

EXHIBIT 116

TRUST AGREEMENT

Trust Agreement, the "Agreement," entered into as of JAN 18, 1985 by and between the Diamond Shamrock Chemicals Company, a Delaware Corporation, the "Grantor," and INTERFIRST BANK, a national bank, the "Trustee."
DALLAS N.A.

Whereas, the New Jersey State Department of Environmental Protection (hereinafter "the Department") has established certain requirements applicable to the Grantor, requiring that Diamond Shamrock Chemicals Company shall provide assurance that funds will be available when needed for performance of remedial investigations and actions at the facility identified herein.

Whereas, the Grantor is required to establish a trust to provide all or part of such financial assurance for the facility identified herein.

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee.

Now, therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the Diamond Shamrock Chemicals Company and its successors or assigns.
- (b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.
- (c) The term "Commissioner" means the Commissioner of the New Jersey Department of Environmental Protection.

Section 2. Identification of Facility and Cost Estimates. This Agreement pertains to the facility and cost estimates identified on attached Schedule A .

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund, the "Fund," for the benefit of the Department. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor, established by the Department.

Section 4. Payment for Remedial Actions Costs. The Trustee shall make payments from the Fund as the Commissioner of the Department shall direct, in writing, to provide for the payment of the costs of remedial actions at the facility covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the Commissioner from the Fund for remedial actions expenditures in such amounts as the Commissioner shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the Commissioner specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (i) Securities or other obligations of the Grantor, or any other owner or operator of the facility, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or State government.
- (ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and
- (iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;
- (b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;
- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity; or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

- (e) To compromise or otherwise adjust all claims in favor or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish the Grantor and the Commissioner a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the Commissioner shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the Commissioner and the Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests and instructions. All orders, requests and instructions by the Commissioner to the Trustee shall be in writing, signed by the Commissioner or his designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or the Department hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests and instructions from the Grantor and/or the Department, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee shall notify the Grantor and the Commissioner, by certified mail within 10 days following the expiration of the 30-day period after the anniversary of the establishment of the Trust, if no payment is received from the Grantor during that period. After the pay-in period is completed, the Trustee shall not be required to send a notice of nonpayment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the Commissioner, or by the Trustee and the Commissioner if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee and the Commissioner or by the Trustee and the Commissioner, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the Commissioner issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 19. Choice of Law. This Agreement shall be administered, construed and enforced according to the laws of the State of New Jersey.

SCHEDULE A

Estimated Remedial Action Costs

\$4,000,000

1. Brady Iron and Metal, Inc.
55-59 Lockwood Street
Newark, NJ
2. CONRAIL
Newark, NJ
3. Hildemann Industries
Newark, NJ
4. Morris Canal
Newark, NJ
5. Parkway Medians
Newark, NJ
6. Newark Boxboard
Newark, NJ
7. Those sites listed in VII, paragraph 2.0, of Appendix A of the
Administrative Consent Order dated December 21, 1984.

Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

Diamond Shamrock Chemicals Company

Attest:

Title: *T. J. Frethold*
T. J. Frethold
Secretary
(SEAL)

By: *James F. Kelley*
James F. Kelley
Vice President

Attest: *Don Garrett*
Title: Assistant Vice President
(SEAL)

By: *James F. Kelley*
Assistant Vice President



STATE OF NEW JERSEY
 DEPARTMENT OF ENVIRONMENTAL PROTECTION
 ROBERT E. HUGHEY, COMMISSIONER
 CN 402
 TRENTON, N.J. 08625
 609 - 292 - 2885

IN THE MATTER OF : ADMINISTRATIVE
 DIAMOND SHAMROCK CHEMICALS : CONSENT ORDER
 COMPANY :

The following FINDINGS are made and ORDER is issued pursuant to the authority vested in the Commissioner of the New Jersey Department of Environmental Protection (hereinafter "the Department") by Executive Orders No. 40 and 40 D, signed by Governor Thomas H. Kean on June 2, 1983 and October 12, 1983, respectively; N.J.S.A. App. A:9-45; N.J.S.A. 13:1D-1 et seq.; the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq., the Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq., and the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.,

FINDINGS

1. On March 13, 1984, the Department and the Diamond Shamrock Chemicals Company (hereinafter "the Company") executed an Administrative Consent Order with respect to the identification and cleanup, by the Company, of dioxin and other chemicals at 80 Lister Avenue in the City of Newark, New Jersey, which Administrative Consent Order (hereinafter "ACO I") is hereby incorporated by reference and made a part hereof, as if set forth at length herein.
2. Since the execution of ACO I, the Department, in consultation with the United States Environmental Protection Agency, has determined that additional remedial action is required at certain specific sites in the City of Newark.
3. In order to identify the specific sites requiring remediation, to determine the extent thereof and to identify the order in which this work should be undertaken, the Department, in consultation with the United States Environmental Protection Agency and the Company, has prepared a Scope of Work for the Newark

100% Recycled

area (hereinafter "Scope of Work") which is attached hereto as Exhibit A.

4. The Company has agreed to implement, subject to the supervision and approval of the Department, this Scope of Work. Therefore, based on the information available to the parties on the effective date hereof, and without admission by the Company of any liability or of any issues of fact or law, the Department and the Company have agreed to execute this Order.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED AND AGREED THAT:

5. The Company shall implement, entirely at its own expense, the Scope of Work. Unless otherwise specifically provided herein, or unless additional time is approved, in writing, by the Department, all activities required by the Scope of Work shall be completed within one hundred eighty (180) days of the final approval, by the Department, of the work plan. On or before December 31, 1984, the Company shall submit to the Department, for its review and approval, a work plan detailing the proposed method and time schedule for implementing the Scope of Work. The Department shall review the work plan and transmit its comments thereon to the Company on or before January 4, 1985. Within fifteen (15) days of the receipt of the Department's comments on the work plan, the Company shall modify the plan as necessary to conform with said comments and submit the modified plan to the Department. After receiving the Department's approval of the modified work plan, the Company shall implement that plan in accordance with the various deadlines contained therein.

The Company shall address the alternatives for the removal or containment, at the Company's expense, of all materials stored at 120 Lister Avenue pursuant to the Scope of Work as part of the feasibility study to be conducted pursuant to paragraph 9 of ACO I. The remedial action plan prepared pursuant to paragraph 10 of ACO I shall also address the removal or containment of such materials. Subsequent to the Department's approval of that remedial action plan, the Company shall implement the additional portion of the approved plan applicable to the removal or containment of such materials.

6. Within five (5) days of the effective date of this Order, the Company shall appoint a Facility Coordinator who shall be responsible for overseeing the implementation of this Order and the activities required herein, subject to the supervision and approval of the Department.
7. The Company shall make its best efforts to provide that the insurance coverage detailed in paragraph 15 of ACO I, including the coverage of the State of New Jersey as an additional insured, is applicable to the complete implementation of the provisions of this Order. To the extent that the Company is unable to provide that such coverage so extends to the provisions of this Order, the Company shall indemnify the State to the same extent that said coverage would have provided the State as an additional insured.
8. Within thirty (30) days of the effective date of this Order, the Company shall increase the irrevocable letter of credit required by paragraph 16 of ACO I by the amount of \$4 million to secure performance of all obligations under this Order. The provisions of paragraph 16 of ACO I shall continue in full force and effect with respect to this increased amount.
9. Within thirty (30) days of the effective date of this Order, the Company shall issue a certified check to the Spill Compensation Fund in the amount of \$200,000.00, and a certified check to the Department, or to the Spill Compensation Fund, as directed by the Department, in the amount of \$125,000.00. Payment of the sum to the Spill Compensation Fund shall represent reimbursement of that Fund and full satisfaction for all amounts paid thereby as of the effective date of this Order as a result of the Department's investigation and remediation of dioxin and other chemicals in the Newark area; payment of the second sum to the Department, or the Spill Compensation Fund, shall represent reimbursement and full satisfaction for all expenses otherwise incurred by the Department as of the effective date of this Order in its investigation and remediation of dioxin and other chemicals in the Newark area. Nothing herein shall be construed to prohibit the Spill Compensation Fund from presenting the Company with any claim or action for reimbursement for expenditures incurred after the effective date of this Order.

Within one hundred eighty (180) days of the effective date of this Order, the Company shall issue a certified check to the Department, or to the Spill Compensation Fund, as directed by the Department, in an

amount not to exceed \$175,000.00, which sum shall cover expenses incurred by the Department in monitoring the implementation of this Order in the 180 days following the effective date hereof. Prior to the issuance of this check, the Department shall provide the Company with an itemized accounting of all expenses incurred up to \$175,000.00. Of this amount, a sum not to exceed \$50,000.00 shall be utilized to cover sampling and analytical costs incurred by the Department in monitoring the implementation of this Order during that 180 day period, and a sum not to exceed \$125,000.00 shall be utilized to cover other costs incurred for such purpose during that period. Nothing herein shall be construed to prohibit the Department from presenting the Company with any claim for reimbursement for expenses incurred in monitoring the implementation of this Order subsequent to such 180 day period.

10. If any event occurs which purportedly causes or may cause delays in the achievement of any deadline contained in this Administrative Consent Order, the Company shall notify the Department in writing within ten (10) days of the delay or anticipated delay, as appropriate, describing the anticipated length, precise cause or causes, measures taken or to be taken and the time required to minimize the delay. The Company shall adopt all necessary measures to prevent or minimize delay.
11. If any delay or anticipated delay has been or will be caused by fire, flood, riot, strike or other circumstances alleged to be beyond the control of the Company, then the time for performance hereunder may be extended by the Department for a period no longer than the delay resulting from such circumstances, or 15 days whichever is shorter, provided that the Department may grant additional extensions for good cause. If the events causing such delay are not found to be beyond the control of the Company, failure to comply with the provisions of this Administrative Consent Order shall constitute a breach of the Order's requirements. The burden of proving that any delay is caused by circumstances beyond the Company's control and the length of such delay attributable to those circumstances shall rest with the Company. Increases in the costs or expenses incurred in fulfilling the requirements contained herein shall not be a basis for an extension of time. Similarly, delay in completing an interim requirement shall not automatically justify or excuse delay in the attainment of subsequent requirements.

12. No obligations imposed by this Order are intended to constitute an obligation which could be limited or discharged in a bankruptcy proceeding. All obligations imposed by this Order shall constitute continuing regulatory obligations imposed pursuant to the police powers of the State of New Jersey, intended to protect the public health, safety and welfare.
13. The provisions of this Order shall be binding upon the Company and its independent agents, successors, assigns, and any trustee in bankruptcy or receiver appointed pursuant to a proceeding in law or equity.
14. This Order shall take effect upon the signature of the Company, the Administrator of the Spill Fund, and the Commissioner.

RESERVATION OF RIGHTS

This Administrative Consent Order shall be fully enforceable in the New Jersey Superior Court upon the filing of a summary action for compliance pursuant to Executive Order No. 40 (1983), signed by Governor Thomas H. Kean on June 2, 1983; Executive Order No. 40D (1983), signed by Governor Thomas H. Kean on October 12, 1983; N.J.S.A. App. A:9-45; N.J.S.A. 13:1D-1 et seq., the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq., the Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq., and the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., This Consent Order may be enforced in the same manner as an Administrative Order issued by the Department pursuant to these same statutory authorities and shall not preclude the Department from taking whatever action it deems appropriate to enforce the environmental protection laws of the State of New Jersey in any manner not inconsistent with the terms of this Order; provided, however, that upon the Company's satisfactory compliance with the provisions of this Order, including the complete performance of the Scope of Work with respect to 120 Lister Avenue, the Department shall not require the Company to undertake additional remedial work at 120 Lister Avenue with respect to the presence, as actually known to the Department as of the effective date of this Order, of dioxin (2,3,7,8 - TCDD), or other chemicals, or the chemicals listed in Appendix B; and provided further, however, that upon the Company's satisfactory compliance with the provisions of this Order, including the complete performance of the Scope of Work with respect to each other individual site listed therein, the Department shall not require the Company to undertake additional remedial work at any such site where such compliance and performance has occurred, with respect to the presence, as actually known to the Department as of the

effective date of this Order of dioxin (2,3,7,8 - TCDD) or the chemicals listed in Appendix B.

Date: 12/20/84

Diamond Shamrock Chemicals Company

By: [Signature]

James F. Kelley
Vice-President

Date: 12/20/84

Witness: [Signature]
Assistant Corporate Secretary

Date: 12/21/84

New Jersey Department of Environmental Protection

By: [Signature]
Robert E. Hughey, Commissioner

Date: 12/21/84

By: [Signature]
Robert Hunt, Spill Fund Administrator

By their execution hereof, the following parties hereby consent to the undertaking, by the Company, of those remedial actions specified in the Scope of Work, and hereby grant access to their respective properties in the Newark area to the Company, so that it may plan and implement those actions, to the Department, so that it may supervise those actions and otherwise monitor compliance with the terms of this Order, and to the United States Environmental Protection Agency.

Marisol, Inc.

Date: _____

By: _____
Peter Nerger
President

Date: _____

Witness: _____
Corporate Secretary

First RepublicBank Dallas, N.A.
First RepublicBank Plaza
International Letter of Credit Section
901 Main Street, 9th Floor
P.O. Box 83303
Dallas, Texas 75283-3303

#4M

AMENDMENT NO. 5 TO IRREVOCABLE
LETTER OF CREDIT NO. 54906

April 28, 1988

Department of Environmental Protection
CN402
Trenton, New Jersey 08625
Attn: Commissioner or Designee

Dear Sir or Madam:

We hereby amend our letter of credit no. 54906 in your favor for the account of Diamond Shamrock Chemical Land Holdings, Inc., 717 N. Harwood Street, Dallas, Texas 75201, as follows:

The expiration date is extended to May 2, 1989.

All other terms and conditions remain unchanged.

This letter of amendment is to be considered as part of the above letter of credit and must be attached thereto.

Yours very truly,

FIRST REPUBLICBANK DALLAS, N.A.
(Formerly InterFirst Bank Dallas, N.A.)

By: *[Signature]*
Authorized Signature

EXCEPT WHERE SHOWN OTHERWISE, ALL REFERENCES TO THE UNITED STATES CUSTOMS AND FINANCE REGULATIONS ARE SUBJECT TO THE UNITED STATES CUSTOMS AND FINANCE REGULATIONS (Publication No. 400).

**IRREVOCABLE STANDBY
LETTER OF CREDIT
NO. 54906**

January 18, 1985ch

Honorable Robert E. Hughey, Commissioner
New Jersey Department of Environmental Protection
CN402
Trenton, New Jersey 08625Attention: Michael F. Catania, Director
Office of Regulatory Services

Dear Sir:

We hereby establish our Irrevocable Standby Letter of Credit No. 54906 in your favor, at the request and for the account of Diamond Shamrock Chemicals Company, up to the aggregate amount of Four Million U.S. dollars (\$4,000,000), available upon presentation by you of:

- (1) your sight draft, bearing reference to this letter of credit no. 54906, and,
- (2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to the terms of the Administrative Consent Order issued 'In the Matter of Diamond Shamrock Chemicals Company', which became effective on December 21, 1984, and that the Department has complied with Paragraph 8 of said Order."

This letter of credit is effective as of January 20, 1985, shall expire on January 19, 1986 and shall not be automatically renewable but shall be renewable upon reapplication and review only.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly into the standby trust fund of Diamond Shamrock Chemicals Company in accordance with your instructions.

This letter of credit is subject to the Uniform Customs and practice for Documentary Credits (1983 Revision), International Chamber of Commerce, Publication No. 400.

Yours very truly,

INTERFIRST BANK DALLAS, N.A.

By: Richard Rhoads
Authorized Signature

DOCUMENT 2 PWlt

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS DOCUMENTARY CREDIT IS SUBJECT TO THE "UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, (1983 Revision)", INTERNATIONAL CHAMBER OF COMMERCE (Publication No. 400).

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Whereas, the Grantor is required to establish a trust to provide all or part of such financial assurance for the facility identified herein.

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee.

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- (a) The term "Grantor" means the Diamond Shamrock Chemicals Company and its successors or assigns.
- (b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.
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Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling and managing the Fund; the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (i) Securities or other obligations of the Grantor, or any other owner or operator of the facility, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or State government.
- (ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and
- (iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

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- (a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;
- (b) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;
- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity; or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

- (e) To compromise or otherwise adjust all claims in favor or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish the Grantor and the Commissioner a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the Commissioner shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the Commissioner and the Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests and instructions. All orders, requests and instructions by the Commissioner to the Trustee shall be in writing, signed by the Commissioner or his designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or the Department hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests and instructions from the Grantor and/or the Department, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee shall notify the Grantor and the Commissioner, by certified mail within 10 days following the expiration of the 30-day period after the anniversary of the establishment of the Trust, if no payment is received from the Grantor during that period. After the pay-in period is completed, the Trustee shall not be required to send a notice of nonpayment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the Commissioner, or by the Trustee and the Commissioner if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee and the Commissioner or by the Trustee and the Commissioner, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the Commissioner issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 19. Choice of Law. This Agreement shall be administered, construed and enforced according to the laws of the State of New Jersey.

Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

Diamond Shamrock Chemicals Company

Attest:

Title: *S. J. Butcher*
Secretary

(SEAL)

By:

James F. Kelley
James F. Kelley
Vice President

InterFirst Bank Dallas, N.A.

Attest:

M. A. Vay
Title: ASSISTANT CASHIER

(SEAL)

By:

M. A. Butcher
M. A. Butcher

ASSISTANT VICE PRESIDENT

Schedule A

Estimated Remedial Actions Costs

80 Lister Avenue
Newark, NJ

\$12,000,000

State of Texas

County of Dallas

Before me, Margaret H. Burnett Notary Public, on this day personally appeared, James F. Kelley, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Vice President of Diamond Shamrock Chemicals Company, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, and as the act of said corporation.

Given under my hand and seal of office this 19th day of March, A.D., 1984.

Margaret H. Burnett
Notary Public

MARGARET H. BURNETT
NOTARY PUBLIC—TEXAS
Commission Expires 11-17-84



RECEIVED

STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
ROBERT E. HUGHEY, COMMISSIONER

MAR 15 1984

CN 402
TRENTON, N.J. 08625
609-292-2885

DIAMOND SHAMROCK CORPORATION
Health & Environmental Affairs

IN THE MATTER OF
DIAMOND SHAMROCK CHEMICALS COMPANY
AND MARISOL, INC. :
: ADMINISTRATIVE
: CONSENT ORDER

The following FINDINGS are made and ORDER is issued pursuant to the authority vested in the Commissioner of the New Jersey Department of Environmental Protection (hereinafter "the Department") by Executive Order No. 40 (1983) signed by Governor Thomas H. Kean on June 2, 1983, N.J.S.A. App. A:9-45, N.J.S.A. 13:1D-1 et seq., the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq., the Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq., and the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.

FINDINGS

The Department hereby finds that:

1. Diamond Shamrock Chemicals Company (hereinafter "the Company"), formerly known as the Diamond Shamrock Corporation, operated a chemical manufacturing facility at 80 Lister Avenue (Block 2438, Lots 58 and 59) in Newark, New Jersey (hereinafter "Newark facility" or "the site") from March 1951 to August 1969 under the name Diamond Alkali Company. Among other chemicals, the Company manufactured 2,4-D, 2,4,5-T and 2,4,5 Trichlorophenol at the Newark facility.
2. The Company ceased production activities at the site in August 1969 and sold the property in March 1971 to Chemicaland Corporation, which may have conducted certain chemical manufacturing activities during the several years it owned and occupied the site.
3. Walter Ray Holding Company purchased the property at a tax sale in 1980 and held the premises until 1981. It is not known whether any chemical manufacturing activities occurred at the site during this time.

4. Walter Ray Holding Company sold the property in June 1981 to Marisol, Inc., the current owner of the site, which undertook certain waste consolidation activities prior to renting certain portions (to wit: one warehouse) thereof to SCA Chemical Services Company. Additionally, Marisol, Inc. used one building on the site as a general business office.
5. In June 1983, the NJDEP determined that the soil at the Newark facility contained 2, 3, 7, 8 - TCDD (hereinafter "dioxin"). The Company, pursuant to Executive Order No. 40 (1983) and the Department's Administrative Order No. EO 40-6, thereupon undertook certain interim site stabilization measures including the placement of a suitable ground cover at the Newark facility. Placement of the tarp-like cover was intended to be an interim measure to minimize the spread of wind blown dust from the facility, while an acceptable final remedial action could be designed and implemented.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED AND AGREED THAT:

6. Marisol, Inc. and the Company shall maintain the existing fences along the property boundaries to restrict unauthorized access to the site.
7. The Company shall maintain the existing ground cover, or if necessary, install and maintain a replacement deemed suitable by the Department, at the Newark facility until the final remedial action plan is implemented.
8. Marisol, Inc. shall allow the Company to conduct an evaluation of the site and to implement a final remedial program for the site.
9. (a) The Company shall undertake, entirely at its own expense, a comprehensive evaluation of the site as set forth in Exhibit A, which is attached hereto and made a part hereof, to determine the levels of dioxin and other chemicals at the site. For the purposes of this Order, "other chemicals" shall be defined as the United States Environmental Protection Agency's (USEPA) 129 priority pollutants "plus 40" (See Part 1 of Appendix A). The Company shall also conduct, entirely at its own expense, a feasibility study of remedial action alternatives for the site as set forth in Part 4 of Exhibit A. As part of this study, the Company shall also

address the alternatives for removal or containment, at the Company's expense, of all drums and material stored at the site pursuant to the Department's Administrative Order No. EO 40-18.

- (b) Within forty-five (45) days after the effective date of this Order, the Company shall submit to the Department, for its review and approval, a comprehensive and detailed site evaluation plan which includes each of the items set forth in Parts 2 and 3 of Exhibit A. Within fifteen (15) days of receipt of the Department's comments on the site evaluation plan, the Company shall modify the plan as necessary to conform with said comments and submit the modified site evaluation plan to the Department. Within one hundred twenty (120) days after receiving the Department's final approval of the plan, the Company shall conduct and complete the site evaluation and submit a report detailing the results to the Department for its review and approval. Within fifteen (15) days of receipt of the Department's comments on the report, the Company shall modify the report as necessary to conform with said comments and submit the modified report to the Department. Any significant modification of the site evaluation plan or report required by the Department may be grounds to extend the 15 day or 120 day time period.
- (c) Within sixty (60) days after receiving the Department's final approval of the site evaluation report, the Company shall conduct and submit the feasibility study to the Department for public hearing and approval. The feasibility study shall identify and evaluate all potentially viable remedial action alternatives for the site. The feasibility study shall include a comparison of all such alternatives as to environmental and public health impacts, degree of confidence in success, time required for implementation and cost, including operation and maintenance costs. The feasibility study shall recommend the remedial action alternative deemed best suited to remove the dioxin and other chemicals from the site such that the levels of dioxin or other chemicals remaining on the site following the removal do not constitute a significant risk to public health or the environment. The determination as to what levels of dioxin or other chemicals constitute a significant risk to public health or the environment shall be made solely by the Department. If the feasibility study concludes, and the

Department agrees, that the removal of the dioxin and other chemicals is not practicable, the feasibility study shall recommend the remedial action alternative deemed best suited to contain the dioxin and other chemicals on-site in such a manner that the potential for public contact or migration into the environment is and will be eliminated to the maximum extent technically practicable.

10. Within sixty (60) days after approval of a remedial action alternative by the Department, the Company shall submit to the Department, for its review and approval, a detailed remedial action plan including a time schedule and any necessary engineering designs to implement the approved alternative. Within twenty (20) days of receipt of the Department's comments on the remedial action plan, the Company shall modify the plan as necessary to conform with said comments and submit the modified remedial action plan to the Department. After receiving the Department's final approval of the remedial action plan, the Company shall implement the plan in accordance with the approved time schedule.
11. If the removal of the dioxin or other chemicals from the site is not practicable, the Company, after implementing the approved remedial action alternative to contain the dioxin and other chemicals on-site, shall implement, after receiving the Department's approval, a maintenance program to insure the integrity of the remedial action and a monitoring program to detect and measure any migration of dioxin or other chemicals into the environment. At any time, the Company may apply to the Department for approval to discontinue or modify either program. The determination as to whether either program shall be discontinued or modified shall be made solely by the Department, based upon the monitoring results and current scientific information.
12. If the removal of the dioxin or other chemicals from the site is not practicable and the results of the monitoring and maintenance programs undertaken pursuant to paragraph 11 indicate migration of dioxin or other chemicals into the environment at levels which constitute a significant risk to public health or the environment, the Company shall, within one hundred eighty (180) days after the discovery thereof, submit to the Department, for its review and approval, a remedial action plan including a time schedule to prevent and correct said migration. After receiving the Department's approval of said plan, the Company shall implement the plan in accordance with the approved time schedule.

Prior to the preparation and implementation of such plan, the Company, subject to the approval of the Department, shall take such interim measures as are necessary to control or minimize said migration.

13. Within five (5) days after the effective date of this Order, the Company shall appoint a Facility Coordinator who shall be responsible for overseeing the implementation of this Order and the activities required herein.
14. Marisol shall allow the Department access to the site at all times for the purpose of monitoring compliance with the terms of this Order.
15. (a) The Company shall make its best efforts to secure and maintain in force comprehensive general liability insurance coverage as broad as the standard coverage form currently in use in the State of New Jersey which shall not be circumscribed by the endorsements limiting the breadth of coverage. The policy shall include an endorsement (broad form) for contractual liability, an endorsement for completed operations liability, an endorsement of Broad Form Property Damage Coverage and an endorsement for independent contractors coverage. The Company shall make its best efforts to have its underwriter(s) add and maintain the State of New Jersey as an additional insured through completion of the remedial action plan implemented pursuant to paragraph 10 of this Order, except that such coverage as an additional insured shall not apply to any negligence of the State of New Jersey. The policy shall be specifically endorsed to eliminate any exclusions for explosion, collapse and underground hazards (x, c, u). Limits of liability shall not be less than six (6) million dollars per occurrence and annual aggregate for bodily injury and for property damage combined.
 - (b) Within thirty (30) days or as soon as coverage can be effected after the effective date of this Order, the Company shall provide the Department with a current certificate of insurance certifying coverage. The certificate shall contain a provision that the insurance shall not be cancelled for any reason except after thirty (30) days written notice to the Department.
 - (c) To the extent that the Company is unable to secure or maintain the above coverage or to have the State

of New Jersey added as an additional insured, the Company shall indemnify the State to the same extent that said coverage would have provided the State as an additional insured.

16. (a) Within thirty (30) days after the effective date of this Order, the Company shall obtain and provide to the Department an irrevocable letter of credit in the amount of \$12 million to secure performance of all obligations under this Order. Said letter of credit shall be issued pursuant to the provisions of N.J.S.A. 17:9A-25(3) and shall not be automatically renewable but shall be renewable upon reapplication and review only. The Company shall maintain said letter of credit continually.

Within thirty (30) days after approval of a remedial action alternative by the Department pursuant to paragraph 10 of this Order, the Company shall amend the letter of credit to an amount equal to the estimated cost of fully implementing the approved alternative, including any operation and maintenance costs, if applicable.

- (b) 1. The Company shall establish a standby trust fund within thirty (30) days of the effective date of this Order.
2. This standby trust fund shall be the depository for all funds drawn by draft under the irrevocable letter of credit required by subparagraph 16(a), which funds shall be deposited into such trust fund promptly and directly by the issuing institution.
3. In the event that the Department determines that the Company has failed to perform any of its obligations under this Order, the Department may draw on the letter of credit; provided, however, that before any draw can be made, the Department shall notify the Company in writing of the obligation(s) with which it is not complying, and the Company shall have a reasonable time, not to exceed thirty (30) days, to perform such obligation(s). Should the Department determine that the Company has not corrected its non-performance, the Department shall give the Company fifteen (15) days advance notice in writing of its intent to draw on the letter of credit and of the

amount it intends to draw and have deposited in the standby trust.

- (c) At any time, the Company may apply to the Department for approval to reduce the amount of the letter of credit, or to substitute other financial assurances in a form and manner acceptable to the Department.
17. If any event occurs which purportedly causes or may cause delays in the achievement of any deadline contained in this Administrative Consent Order, the Company shall notify the Department in writing within ten (10) days of the delay or anticipated delay, as appropriate, describing the anticipated length, precise cause or causes, measures taken or to be taken and the time required to minimize the delay. The Company shall adopt all necessary measures to prevent or minimize delay.
18. If any delay or anticipated delay has been or will be caused by fire, flood, riot, strike or other circumstances alleged to be beyond the control of the Company, then the time for performance hereunder may be extended by the Department for a period no longer than the delay resulting from such circumstances, or 15 days whichever is shorter, provided that the Department may grant additional extensions for good cause. If the events causing such delay are not found to be beyond the control of the Company, failure to comply with the provisions of this Administrative Consent Order shall constitute a breach of the Order's requirements. The burden of proving that any delay is caused by circumstances beyond the Company's control and the length of such delay attributable to those circumstances shall rest with the Company. Increases in the costs or expenses incurred in fulfilling the requirements contained herein shall not be a basis for an extension of time. Similarly, delay in completing an interim requirement shall not automatically justify or excuse delay in the attainment of subsequent requirements.
19. The provisions of this Order shall be binding on Diamond Shamrock Chemicals Company and Marisol, Inc. and their independent agents, successors, assigns, and any trustee in bankruptcy or receiver appointed pursuant to a proceeding in law or equity.
20. No obligations imposed by this Order are intended to constitute a debt, claim, penalty or other civil action which could be limited or discharged in a bankruptcy proceeding. All obligations imposed by this Order shall

constitute continuing regulatory obligations imposed pursuant to the police powers of the State of New Jersey, intended to protect the public health, safety and welfare.

21. This Order shall take effect upon the signature of all parties.

RESERVATION OF RIGHTS

This Administrative Consent Order shall be fully enforceable in the New Jersey Superior Court upon the filing of a summary action for compliance pursuant to Executive Order No. 40 (1983) signed by Governor Thomas H. Kean on June 2, 1983, N.J.S.A. App. A:9-45, N.J.S.A. 13:1D-1 et seq., the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq., the Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq., and the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq. This Consent Order may be enforced in the same manner as an Administrative Order issued by the Department pursuant to these same statutory authorities and shall not preclude the Department from taking whatever action it deems appropriate to enforce the environmental protection laws of the State of New Jersey in any manner not inconsistent with the terms of this Order; provided, however, that upon the Company's satisfactory compliance with the provisions of this Order, the Department shall not require further remedial action by the Company with respect to the presence at 80 Lister Avenue in the City of Newark, New Jersey of dioxin (2,3,7,8-TCDD) or other chemicals identified in the site evaluation report approved by the Department. The parties recognize that this Consent Order is intended only to settle the Department's claims against the Company for the presence at 80 Lister Avenue in the City of Newark, New Jersey of dioxin (2,3,7,8-TCDD) and other chemicals identified in the site evaluation report approved by the Department, and agree that nothing herein shall be construed to address, resolve or settle any other matter or issue.

Marisol, Inc. and the Company consent to this Administrative Consent Order without admission of any liability and without admission of any issues of fact or law.

Diamond Shamrock Chemicals Company

Date: MARCH 8, 1984

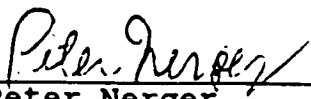
By: 
James F. Kelley
Vice-President

Date: MARCH 8, 1984

Witness: 
Corporate Secretary

Marisol, Inc.

Date: March 5, 1984

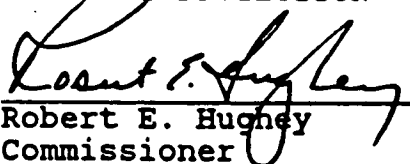
By: 
Peter Nerger
President

Date: Mar. 5, 1984

Witness: 
Corporate Secretary

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

Date: 3/13/84

By: 
Robert E. Hughey
Commissioner

TRIPPLICATE
NON-NEGOTIABLE

FIRST REPUBLICBANK DALLAS, N.A.
901 Main Street, 9th Floor
P. O. Box 83303
Dallas, Texas 75283-3303

April 11, 1988

Amendment No. 5 to Irrevocable
Letter of Credit No. 52060

Honorable Robert E. Hughey, Commissioner
New Jersey Department of Environmental Protection
CN402
Trenton, New Jersey 08625

Attn: Michael F. Catania, Director
Office of Regulatory Services

Dear Sir or Madam:

We hereby amend our Letter of Credit No. 52060 in your favor for the account of Diamond Shamrock Chemicals Land Holdings, Inc., 717 N. Harwood Street, Dallas, Texas 75201, as follows:

The expiration date is extended to April 11, 1989.

All other terms and conditions remain unchanged.

Yours very truly,

FIRST REPUBLICBANK DALLAS, N.A.
(Successor to InterFirst Bank Dallas, N.A.)

By: 

Authorized Signature

SCHEDULE B

**IRREVOCABLE LETTER
OF CREDIT NO. 52060**

April 3, 1984ch

Honorable Robert E. Hughey, Commissioner
New Jersey Department of Environmental Protection
CN402
Trenton, New Jersey 08625

Attention: Michael F. Catania, Director
Office of Regulatory Services

Dear Sir:

We hereby establish our Irrevocable Standby Letter of Credit No. 52060 in your favor, at the request and for the account of Diamond Shamrock Chemicals Company, up to the aggregate amount of Twelve Million U.S. dollars (\$12,000,000.00), available upon presentation by you of:

- (1) your sight draft, bearing reference to this letter of credit no. 52060, and,
- (2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to the terms of the Administrative Consent Order issued 'In the Matter of Diamond Shamrock Chemicals Company and Marisol, Inc.,' which became effective on March 13, 1984, and that the Department has complied with Paragraph 16 (b) 3 of said Order."

This letter of credit is effective as of April 12, 1984, shall expire on April 11, 1985, and shall not be automatically renewable but shall be renewable upon reapplication and review only.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly into the standby trust fund of Diamond Shamrock Chemicals Company in accordance with your instructions.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1974 Revision), International Chamber of Commerce, Publication No. 290.

Yours very truly,

InterFirst Bank Dallas, N.A.

By: Richard Blade
Authorized Signature