

LOBBYING SERVICES AGREEMENT

THIS AGREEMENT, made and entered into as of the first day of January 1999, by and between Glenn Jernigan & Associates, a sole proprietorship, (hereinafter called "Jernigan") with its principal office located at 2557 Ravenhill Drive, P O. Box 1863, Fayetteville, North Carolina 28302, and Solutia Inc , a Delaware corporation, with its principal offices at 10300 Olive Boulevard, St. Louis, Missouri 63166 (hereinafter called "Solutia").

WITNESSETH:

WHEREAS, Solutia wishes to retain Jernigan to perform certain lobbying services (hereinafter more particularly described) on behalf of Solutia and its subsidiaries in the State of North Carolina; and

WHEREAS, Jernigan has represented to Solutia that it is capable and is willing to undertake the performance of lobbying services in the State of North Carolina.

NOW, THEREFORE, in consideration of the payments to be made to Jernigan as herein provided, and the mutual agreements herein contained, the parties agree as follows:

Term and Termination.

This Agreement shall be effective as of January 1, 1999, and shall continue in full force and effect through December 31, 1999, provided, however, that either party may terminate this Agreement at any time by giving the other party not less than thirty(30) days prior written notice at the address first above written, provided, further, that Solutia may terminate this Agreement with respect to itself pursuant to Section 4.

Termination shall not terminate any continuing obligations of Jernigan, including, but not limited to, those set forth in Sections 6, 7 and 8, and shall in no way be deemed to be or construed as a restriction, limitation or waiver of either party's rights to pursue any additional available remedy at law or equity.

Lobbying Services.

Solutia hereby retains Jernigan, and Jernigan hereby undertakes to exercise its best efforts to protect and promote the business, products, reputation and interests of Solutia and its subsidiaries in the State of North Carolina by performing lobbying services (hereinafter called "Services") for Solutia. Such Services shall include, but not be limited to, the following:

Monitoring and keeping Solutia apprised on a regular basis of all legislation, bills, amendments and regulatory activity now pending or proposed, or which may be proposed during the term hereof, in

the North Carolina state legislature or in any agency or department in the State of North Carolina pertaining to the business, products, reputation or interests of Solutia;

Providing Solutia with information and guidance as to the matters described above and making recommendations as to appropriate actions which should be taken consistent with the objectives of this Agreement;

Attending meetings, public workshops, and public hearings to monitor activities which may lead to lobbying efforts; and

Lobbying efforts with executive, legislative or regulatory officials and their staffs, on such matters.

Jernigan shall maintain close liaison and frequent communication with the authorized representatives designated under Section 5, particularly during critical periods or on priority items. It is agreed that the Services hereunder shall be performed by or under the direct supervision of Glenn Jernigan.

Compensation.

For and in consideration of Jernigan's performance of Services in accordance with the terms and conditions of this Agreement, Solutia shall pay Jernigan a fee of Twenty Four Thousand Dollars (\$24,000) for services during the contract period, to be paid following receipt of an itemized statement. Said statement shall cover Jernigan's fee for performing the Services, and shall constitute the total financial obligation to Jernigan under this Agreement. Payments shall be billed as follows: \$6,000.00 on January 1, 1999; \$6,000.00 on April 1, 1999, \$6,000.00 on July 1, 1999; \$6,000.00 on October 1, 1999; payments shall be issued within 60 days after each bill is approved by the authorized representative of Solutia.

It is understood and agreed that the compensation recited in subsection (a) includes usual and ordinary costs and expenses necessary for the performance of the Services hereunder. If Jernigan determines that there is a need to incur extraordinary costs and expenses in the performance of Services hereunder, then in that event, Solutia shall reimburse Jernigan for the same, provided the nature, amount and circumstances thereof are fully disclosed to and approved by an authorized representative designated under Section 5, prior to the time the same are incurred, and upon receipt of a detailed accounting of all such extraordinary costs and expenses.

No part of the compensation paid to Jernigan under either subsection (a) or subsection (b) of this section shall be used for contributions to support or oppose the nomination or election of any candidate for federal, state or local office, or for

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contributions to any political party, political committee, or ballot issue

Relationship with Other Clients.

In the event that a possible conflict of interest arises at any time during the term of this Agreement between the interests of Solutia or its subsidiaries and those of Jernigan's other clients, Jernigan agrees to notify Solutia thereof promptly and shall, if so directed by Solutia, refrain from performing Services with respect to such area of conflicting interest. Jernigan agrees that Solutia shall have the right to terminate this Agreement with respect to itself at any time without liability upon written notice to Jernigan if, in Solutia's sole judgment, upon reasonable basis, Jernigan's representation of its other clients conflicts with the best interests of Solutia or its subsidiaries.

Authorized Representatives.

For purposes of this Agreement, Solutia's authorized representatives shall be as follows: Beth L. Rusert; or in her absence, Glenn S. Ruskin. Solutia may designate, from time to time, additional or substitute authorized representatives by written notice to Jernigan.

Compliance with Laws.

Jernigan recognizes that it has been Solutia's long-standing policy to comply fully with all applicable federal, state and local laws regulating corporate political and lobbying activities, and agrees that it will fully comply with all applicable laws, decrees, rules, regulations, orders, ordinances, actions and requests of any federal, state or local governmental or judicial body, agency or official pertaining to his performing Services. In addition, Jernigan agrees that it will obtain all permits, licenses or other forms of documentation and do all acts required to perform the Services in compliance with said laws, decrees, rules, regulations, orders, ordinances, actions or requests, including the timely securing and forwarding to Solutia of any forms or reports required to be filed by Solutia or its subsidiaries with the State of North Carolina as a result of Jernigan's employment under this Agreement, and assisting in the timely completion of such forms.

Indemnification and Insurance.

Jernigan agrees to indemnify and save Solutia harmless against any and all losses, damages, costs and expenses which Solutia may hereafter suffer or may pay out by reason of any claim, actions and rights of action, in law or equity, arising out of Jernigan's performance of this Agreement (except when such claim, action or right of action results solely from the negligence of Solutia) and resulting from injuries or damage occurring to or caused by Jernigan. Jernigan agrees to obtain and maintain insurance adequate to cover its obligations and its

operations under this Agreement and agrees not to begin the Services until all such insurance has been obtained. Certificates confirming such coverage shall be furnished to Solutia upon request.

Confidentiality.

Inasmuch as in the rendering of Services hereunder, Jernigan, its associates and employees may acquire confidential information and data concerning the business and operations of, or belonging to, Solutia or its subsidiaries, and/or other companies with whom Solutia or its subsidiaries has a business relationship, and additional information and data will be made available to or developed by Jernigan, Jernigan agrees to treat and maintain all such information and data as Solutia's or its subsidiaries' confidential property and not to divulge it to others at any time or use it for private purposes or otherwise, except as such use or disclosure may be required in connection with performance of the Services or as may be consented to in writing by Solutia, unless and until such information becomes a part of the public domain or Jernigan legally acquires such information without restriction on disclosure from sources other than Solutia or its subsidiaries or other companies with whom Solutia or its subsidiaries has a business relationship. At any time as Solutia or its subsidiaries so requests and at the termination or end of the term of this Agreement, Jernigan will deliver to Solutia all notes, memoranda, records, drawings, sketches or other documents (including all copies, reproductions, and excerpts thereof) in connection with any information and data Jernigan has had access to or has developed or compiled due to its Services hereunder. Jernigan agrees that its employees or associates will be subject to, and will comply with, the foregoing restrictions. Upon the request of Solutia, Jernigan agrees to obtain from each of its employees assigned to or involved in the Services an individual confidentiality agreement in a form satisfactory to Solutia.

Independent Contractor.

Jernigan is and shall remain an independent contractor in its performance of the Services and neither Jernigan nor anyone directly or indirectly employed or engaged by Jernigan shall make any representations to the contrary.

Non-Assignment.

The performance of Services hereunder shall be personal to the parties hereto and Jernigan shall not (by operation of law or otherwise) transfer or assign its rights or delegate its performance hereunder, provided, however, that Jernigan may, from time to time, subject to the prior written approval of Solutia, subcontract part of the Services that Solutia and Jernigan may agree upon. Jernigan shall have full directing authority and responsibility for the proper performance of all portions of the Services he sublets and shall not be relieved of his full responsibility for the proper performance and completion of the Services because of such subletting. Nothing contained in this Agreement is intended to nor shall the same create any contractual relation between any subcontractor and Solutia or any obligation on the part of Solutia to pay or see to the payment of any monies due any subcontractor. Jernigan agrees to bind every subcontractor by the terms, conditions and provisions of this Agreement applicable to his Services, unless otherwise agreed to in writing by Solutia. Any attempt by Jernigan to so transfer, assign, or delegate any of its rights or obligations hereunder without the prior written consent of Solutia, shall be void and of no effect.

Miscellaneous.

This Agreement constitutes the full understanding of the parties and a complete allocation of risks between them and a complete and exclusive statement of the terms and conditions of their agreement relating to Jernigan's performing Services hereunder and supersedes any and all prior agreements, whether written or oral, between the parties. No waiver, modification or amendment of any term, condition or provision of this Agreement, nor any addition thereto, shall be valid or of any force or effect, unless made in writing signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification, amendment or addition. No such waiver shall, in any event, be construed to be a general or continuing waiver of any of the terms, conditions or provisions of this Agreement, but the same shall be strictly limited and restricted to the extent and occasion specified in such writing.

THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS AND JUDICIAL DECISIONS OF THE STATE OF MISSOURI AND ALL QUESTIONS OF PERFORMANCE HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS AND JUDICIAL DECISIONS; BY EXECUTION OF THIS AGREEMENT, Jernigan AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF MISSOURI.

All provisions of this Agreement are severable and any provision which may be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

GLENN JERNIGAN
& ASSOCIATES INC.

SOLUTIA INC.

By:
Glenn Jernigan
Title.

By:
Glenn S. Ruskin
Vice President, Government Affairs