Tab 7

Description of Qualified Investment

Stepan Corporation proposes to construct a new Alkoxylation Surfactant manufacturing plant in Harris County, Texas, on undeveloped land at the location of its existing idle Pasadena plant. The proposed project would have an annual alkoxylation surfactant capacity of 163 million pounds serving customers in North America, South America, Asia and Europe.

New process equipment expected to be purchased for this project includes three reactors, pre-treatment vessels and filtration assets, recirculation loops comprised of pumps and piping used to mix the reactor contents, a chemical additives area comprised of pumps and container storage, railcar unloading facilities, ethylene oxide and propylene oxide storage tanks, chillers, cooling towers, compressors, driers, substations, emergency generators, heat exchangers, pumps, mixers, valves, piping and associated pipe racks, scrubbers, electrical and instrumentation equipment, high level switches, computer control systems, structural foundations and supports, access platforms, safety systems (including, but not limited to, safety showers, a water tank, eyewashes, and gas detectors/monitors), automated deluge systems (fire protection systems consisting of piping, sprinkler heads and sensors connected to the fire water system which automatically open in case of fire and cool/extinguish the equipment with large amounts of fire water), and pollution control equipment. New buildings would include an operations control center building containing an operator control room, server room, laboratory, locker room facilities, break room and offices and a maintenance building. Proposed land improvements are a diversion pond, containment and paving, including roads, new rail spurs, and rail unloading areas for unloading ethylene oxide and propylene oxide.

There are interconnections to the surrounding existing property as described below:

- Raw materials are pumped from existing storage tanks to the reactors through piping in pipe racks. Tie-ins will be made at the storage tank to new piping routed through existing pipe racks to the reactors.
- Product is pumped from the reactors to existing storage tanks via new piping and pipe racks within the project boundaries. Product is then loaded into trucks or railcars for sale to third party customers or transfer to other Stepan facilities.
- Electrical connections – tie ins will be made at the Main Electrical Substation.

- Steam and clarified water connections will be made at the NW corner of the plant from a third party supplier via pipeline along Bay Area Blvd. New aboveground piping will be installed to service the plant from this location. Condensate return will be recovered from the process and returned to the same third party supplier through new piping.
- Nitrogen connections will be made at the Metering Skid supplied via underground pipeline from a third party supplier.
- Fire water is supplied from the existing storm water pond to fire pumps and through underground piping to fire hydrants. Tie in connections will be made to the underground line to supply new deluge/sprinkler systems and hydrants.
- Wastewater treatment connections – tie-ins will be made from the reactors, process drains and some storage tanks to transfer wash water to the existing waste water storage tanks.
- The project does not have any natural gas connections.

Tab 8

Description of Qualified Property

Stepan Corporation proposes to construct a new Alkoxylation Surfactant manufacturing plant in Harris County, Texas, on undeveloped land at the location of its existing idle Pasadena plant. The proposed project would have an annual alkoxylation surfactant capacity of 163 million pounds serving customers in North America, South America, Asia and Europe.

New process equipment expected to be purchased for this project includes three reactors, pre-treatment vessels and filtration assets, recirculation loops comprised of pumps and piping used to mix the reactor contents, a chemical additives area comprised of pumps and container storage, railcar unloading facilities, ethylene oxide and propylene oxide storage tanks, chillers, cooling towers, compressors, driers, substations, emergency generators, heat exchangers, pumps, mixers, valves, piping and associated pipe racks, scrubbers, electrical and instrumentation equipment, high level switches, computer control systems, structural foundations and supports, access platforms, safety systems (including, but not limited to, safety showers, a water tank, eyewashes, and gas detectors/monitors), automated deluge systems (fire protection systems consisting of piping, sprinkler heads and sensors connected to the fire water system which automatically open in case of fire and cool/extinguish the equipment with large amounts of fire water), and pollution control equipment. New buildings would include an operations control center building containing an operator control room, server room, laboratory, locker room facilities, break room and offices and a maintenance building. Proposed land improvements are a diversion pond, containment and paving, including roads, new rail spurs, and rail unloading areas for unloading ethylene oxide and propylene oxide.

There are interconnections to the surrounding existing property as described below:

- Raw materials are pumped from existing storage tanks to the reactors through piping in pipe racks. Tie-ins will be made at the storage tank to new piping routed through existing pipe racks to the reactors.
- Product is pumped from the reactors to existing storage tanks via new piping and pipe racks within the project boundaries. Product is then loaded into trucks or railcars for sale to third party customers or transfer to other Stepan facilities.
- Electrical connections – tie ins will be made at the Main Electrical Substation.

- Steam and clarified water connections will be made at the NW corner of the plant from a third party supplier via pipeline along Bay Area Blvd. New aboveground piping will be installed to service the plant from this location. Condensate return will be recovered from the process and returned to the same third party supplier through new piping.
- Nitrogen connections will be made at the Metering Skid supplied via underground pipeline from a third party supplier.
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- Wastewater treatment connections – tie-ins will be made from the reactors, process drains and some storage tanks to transfer wash water to the existing waste water storage tanks.
  The project does not have any natural gas connections.