of Collateral (other than the Schedule 4 Collateral (as hereinafter defined)) and in connection with the collection of Receivables. The Grantor presently maintains with Texas Commerce Bank - Houston ("TCB"), a certain Lockbox Account (account number 172-7718) into which monies, instruments and other property are deposited from time to time (the "Concentration Account"). The Grantor hereby transfers to the Agent the exclusive dominion and control of the Lockbox Accounts, including, without limitation, the Concentration Account, and pledges and assigns to the Agent for its benefit and for the ratable

benefit of the Banks, and grants to the Agent for its benefit and for the ratable benefit of the Banks a lien on and security interest in, such Lockbox Accounts and all monies, instruments and other property from time to time therein.

(b) The Grantor hereby represents and warrants that (i) it has no Lockbox Accounts or other deposit accounts other than those listed on Schedule III and the permitted unblocked deposit accounts listed on Schedule IV, and (ii) it has delivered to the Agent fully executed letters, substantially in the form of Annex I hereto (the "Lockbox Letters"), from each and every Lockbox Bank, and agrees and covenants that all cash and proceeds of Collateral shall be deposited either in the Lockbox Accounts or in the Cash Collateral Account (as hereinafter defined).

(c) The Grantor hereby represents and warrants that it has instructed all existing Obligors (as hereinafter defined) and the Grantor agrees and covenants that it shall immediately instruct each new Obligor (as hereinafter defined) to make all payments, or to continue to make all payments, as the case may be, but subject to the terms and conditions hereof, to any of the Lockbox Accounts or to the Cash Collateral Account. "Obligor" means a Person obligated to make payments, whether now or at any time in the future, in any amount to the Grantor for any reason.

(d) In the event the Grantor or any Lockbox Bank shall, after the date hereof, terminate an agreement with respect to the maintenance of a Lockbox Account with any Lockbox Bank for any reason, or if the Agent shall demand such termination, the Grantor agrees to notify all Obligors that were making payments to such terminated Lockbox Account or Lockbox Bank to make all future payments to another Lockbox Bank with which the Grantor has an agreement with respect to the maintenance of a Lockbox Account that has not been terminated by the Grantor, by such Lockbox Bank or by demand from the Agent; provided, however, that if the Agent shall demand termination of all Lockbox Accounts of the Grantor with all Lockbox Banks, the Grantor agrees to notify all Obligors to make all future payments to the Agent to the Cash Collateral Account.

SECTION 5. Cash Collateral Account. (i) The Agent shall establish at the office of Citibank, 641 Lexington Avenue, New York, New York 10043, in the name of the Grantor but under the sole dominion and control of the Agent, a certain deposit account (account number 4050-9506) (the "Cash Collateral Account").

(ii) The Grantor shall instruct each Lockbox Bank to transfer, and, if the Grantor fails to so instruct each Lockbox Bank, the Grantor hereby grants the Agent the authority to instruct each Lockbox Bank to transfer, at the end of each Business Day, in same day funds, all available funds on deposit in the Lockbox Accounts in such Lockbox Bank on such day to the Concentration Account. The Grantor shall instruct TCB to transfer, and, if the Grantor fails to so instruct TCB, the Grantor hereby grants to the Agent the authority to instruct TCB to transfer, at the end of each Business Day, in same day funds, all available funds on deposit in the Concentration Account on such day to the Cash Collateral Account.

(iii) The Grantor shall deposit, at the end of each day, all proceeds of Collateral to any of the Lockbox Accounts or the Cash Collateral Account.

(iv) The Grantor shall, in addition to the deposits and transfers set forth above, deposit in any of the Lockbox Accounts or the Cash Collateral Account, at the end of each day, all cash of the Grantor in excess of \$10,000 in the aggregate, to be held by the Agent as Collateral for the Obligations in accordance with the terms of this Agreement.

(v) The Grantor hereby agrees that it shall not make or maintain any deposit in any deposit account with any financial institution other than (y) as provided herein or in any Lockbox Letter and (z) the permitted unblocked deposit accounts listed on Schedule IV in which the Grantor may maintain funds released to it by the Agent pursuant to Section 7.

**SECTION 6. Delivery of Account Collateral and Security Collateral.** All certificates or instruments, whether negotiable or otherwise, if any, representing or evidencing the Account Collateral or the Security Collateral, except those certificates of deposit listed in Schedule II (the "Certificates of Deposit") for so long as the Certificates of Deposit are pledged to secure the Debt described in clause A of Schedule 10 to the Credit Agreement, shall be delivered to and held by or on behalf of the Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Agent. For the better perfection of the rights of the Agent and the Banks in and to the Account Collateral and the Security Collateral, the Grantor shall forthwith, upon the pledge of any Account Collateral or Security Collateral hereunder and upon 5 days

written notice by the Agent to the Grantor, giving the reason therefor, cause such Account Collateral and such Security Collateral to be registered in the name of such nominee or nominees of the Agent as the Agent shall direct, subject, in the case of the Security Collateral, only to the revocable rights specified in Section 13. In addition, the Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Account Collateral or Security Collateral for certificates or instruments of smaller or larger denominations.

SECTION 7. Release of Amounts. (a) Subject to the penultimate sentence of this Section 7(a), on each Business Day the Agent (i) shall apply against the principal amount, if any is then outstanding, of the B Advances the available funds then on deposit in the Cash Collateral Account, and (ii) shall thereafter, upon request of the Grantor, release to the Grantor the amount of any remaining available funds after the foregoing application. Such release shall be effected by the Agent causing the transfer of such funds to be made in accordance with instructions given to the Agent by the Grantor and acceptable to the Agent. Notwithstanding the foregoing, the Agent will not release any funds from the Cash Collateral Account if a Default has occurred and is continuing, unless the Agent, in its sole discretion, elects to release such funds. Any election of the Agent to release such funds notwithstanding a Default shall be effective from day to day only and may be revoked or changed at any time and shall not constitute a waiver of such Default or of any remedies of the Agent or the Banks hereunder or under any other Loan Document.

(b) Subject to the right of the Agent to apply, transfer and release funds pursuant to Section 7(a) and subject to Section 18, if requested by the Grantor the Agent will, so long as no Event of Default has occurred and is continuing, from time to time invest funds on deposit in the Cash Collateral Account, reinvest proceeds of any such investments that may mature or be sold, and invest interest or other income received from any such investments, in each case in Eligible Securities, in the name of Citibank as Agent. "Eligible Securities" means such instruments described in clause (b), (c) or (d) of the definition of "Permitted Investments" in Section 1.01 of the Credit Agreement as the Borrower may select and the Agent may approve.

SECTION 8. Representations and Warranties. The Grantor represents and warrants as follows:

(a) The chief place of business and chief executive office of the Grantor are located at the address first specified above for the Grantor. The offices where the Grantor keeps its records concerning the Receivables, the original copies of the Assigned Agreements and of all chattel paper that evidences or constitutes Collateral are located at the address first specified above for the Grantor, at 2400 South Grandview, Odessa, Texas 79766 and at 1515 Woodfield Road, Suites 650 and 660, Schaumburg, Illinois 60173. Schedule V contains a complete and accurate list of the locations, by state, county and street address (where available), of all of the Equipment and Inventory except for rolling stock, motor vehicles or Inventory in transit. Schedule VI contains a complete and accurate list of the locations, by state, county and street address, of all of the fixtures of the Grantor.

(b) None of the Receivables is evidenced by a promissory note or other instrument, except for the Receivables listed on Schedule VII. The promissory notes and other such instruments evidencing the Receivables listed on Schedule VII, together with all relevant, undated executed instruments of transfer, have been delivered by the Grantor to the Agent.

(c) The Grantor has not changed within the past four months (i) the Grantor's name or identity or its corporate charter, by reorganization or otherwise, except pursuant to the El Paso Merger and the Polyolefins Merger, or (ii) the Grantor's address first specified above for the Grantor, except as set forth on Schedule VIII.

(d) The Assigned Agreements, true and complete copies of which have been delivered to each Bank, have (to the best of the Grantor's knowledge with respect to parties other than the Grantor) been duly authorized, executed and delivered by all parties and are in full force and effect and are binding upon and enforceable against all parties in accordance with their terms. There exist no material defaults by the Grantor under the Assigned Agreements and, to the best of the Grantor's knowledge, there exist no other defaults under the Assigned Agreements by any party to such Assigned Agreements.

(e) The Grantor is the legal and beneficial owner of the Collateral free and clear of any lien, security interest, option, charge or encumbrance except for Permitted Liens and the security interest created by this Agreement. No effective financing statement or other

instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Agent relating to this Agreement and those relating to Permitted Liens.

(f) Schedule IX contains a complete and accurate list as of the Closing Date of (i) all names under which the Grantor is or has been doing business within the last ten years, including, without limitation, trade names, division names and fictitious names (collectively, the "Trade Names"), (ii) all trade names owned by the Grantor or that the Grantor is licensed to use, including the expiration date of any such license, and (iii) all trade names that the Grantor has established the rights to use. During the six-year period preceding the Mergers, neither the Grantor nor any Person that has directly or indirectly merged, consolidated or amalgamated with or into the Grantor has had any trade name other than as listed on said Schedule IX.

(g) The Grantor has exclusive possession and control of the Equipment and Inventory except for Inventory in transit and rolling stock temporarily out of the Grantor's control and used for delivery and temporary storage of Inventory with a Fair Market Value not exceeding \$1,000,000 in the aggregate at any time.

(h) This Agreement creates a valid and perfected first priority lien on and security interest in the Collateral, except for Inventory in transit located in states where no Financing Statement has been filed, enforceable against all third parties and securing the payment of the Obligations, and all filings and other actions necessary or desirable or requested by the Agent to perfect and protect such liens and security interests have been duly made or taken, subject, as to such enforceability and first priority in respect of any item of Collateral, to the effect of any Permitted Liens.

(i) Except for the filing of financing statements necessary to perfect the liens and security interests granted hereby, which filings have been duly made and are in full force and effect, no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental, administrative or judicial authority or regulatory body, and no payment of any stamp or similar tax on or in respect of this Agreement, is necessary or advisable either (A) for the grant by the Grantor of the liens and security interests

granted hereby or for the execution, delivery or performance of this Agreement by the Grantor, (B) to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement in any jurisdiction in which any of the Collateral is located (including, without limitation, all jurisdictions in which issuers of the Pledged Shares are incorporated), or (C) for the perfection of or the exercise by the Agent of its rights and remedies hereunder or for the exercise by the Agent of the voting or other rights provided for in this Agreement or the remedies in respect of the Security Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the transfer, offering and sale of securities generally).

(j) The Pledged Shares, other than the shares issued by Rexene Insurance Agency Inc., constitute the percentage of the issued and outstanding shares of stock of the respective issuers thereof set forth in Schedule II. The Pledged Shares, other than the shares issued by Rexene Insurance Agency Inc., have been duly authorized and validly issued and are fully paid and non-assessable. To the best of the Grantor's knowledge, the Pledged Debt has been duly authorized, authenticated or issued and delivered, and is the legal, valid and binding obligation of the issuers thereof subject to limitations imposed by general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity) and the effect of applicable bankruptcy, reorganization, insolvency, moratorium and similar laws of general application relating to or affecting creditors' rights, and is not in default.

(k) Leases as to which the Grantor is lessor of any of the Collateral are true leases, not leases intended as security.

(l) None of the Collateral consists or will consist of consumer goods, farm products, crops, timber, minerals and the like (including oil and gas) before extraction or accounts resulting from the sale thereof, equipment used in farming operations or accounts or general intangibles resulting from the sale thereof, beneficial interests in a trust or a decedent's estate, letters of credit other than irrevocable letters of credit backing Receivables arising out of sales to account debtors outside of the United States, or items (other than the Patent Collateral (as defined in the Patent Assignment and Security Agreement) or the Trademark Collateral (as defined in the Trademark Security Agreement) or the rolling stock) which are subject to a statute or treaty of the United States

which provides for a national or international registration or a national or international certificate of title for the perfection of a security interest therein or which specified a place of filing different from that specifies in the Uniform Commercial Code for filing to perfect such security interest.

(m) There is no tax, levy, impost, deduction, charge, withholding or similar duty, tax or fee imposed on, or by virtue of the execution or delivery of, this Agreement or any other document to be furnished hereunder or in connection herewith.

SECTION 9. Further Assurances. (a) The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable in the reasonable judgment of the Agent, or that the Agent may reasonably request, in order to continue, perfect and protect any security interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor will: (i) mark conspicuously all chattel paper and, at the request of the Agent, each other document included in the Inventory, each other Related Contract and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Agent, indicating that such document, chattel paper, Related Contract or Collateral is subject to the security interest granted hereby; (ii) if any Receivable shall be evidenced by a promissory note or other instrument, deliver and pledge to the Agent hereunder such note or instrument duly indorsed and accompanied by duly executed instruments of transfer or assignment reflecting such pledge, all in form and substance satisfactory to the Agent; (iii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable in the reasonable judgment of the Agent, or as the Agent may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted hereby; (iv) mark conspicuously each copy of the Assigned Agreements and of each other item of chattel paper that evidences any Collateral and, at the request of the Agent, each of the Grantor's records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Agent, indicating that the Assigned Agreement and chattel paper and Collateral have been assigned and are subject to the security interests hereunder; and (v) deliver to the Agent promptly upon receipt thereof

all instruments representing or evidencing any of the Security Collateral.

(b) The Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail.

(d) The Grantor shall take all action reasonably necessary to ensure that leases of the Collateral will be true leases, not leases intended as security.

SECTION 10. As to Equipment, Inventory and Fixtures. The Grantor shall:

(a) Keep the Equipment, Inventory and fixtures (other than rolling stock, motor vehicles, Inventory in transit or Inventory sold in the ordinary course of business) at the places therefor specified in Section 8(a) or, upon 30 days' prior written notice to the Agent, at such other places in a jurisdiction in which all action required by Section 9 and necessary to subject such Equipment and Inventory to a valid, perfected and first priority security interest in favor of the Agent and the Banks shall have been taken with respect to such Equipment and Inventory.

(b) Cause the Equipment to be maintained and preserved in the same condition, repair and working order as when acquired, ordinary wear and tear excepted, and substantially in accordance with any manufacturer's manual and any government regulations, and shall forthwith, or in the case of any loss or damage to any of the Equipment or fixtures as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements and other improvements in connection therewith that are necessary or desirable to such end, provided, that, so long as no Default shall have occurred and be continuing, the Grantor may, in the exercise of its reasonable business judgment, determine

that repair or replacement of any such Equipment is not warranted or dispose of any such Equipment for salvage and, provided further, that the Grantor may sell obsolete equipment pursuant to Section 5.01(f)(ii) of the Credit Agreement. The Grantor shall promptly furnish to the Agent a statement with respect to any material loss or damage to any item of the Equipment, Inventory or fixtures.

(c) Pay and discharge before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon the Equipment and Inventory and (ii) all lawful claims that, if unpaid, might by law become a lien (other than a Permitted Lien) upon the Equipment and Inventory; provided, however, that the Grantor shall not be required to pay or discharge any such tax, assessment, charge or claim (i) that is being contested in good faith and by proper proceedings, and, where applicable, in accordance with the Mortgages, as long as such proceedings could not subject the Agent or any Bank to any civil or criminal penalty or liability or involve any risk of the sale, loss or forfeiture of any item of Collateral, except for payments of cash, and (ii) against which proper reserves are being maintained in accordance with generally accepted accounting principles consistently applied.

(d) Furnish to the Agent, with sufficient copies for each Bank, promptly upon the reasonable request of the Agent, but in any event within 30 days after the end of each Fiscal Year, a report detailing the amount and condition of the Inventory in form satisfactory to the Agent.

(e) Upon the reasonable request of the Agent, furnish to the Agent, with sufficient copies for each Bank, if the Agent so requests, a report detailing changes in the amount and condition of the Equipment, including purchases, depreciation, sales and losses.

(f) Upon the reasonable request of the Agent, deliver to the Agent such warehouse receipts, bills of lading and other documents of title with respect to the Inventory and Equipment as are requested, together with copies of all invoices with respect to the Inventory and Equipment.

SECTION 11. As to Receivables and Assigned Agreements. (a) The Grantor shall (i) keep its chief place of business and chief executive office at the location therefor specified in Section 8(a), and (ii) the offices

where it keeps its records concerning the Receivables, and the original copies of the Assigned Agreements and of all chattel paper that evidences or constitutes Collateral, at the locations therefor specified in Section 8(a) or, in either case, with the prior written consent of the Agent, which consent shall not be unreasonably withheld, upon 30 days' prior written notice to the Agent, at such other location in a jurisdiction in which all actions required by Section 9 shall have been taken with respect to such Collateral. The Grantor will hold and preserve such records, Assigned Agreements and chattel paper and will permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from such records, Assigned Agreements and chattel paper.

(b) Except as otherwise provided in this subsection (b), the Grantor shall continue to collect, at its own expense, all amounts due or to become due to the Grantor under the Receivables and the Assigned Agreements. In connection with such collections, the Grantor may take (and, at the Agent's direction, shall take) such action as the Grantor or the Agent may, in its reasonable judgment, deem necessary or advisable to enforce collection of the Receivables and the Assigned Agreements; provided, however, that, the Agent shall have the right at any time, and from time to time, so long as a Default shall have occurred and be continuing or upon 5 days' written notice to the Grantor of its intention to do so, giving the reason therefor, to notify the account debtors or obligors under any Receivables and under any of the Assigned Agreements of the assignment of such Receivables or Assigned Agreements, as the case may be, to the Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Agent and, upon such notification and at the expense of the Grantor, to enforce in a commercially reasonable manner collection of any such Receivables or Assigned Agreements, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of the notice from the Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by the Grantor in respect of the Receivables or the Assigned Agreements shall be received in trust for the benefit of the Agent hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary indorsement) to be held as cash collateral and either (A) applied as provided by Section 7(a), or (B) if any Event of Default shall have occurred and be continuing, applied as provided by Section 18(d), and (ii) the Grantor shall not adjust, settle or

compromise the amount or payment of any Receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without the consent of the Agent, which consent shall not be unreasonably withheld.

(c) The Grantor shall at its expense:

(i) Perform and observe in all material respects all of the terms and provisions of the Assigned Agreements to be performed or observed by it, except as otherwise provided by law, to maintain the Assigned Agreements in full force and effect, enforce the Assigned Agreements in accordance with their terms (subject to the Grantor's reasonable business judgment so long as no Default shall have occurred and be continuing) and take all such action to such ends as may from time to time be reasonably requested by the Agent.

(ii) Furnish to the Agent promptly upon receipt thereof copies of all notices of cancellation, termination, lapse, extension or renewal of notices of default under, waivers of any material provisions of, material amendments or modifications to, any of the Assigned Agreements, and upon the reasonably specific request of the Agent other notices, requests, correspondence and documents received by the Grantor under or pursuant to the Assigned Agreements, and from time to time (A) furnish to the Agent such information and reports regarding the Collateral as the Agent may reasonably request, and (B) upon the reasonable request of the Agent make such demands and requests for information or action upon such Persons as the Grantor is entitled to make under the Assigned Agreements.

(iii) Upon the reasonable request of the Agent, furnish with reasonable promptness to the Agent, with sufficient copies for each Bank, (A) a report detailing the amount and condition of the Receivables in form satisfactory to the Agent, (B) after execution thereof, copies of all contracts, (C) a report detailing the changes, if any, to the payment schedules of such contracts and (D) any monthly management reports prepared by the Grantor.

SECTION 12. Insurance. (a) The Grantor shall, at its own expense, maintain insurance with respect to the Equipment and Inventory in such amounts, against such risks, in such form and with such insurers, as shall be satisfactory to the Agent from time to time. Each policy for (i) liability insurance shall provide for all losses to be paid

on behalf of the Agent and the Grantor as their respective interests may appear, and (ii) property damage insurance shall provide for all losses to be paid directly to the Agent. Each such policy shall in addition (i) name the Grantor and the Agent as insured parties thereunder (without any representation or warranty by or obligation upon the Agent) as their interests may appear, (ii) contain the agreement by the insurer that any loss thereunder shall be payable to the Agent notwithstanding any action, inaction or breach of representation or warranty by the Grantor, (iii) provide that there shall be no recourse against the Agent for payment of premiums or other amounts with respect thereto, and (iv) provide that at least 30 days prior written notice of cancellation or of lapse shall be given to the Agent by the insurer. The Grantor shall, if so requested by the Agent, deliver to the Agent original or duplicate policies of such insurance and, as often as the Agent may reasonably request, a report of a reputable insurance broker with respect to such insurance. Further, the Grantor shall forthwith, at the request of the Agent, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of Section 9 and cause the respective insurers to acknowledge notice of such assignment.

(b) Reimbursement under any liability insurance maintained by the Grantor pursuant to this Section 12 may be paid directly to the Person who shall have incurred liability covered by such insurance. In case of any loss involving damage to Equipment or Inventory when subsection (c) of this Section 12 is not applicable, the Grantor shall make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory, provided, that, so long as no Default shall have occurred and be continuing, the Grantor may, in the exercise of its reasonable business judgment, determine that repair or replacement of any such Equipment is not warranted, and, following satisfactory completion of such repairs and/or replacements, any proceeds of insurance maintained by the Grantor pursuant to this Section 12 shall be paid to the Grantor as reimbursement for the costs of such repairs or replacements, and, provided, further, that the Grantor may sell obsolete equipment pursuant to Section 5.02(f)(ii) of the Credit Agreement.

(c) Upon (i) the occurrence and during the continuance of any Event of Default, or (ii) a Casualty Loss with respect to any Equipment or Inventory, all insurance payments in respect of such Equipment or Inventory shall be paid to and applied by the Agent as specified in Section 18(d); provided, however, that upon the occurrence of any

such Casualty Loss the Grantor may, within 90 days of the occurrence of such Casualty Loss, utilize the insurance payments received in respect of such Casualty Loss to replace or repair the Equipment and Inventory destroyed or damaged in connection with such Casualty Loss.

SECTION 13. Voting Rights. (a) So long as no Default shall have occurred and be continuing:

(i) The Grantor shall be entitled to exercise any and all voting and other consensual rights of a shareholder pertaining to the Security Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement; provided, however, that the Grantor shall not exercise or refrain from exercising any such right if, in the Agent's reasonable judgment, such action would have a material adverse effect on the value of the Security Collateral or any part thereof, and, provided, further, that the Grantor shall give the Agent at least five days written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right.

(ii) The Grantor shall be entitled, subject to the terms of the Credit Agreement, to receive and retain any and all dividends and interest paid in respect of the Security Collateral, provided, however, that any and all

(A) dividends and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Security Collateral,

(B) dividends and other distributions paid in cash in respect of any Security Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(C) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Security Collateral (other than Pledged Debt under which Rexene is the obligor),

shall be, and shall be forthwith delivered to the Agent to hold as, Security Collateral and shall, if received by the Grantor be received in trust for the benefit of the

Agent, be segregated from the other property or funds of the Grantor, and be forthwith delivered to the Agent as Security Collateral in the same form as so received (with any necessary indorsement). The Grantor shall, upon request by the Agent, promptly execute such documents and do such acts as may be necessary or advisable in the reasonable judgment of the Agent to give effect to the provisions of this Section 13(a)(ii).

(iii) The Agent shall execute and deliver (or cause to be executed and delivered) to the Grantor all such proxies and other instruments as the Grantor may reasonably request for the purpose of enabling the Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to subsection (a)(i) of this Section 13.

(b) Upon the occurrence and during the continuance of a Default:

(i) All rights of the Grantor to exercise the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 13(a)(i) shall cease, immediately upon written notice given by the Agent to the Grantor with respect to the exercise of such rights, and upon the giving of such notice all such rights shall thereupon become vested in the Agent who shall thereupon have the sole right to exercise such voting and other consensual rights.

(ii) All rights of the Grantor to receive the dividends and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 13(a)(ii) shall cease, and all such rights shall thereupon become vested in the Agent who shall thereupon have the sole right to receive and hold as Security Collateral such dividends and interest payments.

(iii) All dividends and interest payments which are received by the Grantor contrary to the provisions of Section 13(b)(ii) shall be received in trust for the benefit of the Agent, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Agent as Security Collateral in the same form as so received (with any necessary indorsement).

SECTION 14. Transfers and Other Liens; Additional Shares. (a) The Grantor shall not:

(i) Sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except as permitted by the Credit Agreement.

(ii) Create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral, except for the security interest created by this Agreement and any Permitted Liens.

(iii) Cancel or terminate any Assigned Agreement or consent to or accept any cancellation or termination thereof, except (i) a termination (or non-renewal) in accordance with the terms of any such Assigned Agreement or (ii) so long as no Default shall have occurred and be continuing, a termination of a contract no longer necessary or useful for Grantor's business in the Grantor's reasonable business judgment.

(iv) Amend or otherwise modify any material term or provision of any Assigned Agreement or give any consent, waiver or approval to any departure from any material term or provision thereof.

(v) Waive any breach of any material term or provision of any Assigned Agreement or any default thereunder as a result thereof (subject to the Borrower's reasonable business judgment so long as no Default shall have occurred and be continuing).

(vi) Take any other action in connection with any Assigned Agreement that would materially impair the value of the interest or rights of the Grantor thereunder or that would impair the interest or rights of the Agent or any Bank with respect thereto.

(b) The Grantor agrees that it will (i) cause each issuer of the Pledged Shares that is a Subsidiary not to issue any stock or other securities in addition to or in substitution for the Pledged Shares issued by such issuer other than to the Grantor, and (ii) pledge hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all additional shares of stock or other securities (whether or not issued by an issuer of Pledged Shares) acquired by the Grantor.

SECTION 15. Agent Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Agent the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise,

from time to time in the Agent's discretion, to take any action and to execute any instrument that the Agent may deem necessary to accomplish the purposes of this Agreement (subject to the rights of the Grantor under Section 11 and Section 13), including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent pursuant to Section 12,

(b) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral in a commercially reasonable manner,

(c) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above,

(d) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Agent with respect to any of the Collateral in a commercially reasonable manner, and

(e) to receive, indorse and collect all instruments made payable to the Grantor representing any dividend, interest payment or other distribution in respect of the Security Collateral or any part thereof and to give full discharge for the same.

**SECTION 16. Agent May Perform.** If the Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Agent incurred in connection therewith shall be payable by the Grantor under Section 19(b).

**SECTION 17. The Agent's Duties.** The powers conferred on the Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Account Collateral and Security Collateral in its possession if the Account

Collateral and Security Collateral are accorded treatment substantially equal to that which the Agent accords its own similar property, it being understood that neither the Agent nor any Bank shall have any responsibility or liability for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Account Collateral or Security Collateral, whether or not the Agent or any Bank has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Account Collateral or Security Collateral, or (iii) effecting the collection of any proceeds of any Collateral or by reason of any invalidity, lack of value or uncollectability of any of the payments received by it from Obligor or otherwise.

SECTION 18. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Agent may, without notice to the Grantor except as required by law and at any time or from time to time, charge, set-off and otherwise apply all or any part of the Obligations against the Cash Collateral Account, the Eligible Securities or the Lockbox Accounts or any part thereof.

(b) The Agent may exercise in respect of the Collateral in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time (the "Code") (whether or not the Code applies to the affected Collateral) and also may (i) exercise any and all rights and remedies of the Grantor under or in connection with the Assigned Agreements or otherwise in respect of the Collateral, including, without limitation, any and all rights of the Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Assigned Agreements, (ii) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Agent forthwith, assemble all or part of the Collateral as directed by the Agent and make it available to the Agent at a place to be designated by the Agent which is reasonably convenient to both the Agent and the Grantor, (iii) occupy any premises owned or leased by the Grantor where the Collateral or any part thereof is assembled for a reasonable period in order to effectuate the Agent's rights and remedies hereunder or under law, without obligation to the Grantor in respect of such occupation, and (iv) without notice except as

specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) All payments received by the Grantor under or in connection with any Assigned Agreement or Security Collateral or otherwise in respect of the Collateral shall be received in trust for the benefit of the Agent, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary indorsement).

(d) All payments made under or in connection with any Assigned Agreement or Security Collateral or otherwise in respect of the Collateral and all cash held by the Agent as Account Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral (i) shall, while an Event Of Default described in Section 6.01(a) of the Credit Agreement shall have occurred and be continuing, be applied, or (ii) may, while any other Event of Default shall have occurred and be continuing, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter applied, in each case, after payment of any amounts payable to the Agent pursuant to Section 19 in whole or in part by the Agent for the ratable benefit of the Banks against, all or any part of the Obligations in such order as the Agent shall elect. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all of the Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 19. Indemnity and Expenses. (a) The Grantor agrees to indemnify the Agent from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Agent's gross negligence or wilful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) The Grantor will upon demand pay to the Agent the amount of any and all reasonable expenses, including the fees and disbursements of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or the Banks hereunder, or (iv) the failure by the Grantor to perform or observe any of the provisions hereof, excluding, in each of the foregoing cases, the ordinary overhead costs, including salaries of the Agent or any Bank.

SECTION 20. Registration Rights. If the Agent shall determine to exercise its right to sell all or any of the Security Collateral pursuant to Section 18, the Grantor agrees that, upon request of the Agent, the Grantor will, at its own expense:

(a) execute and deliver, and cause each issuer of the Security Collateral contemplated to be sold and the directors and officers thereof to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts and things, as may be necessary or, in the opinion of the Agent, advisable to register such Security Collateral under the provisions of the Securities Act of 1933, as from time to time amended (the "Securities Act"), and to use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for such period as prospectuses are required by law to be furnished, and to make all amendments and supplements thereto and to the related prospectus that, in the opinion of the Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto;

(b) use its best efforts to qualify the Security Collateral under the state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for

the sale of the Security Collateral, as requested by the Agent;

(c) cause each such issuer to make available to its security holders, as soon as practicable, an earnings statement that will satisfy the provisions of Section 11(a) of the Securities Act; and

(d) do or cause to be done all such other acts and things as may be necessary to make such sale of the Security Collateral or any part thereof valid and binding and in compliance with applicable law.

The Grantor further acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Agent or the Banks by reason of the failure by the Grantor to perform any of the covenants contained in this Section and, consequently, agrees that, if the Grantor shall fail to perform any of such covenants, it shall pay, as liquidated damages and not as a penalty, an amount equal to the value of the Security Collateral on the date the Agent shall demand compliance with this Section.

SECTION 21. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 22. Addresses for Notices. All notices and other communications to any party provided for hereunder shall be in writing (including telegraphic, telex or cable communication) and mailed, telegraphed, telexed, cabled or delivered, addressed to it at the address of such party specified in, or determined pursuant to, Section 8.02 of the Credit Agreement, or as to either party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed, telegraphed, telexed or cabled, be effective when deposited in the mails, delivered to the telegraph company, confirmed by telex answerback or delivered to the cable company, respectively, addressed as aforesaid.

SECTION 23. Continuing Security Interest; Transfer of Notes; Release of Collateral. (a) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in

full (on or after the Termination Date) of the Obligations, (ii) be binding upon the Grantor, its successors and assigns, and (iii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Banks and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), any Bank may assign or otherwise transfer any Note held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Bank herein or otherwise, subject, however, to the provisions of Article VII (concerning the Agent) and Section 8.07 of the Credit Agreement.

(b) Upon any sale, lease, transfer or other disposition of any item of Collateral in accordance with the terms of the Credit Agreement, the Agent will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the release of such item of Collateral from the security interest granted hereby, provided that (i) at the time of such request and such release no Default shall have occurred and be continuing, (ii) the Grantor shall have delivered to the Agent, at least ten Business Days prior to the date of the proposed release, a written request for release describing the item of Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, together with a form of release for execution by the Agent and a certification by the Grantor to the effect that the transaction is in compliance with the Credit Agreement and as to such other matters as the Agent may reasonably request, (iii) the proceeds of any such sale, lease, transfer or other disposition required to be applied in accordance with this Agreement and Section 2.09 of the Credit Agreement shall be delivered to, or in accordance with the instructions of, the Agent at the closing, and (iv) such sale, lease, transfer or other disposition shall be in compliance with Section 5.02(f) of the Credit Agreement. Upon the payment in full (on or after the Termination Date) of the Obligations, the liens and security interests granted hereby shall terminate and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Agent will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 24. Severability. If any term or provision of this Agreement is or shall be come illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or

unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

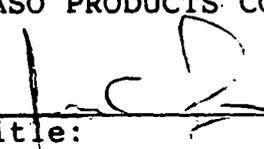
SECTION 25. The Mortgages. In the event that any of the Collateral is also subject to a valid and enforceable lien under the terms of any Mortgage and the terms of any such Mortgage are inconsistent with the terms of this Agreement, then with respect to such Collateral, the terms of any such Mortgage shall be controlling, and the terms of this Agreement, subject to Section 26, shall be controlling in the case of all other Collateral.

SECTION 26. The Patent Assignment and Security Agreement and the Trademark Security Agreement. In the event that any of the Collateral is also subject to a valid and enforceable assignment, license, lien or security interest under the terms of the Patent Assignment and Security Agreement or the Trademark Security Agreement (collectively, the "Intellectual Property Security Agreements"), and the terms of any such Intellectual Property Security Agreement are inconsistent with the terms of this Agreement, then with respect to such Collateral the terms of any such Intellectual Property Security Agreement shall be controlling, and the terms of this Agreement, subject to Section 25, shall be controlling in the case of all other Collateral.

SECTION 27. Governing Law; Terms. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular collateral are governed by the law of a jurisdiction other than the State of New York. Unless otherwise defined herein or in the Credit Agreement, terms used in Article 9 of the Uniform Commercial Code in the State of New York are used herein as therein defined.

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

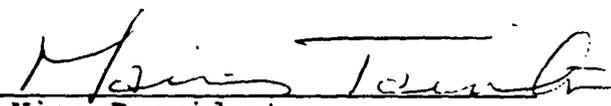
EL PASO PRODUCTS COMPANY

By: 

Title: \_\_\_\_\_

Agreed and consented to as of the date first above written:

CITIBANK, N.A., as Agent

By 

Vice President



Schedule I  
to  
Security Agreement

ASSIGNED AGREEMENTS

I. Consultant Contracts - One year or longer  
Aggregate Payments exceeding \$50,000

1. Murase Associates - Japan. Long-term consultant for El Paso for Far East business opportunities.

II. Contracts With Independent Contractors

1. REF-CHEM CORPORATION/DON LOVE DIVISION  
July 13, 1987  
Engineering, Construction and Renovation Services Agreement to renovate the polyethylene plant in Bayport.
2. REF-CHEM CORPORATION  
March 17, 1987  
Fluidized Bed Copolymer Pilot Plant Project Engineering and Construction Services Agreement to construct a new pilot plant in Odessa.
3. REF-CHEM CORPORATION  
June 1, 1987  
Olefins Feedstock Fractionator Project Engineering and Construction Services Agreement to construct the fractionator in Odessa.
4. FISH ENGINEERING AND CONSTRUCTION, INC.  
January 27, 1987  
Engineering and Procurement Agreement to do work on the fractionator in Odessa.
5. JOHN BROWN E & C INC.  
September 4, 1987  
Reimbursable Engineering and Procurement Services Agreement to work on the polypropylene expansion in Odessa.
6. REF-CHEM CORPORATION  
November 18, 1987  
Additional APAO Storage Tankage Engineering and Construction Services Agreement.

### III. Foreign Agencies-Distributorships-Sales Agreements

1. Parties to Agreement: Melitek - Sweden  
El Paso Products Company  
2. Nature of Agreement: Agency (X) Exclusive (X)  
Distributor (X) Non-Exclusive ( )

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1. Parties to Agreement: E.G. Salgado of Mexico City  
El Paso Products Company  
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)

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1. Parties to Agreement: Dintra-Amsterdam, Holland  
2. Nature of Agreement: Agency ( ) Exclusive ( )  
Distributor (X) Non-Exclusive (X)

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1. Parties to Agreement: Sin Cheng Corp. Taiwan ROC  
CT Film  
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)

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1. Parties to Agreement: Movimex Co. (Niato) - Mexico  
El Paso Products Company  
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)

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1. Parties to Agreement: Palmas Plastics - Puerto Rico  
El Paso Products Company  
2. Nature of Agreement: Agency (X) Exclusive (X)  
Distributor ( ) Non-Exclusive ( )

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1. Parties to Agreement: Scheller Trading, Inc. - Switzerland  
El Paso Products Company  
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)

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1. Parties to Agreement: Krahn Chemie GmbH - West Germany  
CT Film  
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)

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1. Parties to Agreement: Canada Colors - Canada  
El Paso Products Company
2. Nature of Agreement: Agency ( ) Exclusive (X)  
Distributor (X) Non-Exclusive ( )
- 

1. Parties to Agreement: Ingrome, S.A. - Mexico  
El Paso Products Company
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)
- 

#### IV. United States Agencies-Distributorships-Sales Agreements

1. Parties to Agreement: Tafco - Morel Sales Inc.  
CT - Golden West
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)
- 

1. Parties to Agreement: H.E. Bumrucker Co. - Cal.  
CT Film - Golden West
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)
- 

1. Parties to Agreement: Westates Sales - Cal.  
CT Film - Golden West
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)
- 

1. Parties to Agreement: Cambo Inc.  
El Paso Products Company
2. Nature of Agreement: Agency (X) Exclusive (X)  
Distributor ( ) Non-Exclusive ( )
- 

1. Parties to Agreement: Major Prime Plastics - Vila Park, Ill.  
El Paso Products Company
2. Nature of Agreement: Agency (X) Exclusive ( )  
Distributor ( ) Non-Exclusive (X)
-

## V. Supply Agreements

### A. CERTAIN SUPPLY AGREEMENTS

1. Feedstock Sales Agreement between El Paso Products Company and El Paso Hydrocarbons Company, dated January 1, 1987.
2. Products Purchase Agreement for Navajo Refining Company Propylene, dated August 14, 1984.
3. Sales Contract between El Paso Products Company and Shell Oil Company, dated January 11, 1988, Contract No. GS0622.
4. Sales Contract between El Paso Products Company and Shell Oil Company, dated January 11, 1988, Contract No. GS0623.
5. Sales Agreement between El Paso Products Company and Mobil Oil Corporation, dated January 13, 1988.

### B. BENZENE (ODESSA)

1. Contract of Sale, effective July 1, 1986, between Exxon Chemicals and El Paso Products Company.
2. Benzene Contract between Cain Chemical, Inc. and El Paso Products Company (successor to E.I. du Pont de Nemours and Company, Inc.), commencing July 1, 1987.
3. Benzene Contract, dated July 1, 1979, between Shell Chemical Company.

### C. PROPYLENE (BAYPORT)

1. Sales Agreement, dated July 1, 1985, between Cain Chemical, Inc. (successor to E.I. du Pont de Nemours and Company, Inc.) and El Paso Products Company.
2. Chemical Products Sale Agreement - Propylene, dated as of January 1, 1986, between Lyondell and El Paso Products Company.

3. Sales Contract, dated September 24, 1985, between Shell Chemical Company and El Paso Products Company.

D. ETHYLENE (BAYPORT)

1. Ethylene Purchase and Sale Agreement, dated October 26, 1987, between Texaco Chemical Company and El Paso Products Company.
2. Sales Contract, dated September 24, 1987, between Shell Chemical Company and El Paso Products Company.

E. CATALYST

1. Agreement, dated September 1, 1987, between Toho Titanium Company, Limited and El Paso Products Company.
2. Catalyst Sales Agreement between Catalyst Resources Inc. and El Paso Products Company, dated January 1, 1988.

F. UTILITIES

a. NATURAL GAS CONTRACTS

1. Gas Sales Agreement, dated as of September 1, 1985, between El Paso Hydrocarbons Company and El Paso Products Company, as amended January 1, 1986, May 1, 1986, January 1, 1987, June 29, 1987 and December 23, 1987.
2. Natural Gas Supply Contract, dated as of January 1, 1984, between El Paso Hydrocarbons Company and El Paso Products Company.

b. ELECTRIC CONTRACTS

1. Agreement for Electric Service No. W7203, dated January 10, 1984, between Texas Electric Service Company and El Paso Products Company, for electricity to be shared between the Odessa Plant and the General Tire and Rubber Company Plant in Odessa.
2. Agreement for Electric Service No. W7201, dated January 10, 1984, between Texas Electric Service Company and El Paso Products Company.

3. Agreement for Electric Service No. W7202, dated January 10, 1984, between Texas Electric Service Company and El Paso Products Company.
4. Application and Agreement for Electric Service, dated January 15, 1988, between Houston Lighting & Power Company and El Paso Products Company.
5. Application and Agreement for Interruptible Electric Service, dated February 1, 1988, between Houston Lighting & Power Company and El Paso Products Company.

c. WATER CONTRACTS

1. Well Water Supply Contract, dated as of January 1, 1984, between El Paso Hydrocarbons Company and El Paso Products Company.
2. Agreement, dated October 8, 1965, between the City of Odessa, Texas and El Paso Products Company (successor to El Paso Natural Products Company).
3. Water Lease, effective July 1, 1987, among Jess C. Ward, Jr., et al. and El Paso Products Company.
4. Water Lease, effective July 1, 1987, between Walter Faye C. Averitt and El Paso Products Company.
5. Water Supply Contract, dated October 2, 1978, between the City of Houston and El Paso Products Company (successor to Dart Industries, Inc.).
6. Water Treatment and Supply Contract, dated April 1, 1986, as amended by Amendment Number One, effective December 1, 1987, between Industrial Water Treatment Company and El Paso Products Company.

d. HYDROGEN CONTRACTS

1. Pure Hydrogen Gas Sales Contract, dated May 1, 1984, between Big Three Industrial Gas, Inc., (successor to Big Three Industries, Inc.) and El Paso Products Company.
2. Product Supply Agreement, No. 751028A, dated July 28, 1987, between Union Carbide Corporation and El Paso Products Company.

e. NITROGEN CONTRACTS

1. Nitrogen Sales Contract, dated October 1, 1981, between Big Three Industrial Gas, Inc. (successor to Big Three Industries, Inc.) and El Paso Products Company.
2. Nitrogen Sales Contract, dated January 1, 1975, between Big Three Industrial Gas, Inc. (successor to Big Three Industries, Inc.) and El Paso Products Company, as amended by Amendment Number 1, effective January 1, 1979, and Amendment Number 2, effective July 1, 1986.

G. OTHER CHEMICALS

1. Contract, dated November 24, 1987, between Sandoz Chemicals Corporation and El Paso Products Company.
2. Contract No. 10026 between Union Carbide Corporation and El Paso Products Company.

VI. Material Contracts

A. DRILLING RIGHTS

1. Oso W. Pool and Helen A. Pool  
March 12, 1965  
Agreement to allow El Paso to drill injection and storage wells in its property in the north one-half Section 37, Block 42, Ector County, Texas.
2. Bessye C. Ward, et al.  
September 7, 1960  
Underground Storage Agreement, to allow El Paso to drill storage and salt water injection wells in its property in the south one-half Section 38, Block 42, Ector County, Texas.
3. Bessye C. Ward, et al.  
March 2, 1965  
Waste Water Disposal Well Agreement to allow El Paso to drill injection wells in its property in the north one-half Section 47 and south one-half Section 38, Block 42, Ector County, Texas.

**B. OTHER AGREEMENTS**

1. Amended and Restated Agreement of Merger, dated as of February 1, 1988 among Rexene Corporation, El Paso Products Company, El Paso Chemical Group, Inc. and El Paso Chemical Corporation.
2. Master Contract, dated January 1, 1984 between El Paso Products Company and El Paso Hydro Carbons Company, as amended by Amendment No. 1, dated February 24, 1984.

**VII. Sales Agreements**

1. Agreement for Purchase and Sale of Scrap Film, dated as of May 1, 1985, between Consolidated Thermoplastics Company and Reprocessing Specialists-County of Orange.
2. Letter, dated March 8, 1971, from Products to Mansell Brine Sales, agreed to and accepted March 26, 1971.
3. Agreement for Purchase and Sale of Styrene Monomer, dated October, 1982, between Products and Textstyrene Plastics, Inc.
4. Agreement for Purchase and Sale of Styrene Monomer, dated 1987, between Products and Industries Resistol S.A., a corporation of Mexico.
5. Purchase Contract, dated January 28, 1987. between Products and Texas Olefins Company confirming phone wire letter of R.L. Hart of Products and R.W. Wolliver of buyer, as modified by letter, dated June 25, 1987, of R.L. Hart to Ron Wolliver.
6. Letter Agreement, dated March 23, 1984, between Products and Texas Aromatics, Inc. as amended by letters, dated January 9, 1986 and December 9, 1986, to R.L. Hart of Products from M.G. Glasscork of Products.
7. Agreement for Purchase and Sale of Styrene Monomer, dated January 1, 1987, between Products and the Goodyear Tire & Rubber Company.

8. Agreement for Purchase and Sale of Styrene Monomer, dated January 1, 1987, between Products and Dow Chemical USA operating unit of the Dow Chemical Company.
9. 1987 Polypropylene Final Agreement, dated September 30, 1986, between Products and Rubbermaid Commercial Products.
10. Sales - Purchase Agreement, between U.S. Intec, Inc. and Products, effective July 1, 1987.
11. Contract, dated August 4, 1987, between Products and Markay Plastics.
12. Contract, dated March 23, 1987, between Products and Poly-Seal Corporation.

#### VIII. Patents, Trade Names, Trademarks and Licenses

##### A. El Paso Products Company as Licensee

1. License Agreement between El Paso Products Company and E.I. du Pont de Nemours & Co. for patent license under du Pont's process copolymer process patent U.S. 4,371,680 for manufacture of amorphous polyolefin copolymers (Executed 5/6/87-Expires 1/31/2000).
2. License Agreement between El Paso Products Company and Studiengesellschaft für Kohlenwasserstoffe (SGK of Germany) fixed for 1987 through '89 and continuing at El Paso's option until expiration of U.S. Patent 4,125,698 for catalyst process for producing polypropylene (Signed 12/31/86).
3. License and Technical Assistance Agreement dated June 9, 1978 between El Paso Products Company (as successor to Dart Industries Inc.) (Licensee) and Montedison S.p.A. (Italy) (Licensor), licensing Montedison's HY-HS Technical Information (high-yield catalyst) for manufacture of polypropylene.
4. License Agreement dated June 13, 1983 between Phillips Petroleum Company (Licensor) and El Paso Products Company (Licensee), licensing Phillips' Patent No. 4,376,851, entitled "Solid Polymers of Olefins and Production of such Polymers," issued March 15, 1983, to Products Company (Basic composition-of-matter patent for crystalline polypropylene).

5. License Agreement for styrene process dated February 8, 1977, between El Paso and Monsanto Company.
- B. El Paso Products Company as Licensor
1. Polypropylene Patent and License Agreement, dated October 11, 1974 (and other related agreements), between El Paso and Saga Petrochemicals Ltd. & Co., et al., of Norway. Term: Until August 24, 1988.
  2. Polypropylene Patent and License Agreement, dated July 5, 1974 (and other related agreements), between El Paso and ATO-Chimie, S.A. Term: Until ten (10) years after first sale of product, which is August 31, 1977 for first generation catalyst and continues under third-generation catalyst of Himont for several years.
  3. Polypropylene Patent and License Agreement, dated August 17, 1979, between El Paso and Nigerian National Petroleum Corporation. Term: Until protocol signed after Guarantee Test Runs (not started up yet).
  4. Polypropylene Patent and License Agreement, dated September 8, 1980, as amended, between El Paso and Azzawiya Oil Refining Company of Libya. Term: Until protocol signed after Guarantee Test Run (Force Majeure exists - Patent startup delayed).

**SCHEDULE II**  
to Security Agreement

**PLEDGED SHARES AND PLEDGED DEBT**

**PART I - PLEDGED SHARES**

<b>ISSUER</b>	<b><u>Cert. No.</u></b>	<b><u>No. of Shares</u></b>	<b><u>Class</u></b>	<b><u>Date Issued</u></b>	<b><u>% of Outstanding Shares</u></b>
<b>Rexene Insurance Agency Inc.</b>	<b>003</b>	<b>30,000</b>	<b>Common</b>	<b>2/19/88</b>	<b>100</b>
<b>El Paso Products Sales Corporation</b>	<b>1</b>	<b>2,500</b>	<b>Common</b>	<b>8/3/73</b>	<b>100</b>

**PART II - PLEDGED DEBT**

**Promissory Notes from Customers:**

<b><u>Maker</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
<b>Saturn Chemicals Inc.</b>	<b>12-1-87</b>	<b>\$34,387.50</b>
<b>Charles Burbee</b>	<b>12-7-87</b>	<b>17,820.50</b>
<b>Joe W. Willis</b>	<b>12-7-87</b>	<b>7,128.00</b>
<b>Walter Wing</b>	<b>12-2-87</b>	<b>15,681.60</b>

<b>CERTIFICATE OF DEPOSIT #</b>	<b>IN THE NAME OF</b>	<b>ISSUED BY</b>	<b>DATED</b>	<b>MATURES</b>	<b>IN THE AMOUNT OF</b>
334663	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$90,000.00
334664	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$86,000.00
334665	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$90,000.00
334666	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$91,000.00
334667	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$181,000.00
334669	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$ 9,200.00
34671	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$96,200.00

**SCHEDULE III**  
to Security Agreement

<u>EL PASO PRODUCTS COMPANY</u>	<u>Account Type</u>	<u>Account No.</u>
Texas Commerce Bank - Houston	Concentration Account	172-7718
	Lockbox	200185
	Lockbox	200324
	Lockbox	200337
Texas Commerce Bank - Odessa	Money Market	09-1997-7
Pittsburgh National	Lockbox	L131P
c/o Texas Commerce Bank -	Lockbox	L237P
Houston	Lockbox	L240P
<u>CONSOLIDATED THERMOPLASTICS</u>		
<u>COMPANY DIVISION (CT Film)</u>		
Texas Commerce Bank - Houston	Collection Account	027-4720

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**SCHEDULE IV**  
to Security Agreement

<u>EL PASO PRODUCTS COMPANY</u>	<u>Account Type</u>	<u>Account No.</u>
Citibank, N.A.	Special	4050-9864
Chase Manhattan, New York	General	910-1-030493
Chase Manhattan, Syracuse	Disbursement	601-2-86974
Texas Commerce Bank - Odessa	Executive Payroll	09-1909-8
	Executive Payroll	09-2280-3
	Payroll	06-8014-1
	Pension Plan (Trust Dept.)	20205-00
	Savings Plan (Trust Dept.)	20204-00
	Medical Plan (Trust Dept.)	20202-00
 <u>CONSOLIDATED THERMOPLASTICS COMPANY DIVISION (CT Film)</u>		
First Interstate Bank of Calif. (6th & Spring Office)	General	1817-00317
Citizens State Bank - Chippewa Falls, Wisconsin	General	210-059
J.C. Penney National Harrington, Delaware	General	738441-00
Texas Commerce Bank - Odessa	Pension Plan (CT Film) (Trust)	20206-00

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**SCHEDULE V and VI  
to Security Agreement**

In the following chart the operating divisions are designated as follows:

EP - EL Paso Products Company  
CT - CT Film-Consolidated Thermoplastics Company  
RI - Rexene Insurance Agency Inc.

Locations of Inventory are as indicated.

**A. Owned Real Property with state, county and street address.**

	<u>Operating Division</u>
1. Building and Parking Lot 619 North Grant Avenue Odessa, TX 79761 Ector County, TX (Includes Fixtures)	EP
2. Parking Lot Corner of West 6th Street and Lee Avenue Odessa, TX 79761 Ector County, TX	EP
3. Plant 2400, 2500 and 2501 South Grandview Avenue Odessa, TX 79766 Ector County, TX (Includes Fixtures)	EP
4. Warehouse 307 South Grandview Avenue Odessa, TX 79761 Ector County, TX (Includes Fixtures)	EP
5. Warehouse 1325 East 5th Street Odessa, TX 79761 Ector County, TX (Includes Fixtures)	EP
6. Plant 9802 Fairmont Parkway Pasadena, TX 77505-1195 Harris County, TX (Includes Fixtures)	EP
7. Plant 1701 First Avenue Chippewa Falls, WI 54729 Chippewa County, WI (Includes Fixtures)	CT

	<u>Operating Division</u>
8. Plant Rd. 2, Box 67 Harrington, DE 19952 Kent County, DE (Includes Fixtures)	CT
9. Plant 1492 Santa Fe Drive Tustin, CA 92680 Orange County, CA (Includes Fixtures)	CT
10. Land 3300 McNutt Road Sunland Park, NM 79905 Dona Ana County, NM (Includes Fixtures)	N/A

**B. Leased Real Property with state, county and street address.**

The only consents sought in connection with the Mergers, any Loan Document or any Related Document are being sought in connection with the Mortgages relating to certain leasehold interests and the Polyolefins Merger. See Schedule B for a list of such consents requested and their status.

	<u>Lessor</u>	<u>Operating Division</u>
1. Plant, Warehouse and Office Space		
a. Warehouse 2106 East Murphy St. Odessa, TX 79761 Ector County, TX	R.J. Anderson	EP
b. Office Space 8200 Brookriver Drive Suite M-402 (formerly part of M-403) Dallas, TX 75247 Dallas County, TX	Equitec Real Estate Investors Fund XIV	RI
c. Office Space 1515 Woodfield Road Suites 650 & 660 Schaumburg, IL 60173 Cook County, IL (Includes Fixtures)	The Manufacturers Life Insurance Company	CT

	<u>Lessor</u>	<u>Operating Division</u>
d. Office Space One Woodfield Lake, Suite 102-S Schaumburg, IL 60173 Cook County, IL	Executive Service Centers	EP
e. Plant 1701 First Avenue Chippewa Falls, MI 54729 Chippewa County, MI (Includes Fixtures)	Dart Industries Inc., formerly Rexall Drug and Chemical Company	CT
f. Warehouse East of Church Street (Route 583) and West of Penn Central Railroad Right-of-Way Bridgeville, DE 19933 Sussex County, DE	O.A. Newton & Son Company, Inc.	CT
g. Plant 402 West Central Ave. Santa Ana, CA 92707 Orange County, CA (Includes Fixtures)	Mobil Chemical Company, a division of Mobil Oil Corporation	CT
h. Office Space 16541 Gothard Street Suite 206 Huntington Beach, CA 92647 Orange County, CA	Cal American Savings and Loan Association	EP
i. Plant 1432 Santa Fe Drive Tustin, CA 92680 Orange County, CA (Includes Fixtures)	Theodore Guarriello	CT
j. Office Space 2849 Paces Ferry Road Suite 350 Atlanta, GA 30339 Fulton County, GA	Atlanta Overlook Associates #1	EP
k. Office Space 322 Route 46 West Suite 230 Parsippany, NJ 07054 Morris County, NJ	Plaza Associates	EP

	<u>Lessor</u>	<u>Operating Division</u>
1. Office Space 936 Silas Deane Hwy. Suite 1N5 Methersfield, CT 01609 Hartford County, CT	Salsburg Properties, Inc., as agent	CT
2. Track Leases with state, county and address where available.		
a. Portion of Gin Siding No. 1 Texas Mexican Railway Company Laredo, TX Webb County, TX	The Texas Mexican Railway Company	EP
b. 2400 South Grandview Avenue At Mile Post 571.6 - At the Odessa Complex Odessa, TX Ector County, TX	Missouri Pacific Railroad Company (formerly The Texas and Pacific Railway Company)	EP
c. 3,000 Feet of Track and 8,000 feet of Track Houston, TX Harris County, TX	Southern Pacific Transportation Company	EP
d. Portions of Carrier's Tracks No. 6, No. 7 & No. 8 Big Spring, TX Howard County, TX	Missouri Pacific Railroad Company	EP
e. Portions of Carrier's Tracks No. 3 & No. 4 Odessa, TX Ector County, TX	Missouri Pacific Railroad Company	EP
f. Adjacent to Plant at 1492 Santa Fe Drive Tustin, CA 92680 Orange County, CA	Atchison, Topeka and Santa Fe Railway Company	CT
g. 400 Feet of Track Strasburg, PA Lancaster County, PA	Strasburg Railroad Company	EP
h. 540 Feet of Track & 500 Feet of Track Norma, MI Chippewa County, MI	Chicago and North Western Transpor- tation Company	CT

	<u>Lessor</u>	<u>Operating Division</u>
1. Line Code 6194, Milepost -66.6 Washington, NJ Warren County, NJ	Consolidated Rail Corporation	EP
j. Line Code 4721, Milepost 1 Syracuse, NY Onondaga County, NY	Consolidated Rail Corporation	EP
k. 200 Feet of "Taylor Track" Fort Edward, NY Washington County, NY	Delaware and Hudson Railway Company	EP
l. 400 Feet of Track Commencing 540 Feet South of Milepost AKJ-78 Simpsonville, SC Greenville County, SC	Seaboard Coast Line Railroad Company	EP
m. 650 Feet of Track 306-3 Thomasville, NC Davidson County, NC	Southern Railway Company	EP
n. 130 Feet of Track No. 1 Between Mile Post Toledo 9.28 and 9.25 Maumee, OH Lucas County, OH	Norfolk and Western Railway Company	EP
o. 150 Feet of Track No. 3 Columbus, GA Muscookee County, GA	Central of Georgia Railroad Company	EP
3. Miscellaneous Leases of Property with state, county and street address.		
a. Storage		
1. 906 Clinton Drive GATX Terminals Corporation Galena Park, TX 77547 Harris County, TX	GATX Terminals Corporation	EP
2. Fort of Indiana Burns Waterway Harbor, IN El Paso Products Company	Tanco Terminals, Inc.	EP

Lessor

Operating  
Division

b. Railroad Tank Cars & Hopper Cars

The railroad tank cars and hopper cars are constantly moving, except when loaded and on leased, customer's or railroad company's track pending delivery instructions or when empty and held by a railroad company near a plant pending instructions for loading.

- |  |   |    |
|--|---|----|
| 1. Railroad tank cars and hopper cars. | ACF Industries                              | EP |
| 2. Railroad tank cars.                 | General American Transportation Corporation | EP |
| 3. Railroad tank cars.                 | Trinity Industries Leasing Company          | EP |

4. Miscellaneous Facilities with state, county and street address. These facilities are used from time to time on an informal basis generally without written agreements. Many of the parties listed as Lessors do not occupy a position of lessor with respect to EP but provide storage service or have property (e.g. inventory) of EP on such parties premises from time to time.

a. Warehousing

- |   |                       |    |
|---|-----------------------|----|
| 1. 2121 W. Murphy Street<br>Odessa, Texas 79763<br>Ector County, Texas          | Orion Drilling        | EP |
| 2. 600 South Industrial<br>Avenue<br>Odessa, Texas 79761<br>Ector County, Texas | Diversified Warehouse | EP |
| 3. 11931 Hwy. 225<br>La Porte, Texas 77571<br>Harris County, Texas              | United D C Warehouse  | EP |

	<u>Lessor</u>	<u>Operating Division</u>
4. 8833 City Park Loop East Houston, Texas 77013 Harris County, Texas	Trammell-Crow Distribution	EP
5. 1660 Lockwood Drive Houston, TX 77220 Harris-County, TX	Palmer Warehouse	EP
6. Mark Yard-BG009 Houston, TX Harris County, TX	United D C Warehouse	EP
7. 13 McCabe Road La Porte, TX Harris County, TX	Bayshore Industries	EP
8. 49 Central Avenue South Kearny, NJ 07032 Hudson County, NJ	Columbia Terminals, Inc.	EP
9. 8 Greek Lane Edison, NJ 08817 Middlesex County, NJ	Interpak	EP
10. 131 Jersey Avenue New Brunswick, NJ Middlesex County, NJ	Hermann Warehouse	EP
11. Rt. 130, Old Georges Rd. South Brunswick, NJ Middlesex County, NJ	Hermann Warehouse	EP
12. 100 E. 25th Street Paterson, NJ 07501 Passaic County, NJ	Mirrers Warehouse	EP
13. 7701 West 79th Bridgeview, IL 60455 Cook County, IL	General Warehouse	EP
14. 410 Old Mill Road Mauldin, SC 29662 Greenville, SC	Piedmont Warehouse	EP
15. 14 Clyde Street West Warwick, RI 02827 Kent County, RI	Smith General Trucking	EP

	<u>Lessor</u>	<u>Operating Division</u>
<b>b. Bulk Transfer Facilities</b>		
1. Beeman Street Yard Dallas, TX Dallas County, TX	Matlack/Super Service	EP
2. 2300 Carson- Lakewood, CA Los Angeles County, CA	Pacific Chemical Distribution	EP
3. Spur 2027 or 2030 Los Nisto Station Santa Fe Springs, CA Los Angeles County, CA	Pacific Chemical Distribution	EP
4. 620 E. Warren Avenue Harm Springs, CA Alameda County, CA	Truck-Rail Handling	EP
5. A & P Alley Des Moines, IA Polk County, IA	CFC Transport	EP
6. Glenwood Yard Blair & Courtland Streets Pittsburg, PA Allegheny County, PA	CSXT/BIDS Terminal	EP
7. Cravens Yard Chattanooga, TN Hamilton County, TN	Bulk Distribution	EP
8. 2459 Chemical Avenue Memphis, TN Shelby County, TN	Matlack/Super Service	EP
9. Madison, IL Madison County, IL	Behnken Truck Service	EP
10. Glenn Yard Track 22 Chicago, IL Cook County, IL	Dyna Bulk, Inc.	EP
11. 828 Cedar Avenue Minneapolis, MN Hennepin County, MN	Matlack/Super Service	EP
12. 2nd & Hyandotte Team Track Kansas City, MO Jackson County, MO	Bulk Distribu- tion/KCS Bulk Transfer Terminals	EP

	<u>Lessor</u>	<u>Operating Division</u>
13. 119 E. Loughborough Street St. Louis, MO St. Louis City County, MO	Chemical Leaman	EP
14. GTW Lease Track Nolan Yard - Detroit, MI Wayne County, MI	Lakeshore Warehouse	EP
15. 1060 Millbury Street Worcester, MA Worcester County, MA	Midstates Pkg. & Distribution	EP
16. Worcester, MA Worcester County, MA	RVJ, Inc.	EP
17. Ware, MA Hampshire County, MA	RVJ, Inc.	EP
18. North Leominster, MA Worcester County, MA	RVJ, Inc.	EP
19. Tels, FL Polk County, FL	CTL Distribution	EP
20. Baltimore, MD Baltimore City County, MD	Conrail Flexi Flo	EP
21. 1525 Andre Street Baltimore, MD Baltimore City County, MD	CSXT/BIDS Terminal	EP
22. 297 W. Main Street Spartanburg, SC Spartanburg County, SC	Chemical Leaman	EP
23. Avon Yard Indianapolis, IN Marion County, IN	Conrail Flexi Flo	EP
24. Rossford Yard Toledo, Ohio Lucas County, OH	CSXT/BIDS Terminal	EP
25. Collinwood Yard Cleveland, OH Cuyahoga County, OH	Conrail Flexi Flo	EP

	<u>Lessor</u>	<u>Operating Division</u>
26. H. Charlotte Industrial Park Charlotte, NC Mecklenburg County, NC	Bulk Distribution	EP
27. Hollins, VA Roanoke County, VA	M & M Tank Lines	EP
28. 1557 Marietta Road & Pine Street Atlanta, GA Fulton County, GA	Bulk Distribution	EP
29. Commerce City, CO Adams County, CO	Montgomery Tank Lines	EP
30. Flemington, NJ Hunterdon County, NJ	Bass Transpor- tation	EP
31. W. Albany, NY Albany County, NY	Chemical Leaman	EP
c. Customer Owned or Leased Storage Track		
1. Cleburne, TX Johnson County, TX	Rubbermaid	EP
2. Midland, TX Midland County, TX	Texas Plastics	
3. Charlotte, NC Mecklenburg County, NC	Armstrong Cork	EP
4. Hurland, KY Greenup County, KY	Ametek	EP
5. Winchester, VA Winchester County, VA	Rubbermaid	EP
6. S. Deerfield, MA Franklin County, MA	Deerfield PLS.	EP
7. Dalton, GA Whitfield County, GA	Polypac	EP
8. Slatersville, RI Providence County, RI	Turex	EP
9. 1016 N. Monroe Lowell, MI Kent County, MI	Attwood	EP

10. 1300 S. River St.  
Batavia, IL  
Kane County, IL

<u>Lessor</u>	<u>Operating Division</u>
American Can	EP

5. Property Leased to Others

A. 2500 South Grandview  
Odessa, Texas 79766

<u>Lessee</u>	<u>Operating Division Lessor</u>
Odessa Complex Federal Credit Union	EP

B. 8200 Brookriver Drive  
Suite N-403  
Dallas, Texas 75247

HRH Energy Group, Inc.	RI
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1618a

**SCHEDULE VII**  
to Security Agreement

**PROMISSORY NOTES AND INSTRUMENTS EVIDENCING RECEIVABLES**

**Promissory Notes from Customers:**

<u>Maker</u>	<u>Date</u>	<u>Amount</u>
Saturn Chemicals Inc.	12-1-87	\$34,387.50
Charles Busbee	12-7-87	17,820.50
Joe W. Willis	12-7-87	7,128.00
Walter Wing	12-8-87	18,681.60

Promissory Notes from shareholders of Rexene Corporation are described on Exhibit 1 to Schedule VII.

Certificates of Deposit issued by Texas Commerce Bank-Odessa are described on Exhibit 2 to Schedule VII.

EXHIBIT 1 TO SCHEDULE VII

NAME	PROFESSIONY NOTE (1)		PROFESSIONY NOTE (2)		PROFESSIONY NOTE (3)		TOTAL
	AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE	
Allen, George Cyrus	80,403.00	12/11/87	80,981.82	03/06/88	102,844.88	04/11/88	213,929.10
Anderson, Leven Nichols	94,919.00	12/22/87	80,113.81	03/08/88	161,141.48	04/11/88	336,174.29
Baker, William Jack	94,919.00	12/14/87	80,113.81	03/08/88	161,141.48	04/11/88	336,174.29
Barnes, Sanford E.	65,880.40	12/18/87	85,351.36	03/07/88	111,334.11	04/11/88	232,263.87
Bangston, Douglas W.	61,844.08	12/17/87	68,825.05	03/08/88	123,053.49	04/11/88	273,422.59
Bird, Louis O.	65,880.40	12/23/87	85,351.36	03/07/88	111,334.11	04/11/88	232,263.87
Blond, Robert Newton. III	65,880.40	12/14/87	85,351.36	03/05/88	111,334.11	04/11/88	232,263.87
Bradley, Gerald C.	101,114.82	12/14/87	85,343.06	03/08/88	123,053.49	04/11/88	309,511.17
Butler, Albert O.	72,483.60	12/09/87	61,177.82	03/05/88	123,053.49	04/11/88	256,714.91
Byrum, Harry Lee	80,403.00	12/09/87	80,981.82	03/05/88	102,844.88	04/11/88	213,929.10
Cagle, Harold L.	65,880.40	12/21/87	85,351.36	03/07/88	111,334.11	04/11/88	232,263.87
Curt, Glenn Lloyd	80,403.00	12/18/87	80,981.82	03/07/88	102,844.88	04/11/88	213,929.10
Curver, Todd E.	65,880.40	12/17/87	85,351.36	03/08/88	111,334.11	04/11/88	232,263.87
Cavanaugh, Donald Glen	65,880.40	12/18/87	85,351.36	03/05/88	111,334.11	04/11/88	232,263.87
Cheaney, Richard S.	72,483.60	12/22/87	61,177.82	03/14/88	123,053.49	04/11/88	256,714.91
Cherry, Ralph P.	65,880.40	12/21/87	85,351.36	03/07/88	111,334.11	04/11/88	232,263.87
Chinal, Akhat K.					140,329.00	03/31/88	140,329.00
Christensen, Ronald I.	86,290.00	12/27/87	72,830.74	03/10/88	146,492.25	04/11/88	305,612.99
Clarke, Anthony H.	80,456.80	12/22/87	67,907.57	03/08/88	131,631.13	04/11/88	279,995.30
Cochi, Richard Joseph	94,228.68	12/21/87	79,531.17	03/19/88	123,053.49	04/11/88	296,813.34
Coyle, Jimmy Antony	65,880.40	12/15/87	85,351.36	03/06/88	111,334.11	04/11/88	232,263.87
Crimmins, Stephen H.	72,483.60	12/21/87	61,177.82	03/08/88	123,053.49	04/11/88	256,714.91
Crosson, Thomas P.	75,617.45	12/21/87	63,634.05	03/09/88	149,162.31	04/11/88	294,233.83
Dann, Alvia L.	80,403.00	12/17/87	80,981.82	03/14/88	102,844.88	04/11/88	213,929.10
Edwards, Charles Lander	72,483.60	12/21/87	61,177.82	03/09/88	123,053.49	04/11/88	256,714.91
Dunn, Larry D.	82,356.14	12/13/87	71,354.49	03/03/88	164,863.60	04/11/88	318,574.23
Faller, Lawrence Wayne	94,919.00	12/22/87	80,113.81	03/08/88	161,141.48	04/11/88	336,174.29
Fisher, Lester William, Jr.	86,290.00	12/10/87	72,830.74	03/07/88	146,492.25	04/11/88	305,612.99
Fluitt, Robert Lynn	65,880.40	12/21/87	85,351.36	03/15/88	111,334.11	04/11/88	232,263.87
Fultz, James E.	82,356.14	12/12/87	71,354.49	03/08/88	164,863.60	04/11/88	318,574.23
Gardner, Harold F.	72,483.60	12/28/87	61,177.82	03/07/88	123,053.49	04/11/88	256,714.91
Garlach, John D.	65,880.40	12/14/87	85,351.36	03/07/88	111,334.11	04/11/88	232,263.87
Gibson, Jack Gregg	80,403.00	12/11/87	80,981.82	03/05/88	102,844.88	04/11/88	213,929.10
Glaininger, Joseph J.	83,615.01	12/12/87	70,572.99	03/08/88	131,695.65	04/11/88	285,883.65
Grum, William E.	94,919.00	12/17/87	80,113.81	03/10/88	161,141.48	04/11/88	336,174.29
Harrison, Richard E.	80,403.00	12/18/87	80,981.82	03/07/88	102,844.88	04/11/88	213,929.10
Hart, Robert L.	72,483.60	12/11/87	61,177.82	03/07/88	123,053.49	04/11/88	256,714.91
Hedrick, Robert L.	61,844.08	12/15/87	68,825.05	03/15/88	123,053.49	04/11/88	273,422.59
Hentrus, Layton Jay	65,880.40	12/14/87	85,351.36	03/08/88	111,334.11	04/11/88	232,263.87
Hessary, James Daniel	72,483.60	12/23/87	61,177.82	03/11/88	123,053.49	04/11/88	256,714.91
Hill, William Melvin	72,483.60	12/10/87	61,177.82	03/05/88	123,053.49	04/11/88	256,714.91
Hodges, Johnny L.	65,880.40	12/10/87	85,351.36	03/06/88	111,334.11	04/11/88	232,263.87
Hogan, John F.	61,844.08	12/17/87	68,825.05	03/08/88	123,053.49	04/11/88	273,422.59
Hobart, Richard Vaughan	72,483.60	12/11/87	61,177.82	03/05/88	123,053.49	04/11/88	256,714.91
Huckabay, Jimmy V.	80,403.00	12/14/87	80,981.82	03/10/88	102,844.88	04/11/88	213,929.10
Hudson, James Raymond	72,483.60	12/14/87	61,177.82	03/07/88	123,053.49	04/11/88	256,714.91
Huffman, Neal William	65,880.40	12/25/87	85,351.36	03/05/88	111,334.11	04/11/88	232,263.87
Hughes, Michael Peyton	79,386.80	12/15/87	67,004.28	03/05/88	134,772.87	04/11/88	281,163.95
Jenkins, David B.	86,290.00	12/21/87	72,830.74	03/05/88	146,492.25	04/11/88	305,612.99
Johnson, Marion L.	80,403.00	12/11/87	80,981.82	03/07/88	102,844.88	04/11/88	213,929.10
Jones, Garry D.	65,880.40	12/14/87	85,351.36	03/07/88	111,334.11	04/11/88	232,263.87
Kendrick, Bruce G.	94,919.00	12/11/87	80,113.81	03/05/88	161,141.48	04/11/88	336,174.29

Scott, Jack	89,310.15	12/15/87	75,379.81	03/15/88	134,772.87	04/11/88	289,462.83
Schler, Melvin C.	85,580.40	12/21/87	85,351.36	03/07/88	111,334.11	04/11/88	233,265.87
Erach, Stanley F.	88,119.35	12/15/87	74,374.75	03/08/88	144,157.62	04/11/88	306,641.52
Lacy, Lewis Durrall, Jr.	85,580.40	12/15/87	85,351.36	03/07/88	111,334.11	04/11/88	233,265.87
Lafreutz, John Dalton	94,919.00	12/15/87	80,113.81	03/07/88	161,141.48	04/11/88	336,174.29
Leafer, Johnny W.	85,580.40	12/14/87	85,351.36	03/07/88	111,334.11	04/11/88	233,265.87
Le Maire, Margareta	80,403.00	12/11/87	80,981.52	03/07/88	102,544.58	04/11/88	213,929.10
Light, John K.	80,403.00	12/22/87	81,062.95	03/14/88	102,544.58	04/11/88	214,000.53
Little, Jefferson D., Jr.	85,580.40	12/15/87	85,351.36	03/10/88	111,334.11	04/11/88	233,265.87
Lucas, Bonnie E.	72,483.60	12/15/87	61,177.82	03/07/88	123,053.49	04/11/88	254,714.91
Malcolm, Paul Richard	86,290.00	12/17/87	72,830.74	03/07/88	146,492.25	04/11/88	308,612.99
Mazurak, Charles D.	80,484.80	12/17/87	84,013.67	03/15/88	146,333.88	04/11/88	300,804.35
McKinney, Stephen Craig	80,403.00	12/20/87	80,981.52	03/06/88	102,544.58	04/11/88	213,929.10
Meas, Dayton L.	85,580.40	12/14/87	85,351.36	03/05/88	111,334.11	04/11/88	233,265.87
Mulholland, Ronald Francis	72,483.60	12/10/87	61,177.82	03/06/88	123,053.49	04/11/88	254,714.91
Narby, Paul T.	84,262.19	12/15/87	72,119.21	03/07/88	102,544.58	04/11/88	207,925.98
Nears, John E.	72,483.60	12/21/87	61,177.82	03/07/88	123,053.49	04/11/88	254,714.91
Neswanki, Richard Paul	94,919.00	12/28/87	80,113.81	03/10/88	161,141.48	04/11/88	336,174.29
Ortiz, Kenneth W.	69,443.45	12/12/87	58,896.02	03/07/88	137,386.34	04/11/88	283,745.81
Oetting, Steven L.	80,403.00	12/14/87	80,981.52	03/07/88	102,544.58	04/11/88	213,929.10
Oren, Douglas W.	81,544.05	12/16/87	68,824.65	03/15/88	123,053.49	04/11/88	273,422.59
Oryen, Ronald Edward	80,403.00	12/15/87	80,981.52	03/07/88	102,544.58	04/11/88	213,929.10
Paton, Samuel J.	85,580.40	12/14/87	85,351.36	03/07/88	111,334.11	04/11/88	233,265.87
Pettijohn, Arnold Charles	94,919.00	12/10/87	80,113.81	03/07/88	161,141.48	04/11/88	336,174.29
Pos, James O.	72,483.60	12/11/87	61,177.82	03/07/88	123,053.49	04/11/88	254,714.91
Pritchett, Smith Graham, Jr.	85,580.40	12/21/87	85,351.36	03/07/88	111,334.11	04/11/88	233,265.87
Reed, George Wesley	86,290.00	12/31/87	72,830.74	03/08/88	146,492.25	04/11/88	308,612.99
Reich, Gary J.	84,262.19	12/15/87	72,254.49	03/07/88	102,544.58	04/11/88	209,063.26
Sanford, Grady Robert	85,580.40	12/22/87	85,351.36	03/09/88	111,334.11	04/11/88	233,265.87
Schalhout, Donald J.	85,980.40	12/11/87	85,351.36	03/08/88	111,334.11	04/11/88	233,265.87
Schussler, William A.	72,483.60	12/22/87	61,177.82	03/07/88	123,053.49	04/11/88	254,714.91
Shaw, Michael David	72,483.60	12/18/87	61,177.82	03/23/88	123,053.49	04/11/88	254,714.91
Shifflet, Gary T.	85,580.40	12/18/87	85,351.36	03/05/88	111,334.11	04/11/88	233,265.87
Shillinglov, William C.	86,290.00	12/15/87	72,830.74	03/05/88	146,492.25	04/11/88	308,612.99
Shrader, William Newton	72,483.60	12/23/87	61,177.82	03/10/88	123,053.49	04/11/88	254,714.91
Slusher, Donald Gene	80,403.00	12/14/87	80,981.52	03/09/88	102,544.58	04/11/88	213,929.10
Snailwood, Paul Michael	94,919.00	12/18/87	80,113.81	03/05/88	161,141.48	04/11/88	336,174.29
Smith, Daniel Ray	94,919.00	12/22/87	80,113.81	03/07/88	161,141.48	04/11/88	336,174.29
Snyder, Joseph Robert	80,403.00	12/12/87	80,981.52	03/05/88	102,544.58	04/11/88	213,929.10
Sparks, Roy L.	80,403.00	12/11/87	80,981.52	03/07/88	102,544.58	04/11/88	213,929.10
Stanford, Tommy D.	80,403.00	12/15/87	80,981.52	03/07/88	102,544.58	04/11/88	213,929.10
Steen, William A.	94,919.00	12/18/87	80,113.81	03/05/88	161,141.48	04/11/88	336,174.29
Stephens, Edy Andrew	80,403.00	12/15/87	80,981.52	03/07/88	102,544.58	04/11/88	213,929.10
Sullivan, Thomas J.	94,919.00	12/19/87	80,113.81	03/07/88	161,141.48	04/11/88	336,174.29
Sulczynski, John E.	80,484.80	12/14/87	67,907.37	03/11/88	131,631.13	04/11/88	279,995.30
Talbot, Barbara T.	72,483.60	12/15/87	61,177.82	03/08/88	123,053.49	04/11/88	254,714.91
Thais, Edward H.	85,580.40	12/21/87	85,351.36	03/14/88	111,334.11	04/11/88	233,265.87
Veron, William D.	72,483.60	12/16/87	61,177.82	03/07/88	123,053.49	04/11/88	254,714.91
Voh, Richard Bruce	80,403.00	12/21/87	80,981.52	03/14/88	102,544.58	04/11/88	213,929.10
Warron, Ray	94,919.00	12/14/87	80,113.81	03/04/88	161,141.48	04/11/88	336,174.29
Watson, Thomas Wayne	80,403.00	12/10/87	80,984.88	03/07/88	102,544.58	04/11/88	213,934.65
White, Lawrence E.	85,580.40	12/14/87	85,351.36	03/08/88	111,334.11	04/11/88	233,265.87
Whittaker, Winford Nathan	85,580.40	12/22/87	85,351.36	03/07/88	111,334.11	04/11/88	233,265.87
Wihlakki, Earl W.	72,483.60	12/18/87	61,177.82	03/08/88	123,053.49	04/11/88	254,714.91
Woods, Robert E.	85,580.40	12/21/87	85,351.36	03/14/88	111,334.11	04/11/88	233,265.87

TOTALS

87,827,109.38

86,896,534.67

813,288,128.96

827,681,773.01

EXHIBIT 2 TO SCHEDULE VII

CERTIFICATE OF DEPOSIT #	IN THE NAME OF	ISSUED BY	DATED	MATURES	IN THE AMOUNT OF
14663	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$90,000.00
134664	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$86,000.00
134665	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$90,000.00
14666	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$91,000.00
34667	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$181,000.00
34669	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$ 9,200.00
14671	El Paso Products Company	Texas Commerce Bank-Odessa	3-31-88	4-30-88	\$96,200.00

**SCHEDULE VIII**  
to Security Agreement

1. The Grantor merged its wholly-owned subsidiary with and into the Grantor pursuant to the Certificate of Ownership and Merger Merging El Paso Polyolefins Company into El Paso Products Company filed with the Secretary of State of the State of Delaware on March 31, 1988.
2. El Paso Chemical Corporation will be merged with and into the Grantor pursuant to the Amended and Restated Agreement of Merger, dated as of February 1, 1988, among Rexene Corporation, El Paso Products Company, El Paso Chemical Group, Inc. and El Paso Chemical Corporation.

**SCHEDULE IX**  
to Security Agreement

**El Paso Products Company**  
**El Paso Polyolefins Company**  
**El Paso Chemical Company, a division of El Paso Products Company**  
**El Paso Petrochemical Company, a division of El Paso Products Company**  
**Rexene Company, a division of Dart Industries, Inc.**  
**Rexene Company, a division of El Paso Polyolefins Company**  
**Consolidated Thermoplastics Company**  
**Consolidated Thermoplastics Company, a division of El Paso Polyolefins Company**  
**Consolidated Thermoplastics Company, a division of El Paso Products Company**  
**C T Film**  
**Golden West Plastics**

ANNEX I  
to  
Security Agreement

LOCKBOX LETTER AGREEMENT

[Closing Date]

[Name and  
address of  
Lockbox Bank]

Gentlemen:

We refer to the following (the "Account") maintained with you by El Paso Products Company (the "Company"): (i) the lockbox[es] number[s] \_\_\_\_\_ into which certain monies, instruments and other property are deposited from time to time, and (ii) deposit account number \_\_\_\_\_. The Company has granted to Citibank, N.A., as agent (the "Agent"), a security interest in all assets and properties of the Company, including, among other things, all of the proceeds of such assets and properties deposited from time to time by obligors of the Company in the Account and all other cash of the Company deposited in the Account. It is a condition to continued maintenance of the Account with you that you agree to this Letter Agreement.

By signing this Letter Agreement, you agree that from the date hereof the Account shall be maintained solely for the benefit of the Agent. The Account is to be entitled "Citibank, N.A., as Agent, Re: El Paso Products Company" and shall be subject to written instructions only from an officer of the Agent. You agree to:

(a) collect mail from the Account on each of your business days at times that coincide with the delivery of the mail thereto;

(b) follow your usual operating procedures for the handling of any remittance received in the Account that contained restrictive indorsements, irregularities, such

as a variance between the written and numerical amounts, undated or postdated items, missing signature, incorrect payee, etc.;

(c) indorse and process all eligible checks and other remittance items, not covered by subparagraph (b) above, deposit such checks and other remittance items in the Account and transfer intact all amounts deposited in respect thereof to the Cash Collateral Account (defined below) for the benefit of the Agent; and

(d) maintain a record of all checks and other remittance items received in the Account and, in addition to providing the Company with photostats, vouchers, enclosures, etc. of checks and other remittance items received on a daily basis, as well as a monthly statement, furnish to the Agent, (i) your regular bank statement with respect to the Account, with the words "Citibank, N.A. Re: El Paso Products Company" included thereon so there is no confusion as to ownership of the Account and so that the Agent is able to identify properly the Account, and (ii) a daily collection and check float report, to be transmitted electronically to the Agent. All service charges, fees and return items with respect to the Account and the actions contemplated by this Letter Agreement shall be payable by the Company and all such service charges, fees and return items shall be the sole responsibility of the Company and shall not be deducted or set-off from any funds from time to time in the Account.

You hereby agree to transfer in same day funds, on each of your business days, all money collected from the Account to an account (the "Cash Collateral Account") maintained by the Agent at:

Citibank, N.A.  
641 Lexington Avenue  
Domestic Money Transfer Dept.  
New York, NY 10043

**FOR CREDIT:**

F/A/O El Paso Products Company  
Cash Collateral Account  
Account: #4050-9506

In order to enable the Agent to reconcile properly the records of the Company, you agree that each such transfer of funds by you to the Cash Collateral Account shall neither comprise only part of a remittance nor reflect the rounding off of any funds so transferred. Additionally, in order to

enable the Agent to reconcile properly the records of the Company, you irrevocably agree to provide access at any time to any and all of your records of, or relating to, the Company and its accounts maintained by you, including, without limitation, records of all collections and disbursements and other transfers of any kind for the Company. At the request of the Agent you agree to furnish such records on a daily basis, including, without limitation, daily collection and check float reports to be transmitted electronically to the Agent, and, in any event, you agree to furnish promptly to the Agent copies of all of your regular bank statements and other notices furnished to the Company with respect to such accounts.

You waive and agree not assert, claim or endeavor to exercise, and by executing this Letter Agreement bar and estop yourself from asserting, claiming or exercising, and you acknowledge that you have not heretofore received a notice from any other party asserting, claiming or exercising, any right of set-off, banker's lien or other purported form of claim with respect to the Account and funds from time to time therein. You shall have no rights in the Account or the funds therein. To the extent you may ever have any such rights you hereby expressly subordinate all such rights to all rights of the Agent.

You may terminate this Letter Agreement only upon thirty days' prior written notice to that effect to the Company and the Agent, by cancelling the Account maintained with you and transferring all funds, if any, in such Account to the Cash Collateral Account at the address set forth above. After any such termination, you shall nonetheless remain obligated promptly to transfer to the Cash Collateral Account anything from time to time received in the Account from obligors of the Company.

This Letter Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Very truly yours,

EL PASO PRODUCTS COMPANY

By: \_\_\_\_\_  
Title:

CITIBANK, N.A., as Agent

By: \_\_\_\_\_  
Title:

Acknowledged and agreed to as of the date first above written.

[NAME OF LOCKBOX BANK]

By: \_\_\_\_\_  
Title: