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Objection Deadline: April 14, 2010 at 4:00 p.m. (prevailing Eastern time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	Chapter 11
	:	
LYONDELL CHEMICAL COMPANY, <u>et al.</u>,	:	Case No. 09-10023 (REG)
	:	
Debtors.	:	Jointly Administered
-----X		

**DEBTORS' MOTION PURSUANT TO FED. R. BANKR. P. 9019
TO APPROVE SETTLEMENT AGREEMENT AMONG THE DEBTORS,
THE ENVIRONMENTAL CUSTODIAL TRUST TRUSTEE, THE UNITED
STATES, AND CERTAIN STATE ENVIRONMENTAL AGENCIES**

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Lyondell Chemical Company (“Lyondell”) and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), hereby move, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an order authorizing and approving the settlement agreement (the “Settlement Agreement”), attached hereto as Exhibit A, among the Debtors, the trustee of the Environmental Custodial Trust (as hereinafter defined), the United States, and certain state environmental agencies from the states of California, Illinois, Maryland, Michigan, North Carolina, Pennsylvania and Texas. The Settlement Agreement resolves multiple environmental claims and liabilities asserted by the federal and state governments totaling several billion dollars in a manner that is fair, reasonable and is in the best interests of the Debtors and their estates. Further, the Settlement Agreement, the creation of the Environmental Custodial Trust and the transfer of property to that trust are expressly contemplated by the Debtors’ proposed plan of reorganization.

In support of this Motion and the approval of the Settlement Agreement, the Debtors respectfully represent as follows:

Jurisdiction and Venue

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

2. By this Motion, the Debtors request that the Court enter an order, substantially in the form attached hereto as Exhibit B, authorizing and approving the Settlement Agreement.

3. The Settlement Agreement represents the successful conclusion of approximately nine months of negotiations with respect to a number of complex issues between the parties. In the exercise of the Debtors' sound business judgment, the Debtors have determined that the Settlement Agreement is in the best interest of their estates, as it resolves with finality several contentious disputes between the parties without further litigation and in a manner acceptable to all of the parties and beneficial to the Debtors' estates. The Debtors understand that the Official Committee of Unsecured Creditors supports the approval of the Settlement Agreement. The resolution of these issues greatly enhances the Debtors' ability to confirm a plan of reorganization and achieve the Debtors' goal of a successful emergence from chapter 11.

4. In brief, but subject to the terms of the Settlement Agreement, this settlement results in the transfer of certain environmentally contaminated parcels of real property, currently owned by the Debtors, to a trust for the benefit of the relevant state environmental agencies and the federal government, along with an agreed upon amount of cash to fund cleanup of the parcels, restoration of injured natural resources and administrative expenses of the Trust. Further, in exchange for the trust funding, certain direct cash payments to the government parties with respect to certain sites which are the subject of proofs of claim filed by those parties, and the agreed allowance of the government parties' general unsecured claims in the amounts stated in the Settlement Agreement, the federal and state agencies grant the Debtors releases or covenants not to sue that, with certain limited exceptions specified in the Settlement Agreement, resolves most of the government agencies' assertions of environmental claims and liabilities against the Debtors. The resolution of these claims and liabilities represents a fair and equitable result, in light of the limited assets possessed by many of the

potentially liable Debtors, the difficult legal and practical issues involved, and the desire of all parties to achieve a reorganization of the Debtors while providing funding for the remediation of these affected properties.

Background

The Bankruptcy Claims

5. The federal and state government agencies filed proofs of claim against certain of the Debtors asserting various environmental claims and liabilities totaling approximately \$5.5 billion in identified amounts, in addition to asserting a significant number of additional unliquidated claims for which the governments could not provide an estimate. Taken together, these environmental claims represent one of the largest, if not the largest, groupings of unsecured claims asserted in these Bankruptcy Cases and, in the absence of settlement, the Debtors might have found it necessary to engage in an estimation process to fix those claims in order to confirm a plan of reorganization.

6. On or around July 2, 2009, the California Regional Water Quality Control Board for the Los Angeles Region (the “LA Regional Board”) filed proof of claim numbers 12788, 12789, 12790, 12791, 12792, 12793, 12794, and 12795 (collectively, the “LA Regional Board Proofs of Claim”) against certain of the Debtors asserting various environmental liabilities as a result of discharges or deposits of waste into the waters of the state regarding the Weber Air Burbank Site in California.

7. On or around July 2, 2009, the California State Water Resources Control Board (the “California State Board”) filed proof of claim numbers 12796, 12797, 12798, 12799, 12800, 12801, 12802, and 12803 (collectively, the “California State Board Proofs of Claim”)

against certain of the Debtors asserting various environmental liabilities as a result discharges or deposits of waste into the waters of the state regarding the Weber Air Burbank Site in California.

8. On or around July 2, 2009, the Michigan Department of Natural Resources and the Environment (“MDNRE”) and the Michigan Natural Resource Trustees (collectively, the “Settling Michigan Agencies”) filed proof of claim number 12843 against Millennium Holdings, LLC asserting a contingent claim in an amount between \$360,296,257.55 and \$408,696,257.55 for (i) costs incurred and to be incurred by one or more of the Settling Michigan Agencies in response to releases and threats of releases of hazardous substances regarding the Allied Paper/Portage Creek/Kalamazoo River Site in Michigan (the “Kalamazoo River Site”), and (ii) natural resource damages and costs of assessment regarding that site.

9. On or around July 6, 2009 and August 28, 2009, the United States, on behalf of the EPA, the U.S. Department of the Interior (“DOI”), and the National Oceanic and Atmospheric Administration (“NOAA” and together with EPA and DOI, the “Settling Federal Agencies”) filed proofs of claim numbers 11940, 11941, 12968, 12969, 12970, 12971, 12972, 12973, 12974, and 279491 (collectively, the “U.S. Proofs of Claim”) against certain of the Debtors asserting, *inter alia*, claims for unreimbursed past and estimated future response costs incurred by the Settling Federal Agencies pursuant to section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 *et seq.* (“CERCLA”), civil penalties, and natural resource damages and assessment costs. EPA asserted claims with respect to the following sites: 68th Street Dump Superfund Site in Maryland, Barefoot Disposal Site in Pennsylvania, Berks Landfill Superfund Site in Pennsylvania, Brunswick Facility in Georgia, Chief Supply/Greenway Superfund Site in Oklahoma, Clinton Dock Area in Iowa, Diamond Alkali/ Lower Passaic River Study Area Superfund Site in New Jersey (the “Diamond Alkali Site”), French Limited Superfund Site in Texas, Houston Refinery

in Texas, Kalamazoo River, Malone Service Co. Superfund Site in Texas, Many Diversified Interests Superfund Site in Texas, San Fernando Valley Site in California, and Turtle Bayou Superfund Site in Texas. DOI and NOAA asserted claims for natural resource damages and assessment costs with respect to the Kalamazoo River and Diamond Alkali Sites. In total, the U.S. Proofs of Claim sought a total allowed claim of approximately \$5 billion, in addition to certain contingent and unliquidated claims that were asserted in unstated amounts.

10. On or around July 6, 2009, the California Department of Toxic Substances Control (the “California DTSC”) filed proof of claim numbers 12866 (“Claim 12866”) and 12873 (“Claim 12873”) in the bankruptcy proceedings of MHC, Inc. and Walter Kidde & Company, respectively, for response costs of at least \$24,876,506.77 in connection with the environmental investigation and cleanup of the contaminated property referred to as the Jefferson New Middle School No. 1 Site in California.

11. On or around July 6, 2009, the California DTSC filed proof of claim number 12867 (“Claim 12867” and together with Claim 12866 and Claim 12873, the “California DTSC Proofs of Claim”)) in the bankruptcy proceedings of Millennium Holdings, LLC for response costs of at least \$10,890,000 in connection with the environmental investigation and cleanup of the contaminated properties referred to as the Syntex Site and the Hillview Porter Site in California.

12. On or around June 25, 2009, the North Carolina Division of Waste Management (“NCDWM”) filed proof of claim number 4430 (“Claim 4430”) asserting a general unsecured claim in the amount of \$6,495,010.43 against Lyondell for response costs in connection with the environmental investigation and cleanup of the Charlotte Site in North Carolina.

13. On or around June 29, 2009, the Texas Commission on Environmental Quality (“TCEQ”) filed proof of claim number 8183 (“Claim 8183”) asserting a contingent, unliquidated general unsecured claim against Lyondell relating to the Lyondell’s potential environmental liabilities associated with the contamination of the Turtle Bayou Site in Texas.

14. On or around July 13, 2009, the Illinois Environmental Protection Agency (“IEPA”) and the Illinois Department of Natural Resources (“IDNR”), in their capacities as trustees for natural resources (collectively, the “State of Illinois Natural Resource Trustees”) filed proof of claim number 13031 against Millennium Petrochemicals, Inc. (“MPI”) asserting an unliquidated and contingent claim for natural resource damages and costs associated with the assessment of the damage at or in connection with the Hegeler Zinc Site in Illinois.

15. In the U.S. Proofs of Claim, the LA Regional Board Proofs of Claim, the California State Board Proofs of Claim, and the California DTSC Proofs of Claim, those federal and state government agencies purport to reserve their ability to enforce injunctive remedies against the Debtors under a number of prepetition decrees and orders at sites identified in their proofs of claim, and, more generally, at any sites (regardless of whether they were listed in the proofs of claim) where the government agencies may decide to pursue injunctive remedies at some future date. The agencies generally assert that any injunctive obligations imposed on the Debtors under applicable environmental laws to perform current or future cleanup work at sites not owned or operated by the Debtors (the “Injunctive Obligations”), either at the sites identified in the proofs of claim or at any other site, are not “claims” within the meaning of section 101(5) of the Bankruptcy Code, 11 U.S.C. § 101(5), and are not dischargeable.

The Claims Objections

16. On September 4, 2009, the Debtors filed initial objections to the U.S. Proofs of Claim, the LA Regional Board Proofs of Claim, the California State Board Proofs of

Claim, and the California DTSC Proofs of Claim (collectively, the “Objections”, see Docket Nos. 2693, 2694, 2695, and 2696), together with a lengthy supporting memorandum of law, in which the Debtors contested the government parties’ assertion that the Injunctive Obligations are not “claims” under the Bankruptcy Code. The Debtors also reserved the right to file additional objections on other grounds. On September 30, 2009, the government parties filed a memorandum in opposition to the Objections, which remains pending.

17. On September 30, 2009, the United States, the LA Regional Board, the California State Board, and the California DTSC filed a motion in the United States District Court for the Southern District of New York (“District Court”) to withdraw the reference to the Bankruptcy Court as to the Objections (the “Motion to Withdraw the Reference”, see Docket No. 2880) in case number 09-cv-08316 (AKH) (S.D.N.Y.). On October 13, 2009, the Debtors filed their Opposition to the Motion to Withdraw the Reference. On November 13, 2009, the government parties filed a reply memorandum in support of the Motion to Withdraw the Reference. On March 1, 2010, the District Court denied the Motion to Withdraw the Reference as moot upon suggestion of settlement, but provided that any party to the Motion to Withdraw the Reference could restore the matter to the District Court’s calendar within sixty days. [Docket Number 3871].

18. In the absence of settlement, the parties would have been obliged to continue with litigation of the Objections and the Motion to Withdraw the Reference.

The Environmental Custodial Trust

19. On September 11, 2009, the Debtors filed their “Joint Chapter 11 Plan of Reorganization for the LyondellBasell Debtors” (as it has been or may be amended or supplemented, the “Plan”, see Docket No. 2741) and an associated disclosure statement (as it has been or may be amended or supplemented, the “Disclosure Statement”, see Docket No. 2740).

On March 15, 2010, the Debtors filed their “Third Amended Joint Chapter 11 Plan of Reorganization for the LyondellBasell Debtors” and an associated amended disclosure statement. See Docket Nos. 3990 and 3988. On March 11, 2010, the Court approved the Disclosure Statement for the Debtors to use in soliciting votes regarding their proposed Plan (see Docket No. 3941) and the Debtors have commenced solicitation.

20. Among other aspects, the Plan provides for the creation of a trust (the “Environmental Custodial Trust”) to own certain real property contributed to the trust by the Debtors (the “Transferred Real Properties”), free and clear of all claims, liens, and interests against the Debtors, for the benefit of the United States, the California Regional Water Quality Control Board, Central Valley Region (“California Central Valley Regional Board”), the State of Illinois, IEPA, the Maryland Department of the Environment, MDNRE, NCDWM, the Department of Environmental Protection of the Commonwealth of Pennsylvania, and TCEQ (the “Environmental Trust Beneficiaries”).¹ The Transferred Real Properties consist of the following parcels: the Allied Paper Mill property in Michigan, the Beaver Valley property in Pennsylvania, the Bully Hill, Rising Star and Excelsior Mine properties in California, the Charlotte property in North Carolina, the Gypsum Pile property in Illinois, the Saint Helena property in Maryland, and the Turtle Bayou property in Texas. Pursuant to the Plan, the Environmental Custodial Trust will be administered by the trustee appointed by the Debtors (in consultation with the Environmental Trust Beneficiaries) (the “Environmental Custodial Trustee”) pursuant to the agreement between the Environmental Trust Beneficiaries and the Environmental Trust Trustee

¹ The Plan also provides for the creation of another trust, the Millennium Custodial Trust, to implement the resolution of claims against, and dispose of the assets of, the Schedule III Debtors. A large percentage of the federal and state governmental agencies’ allowed claims will be addressed by the Millennium Custodial Trust.

(the “Environmental Custodial Trust Agreement”). The Transferred Real Properties have known or suspected environmental contamination, are the subject of current or expected cleanup obligations, and have little, if any, realizable value to the Debtors (or anyone else) in their current condition. Indeed, the continued ownership of the Transferred Real Properties by the Debtors would pose a risk of future claims or liabilities that would exceed any conceivable benefit the Debtors would receive.

The Settlement Agreement

21. The Settlement Agreement provides for the global resolution of the parties’ disputes, including the resolution of the allegations concerning the Injunctive Obligations, the Objections, the proofs of claim filed by the United States, the State of Illinois Natural Resource Trustees, the Settling Michigan Agencies, California DTSC, the California State Board, and the LA Regional Board, and certain matters with respect to the Transferred Real Properties, as well as other related matters between the parties.

22. In the aggregate, the Settlement Agreement will result in allowed unsecured claims of \$1,179,918,839 for the benefit of the federal and state government agencies, and the Debtors contributing \$108,421,850 to fund the Environmental Custodial Trust and paying \$61,628,150 to the United States and California government entities to settle the allegations regarding the Injunctive Obligations.

23. The following is a summary of the salient terms of the Settlement Agreement:²

² All parties in interest are referred to the text of the attached Settlement Agreement for additional information regarding the settlement. To the extent that there are any inconsistencies between the description of the settlement contained herein and the Settlement Agreement, the terms of the Settlement Agreement control. Capitalized terms used in this summary but not defined shall have the meaning ascribed to such terms in the Settlement Agreement.

- (a) the allowance as general unsecured claims of the proofs of claim filed by the (i) United States on behalf of the EPA in the aggregate amount of \$1,011,144,336, (ii) United States on behalf of the Federal Trustees in the aggregate amount of \$124,731,125, (iii) United States on behalf of the DOI in the amount of \$20,529, (iv) California DTSC in the aggregate amount of \$7,000,000, (v) California Central Valley Regional Board in the aggregate amount of \$1,000,000, (vi) LA Regional Board in the aggregate amount of \$5,000,000, (vii) State of Illinois Natural Resource Trustees in the amount of \$955,161, and (viii) Settling Michigan Agencies in the amount of \$30,067,687.60 in settlement of the proofs of claim filed by the aforementioned agencies, including, the proofs of claim deemed to have been filed by the United States with respect to the Hegeler Zinc Site in Illinois and the California Central Valley Regional Board with respect to the Afterthought Mine and Kinsburg Winery sites in California;
- (b) the allocation of the funds to be transferred to the Environmental Custodial Trust pursuant to Section 2.5 of the Environmental Custodial Trust Agreement in the following amounts: \$53,721,850 for the Allied Paper Mill Transferred Real Property, \$2,000,000 for the Beaver Valley Transferred Real Property, \$8,000,000 for the Bully Hill, Rising Star, and Excelsior Mines Transferred Real Properties, \$5,300,000 for the Charlotte Transferred Real Property, \$1,100,000 for the Gypsum Pile Transferred Real Property, \$10,000,000 for the Saint Helena Transferred Real Property, \$6,800,000 for the Turtle Bayou Transferred Real Property, and \$21,500,000 for administrative expenses of the Environmental Custodial Trust;
- (c) cash payments and distributions to the (i) United States on behalf of the EPA in the aggregate amount of \$53,628,150, (ii) California DTSC in the amount of \$4,000,000, (iii) LA Regional Board in the amount of \$3,500,000, and (iv) California Central Valley Regional Board in the amount of \$500,000 to resolve Debtors' Injunctive Obligations to the aforementioned agencies;
- (d) as an additional aspect of the resolution of the issues relating to the Injunctive Obligations and the Objections, the creation of procedures for the determination of liability and the satisfaction of any claims against the Debtors that may arise out of the Additional Sites and Reserved Additional Sites;³

³ Additional Sites are sites not owned or operated by a Debtor that were listed on the Debtors' Statements of Financial Affairs, but were not the subject of a proof of claim filed by the relevant government agency. Pursuant to the terms of the Settlement Agreement, the United States, the LA Regional Board and the California DTSC have agreed (subject to a limited carve-out for Section 7003 of RCRA, 42 U.S.C. § 6973, for the United States for certain Reserved Additional Sites) to relinquish their asserted rights to issue cleanup orders or enforce other injunctive remedies and instead monetize any and all future assertions of prepetition liability at Additional Sites through settlements or judgments, with reservations

- (e) the payment to the United States, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and/or the Settling Michigan Agencies, as applicable, of 70% of any insurance proceeds that the Debtors may recover on account of any of the Liquidated Sites in excess of the Debtors' costs of pursuing such insurance proceeds;
- (f) the resolution and satisfaction of the Debtors' obligations to perform work pursuant to any outstanding Consent Decree, Unilateral Administrative Order, Agreed Order, Administrative Order on Consent, or permit regarding any of the Transferred Real Properties and the removal of the Debtors as a party to such orders, decrees, or permits;
- (g) the withdrawal of the Objections to the U.S. Proofs of Claim, the California DTSC Proofs of Claim, the California State Board Proofs of Claim, and the LA Regional Board Proofs of Claim;
- (h) the withdrawal of the United States and the Settling California Agencies' Motion to Withdraw the Reference;
- (i) the covenant by the EPA and the States (except for NCDWM and TCEQ) not to file a civil action or to take any administrative or other civil action against the Debtors or the Custodial Trust Parties pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6972 or 6973, or any similar state laws with respect to each of the Liquidated Sites and Transferred Real Properties;
- (j) the covenant by the Federal Trustees not to file a civil action or to take any administrative or other civil action against the Debtors or the Custodial Trust Parties pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, or any similar state laws with respect to the Kalamazoo River Site, the Allied Paper Mill Transferred Real Property, or the Diamond Alkali Site; and the covenant by DOI not to file a civil action or to take any administrative or other civil action against the Debtors or the Custodial Trust Parties pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, or any similar state laws with respect to the Hegeler Zinc Site.
- (k) the release and agreement to not sue or take administrative action by TCEQ (i) against the Debtors pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or any similar state laws for any liabilities or obligations asserted in Claim 8183 with respect to the Turtle Bayou Transferred Real Property, or (ii) against the Custodial Trust Parties pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or

of rights for the Debtors to contest liability, that would be payable as though an allowed unsecured claim against a particular Debtor in the Bankruptcy Cases (under the same pro-rata distribution that other unsecured creditors of the particular liable Debtor received).

any similar state laws with respect to the Turtle Bayou Transferred Real Property;

- (l) the covenant not to sue and agreement not to assert or pursue any claims or causes of action by the Debtors and the Environmental Custodial Trust Trustee against the United States and the States with respect to the Liquidated Sites or Transferred Real Properties and the cash payments set forth in the Settlement Agreement;
- (m) the covenant not to sue and agreement not to assert claims or causes of action by the Debtors against the Custodial Trust Parties;
- (n) the protection of the Debtors and the Custodial Trust Parties from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), or as may be otherwise provided by law, for “matters addressed” in the Settlement Agreement; and
- (o) the release of all financial assurance maintained by the Debtors at Liquidated Sites or Transferred Real Properties, as listed in Exhibit E to the Settlement Agreement, within thirty days after the Debtors transfer all funds pursuant to Sections VI and XI of the Settlement Agreement.

24. Pursuant to the Settlement Agreement, the Debtors and the Environmental Custodial Trust Beneficiaries have agreed to appoint Jay A. Steinberg of Le Petomane XXIII, Inc. as the Environmental Custodial Trust Trustee. Mr. Steinberg, both individually and as president of various companies, has thirty-eight years of experience as an attorney, trustee, examiner and receiver, during which time he has operated, investigated and liquidated assets of diverse closely held and publicly traded businesses. Mr. Steinberg and his companies have acted as receiver, trustee and liquidation trustee in numerous reorganizations and liquidations, including, among others, CMC/Heartland Partners, ASARCO LLC, Collins & Aikman Corporation, Think Achievement, Inc., Raymond Professional Group, Tekena USA, LLC, Weight Intervention and Surgical Healthcare Holding LLC, CMC Partners, Xion, L.L.C., Philip Services Corporation, KMS Morris Power, Inc., KMS Morris Gas L.P., KMS Macon Power, Inc., KMS Macon Gas L.P. and KMS Joliet II, Inc., and Velsicol Chemical Corporation.

25. The effectiveness of the Settlement Agreement is subject to the approval of this Court, to a period of public comment following publication of the notice of the Settlement Agreement in the *Federal Register*, and to public notice and comment under any applicable provision of relevant state law. Further, the Settlement Agreement will not become effective until confirmation of the Plan. Upon the occurrence of the Effective Date, among other things, the Environmental Custodial Trust will be established.

Basis for Relief Requested

26. Bankruptcy Rule 9019(a) provides, in relevant part, that “after notice and a hearing, the court may approve a compromise or settlement.” Fed. R. Bankr. P. 9019(a). Settlements and compromises are “a normal part of the process of reorganization,” Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 428 (1968), and “compromises are favored in bankruptcy” because they minimize the costs of litigation and further the parties’ interest in expediting administration of a bankruptcy estate. In re Martin, 91 F.3d 389, 393 (3d Cir. 1996) (citing 9 Collier on Bankruptcy ¶ 9019.03[1] (15th ed. Rev. 2001)).

27. To approve a compromise or settlement under Bankruptcy Rule 9019(a), a compromise or settlement must be fair and equitable, reasonable, and in the best interests of the debtor’s estate. In re Iridium Operating LLC, 478 F.3d 452 (2d Cir. 2007); see also In re Ionosphere Clubs, Inc., 156 B.R. 414 (S.D.N.Y. 1993), aff’d, 17 F.3d 600 (2d Cir. 1994); Nellis v. Shugrue, 165 B.R. 115 (S.D.N.Y. 1993) (“The obligation of the bankruptcy court is to determine whether a settlement is in the best interest of an estate before approving it”). The Court need not decide the numerous issues of law and fact raised by any settlement, but rather should “canvass the issues and see whether the settlement falls below the lowest point in the

range of reasonableness.” In re W.T. Grant Co., 699 F.2d 599, 608 (2d Cir. 1983) (internal quotations omitted); see In re Purofied Down Prods. Corp., 150 B.R. 519, 522 (S.D.N.Y. 1993) (“[T]he court need not conduct a ‘mini-trial’ to determine the merits of the underlying litigation.”); see also In re Adelphia Commc’ns Corp., 327 B.R. 143 (Bankr. S.D.N.Y. 2005) (approving settlement in this Court), adhered to on reconsideration, 327 B.R. 175, aff’d, 337 B.R. 475 (S.D.N.Y. 2006) (Kaplan, J.), appeal dismissed, No. 06-1417 (2d Cir. Dec. 26, 2006) and aff’d on cross-appeal, No. 06-1738 (2d Cir. Dec. 26, 2006).

28. Courts look to the relevant factors “including probability of success, the length and cost of the litigation, and the extent to which the settlement is truly the product of ‘arms-length’ bargaining, and not fraud or collusion.” Ionosphere Clubs, 156 B.R. at 428 (citations omitted). Courts in this Circuit have set forth seven factors for approval of settlements based on the original framework announced in TMT. See Iridium, 478 F.3d at 462. Those interrelated factors are: (i) the balance between the litigation’s possibility of success and the settlement’s future benefits; (ii) the likelihood of complex and protracted litigation, “with its attendant expense, inconvenience, and delay,” including the difficulty in collecting on the judgment; (iii) “the paramount interests of the creditors,” including each affected class’s relative benefits “and the degree to which creditors either do not object to or affirmatively support the proposed settlement”; (iv) whether other parties in interest support the settlement; (v) the “competency and experience of counsel” supporting, and “[t]he experience and knowledge of the bankruptcy court judge” reviewing, the settlement; (vi) “the nature and breadth of releases to be obtained by officers and directors”; and (vii) “the extent to which the settlement is the product of arm’s length bargaining.” Id. (citations omitted).

29. The court may also consider the opinions of the trustee or debtor in possession that the settlement is fair and reasonable, and may exercise its discretion “in light of the general public policy favoring settlements.” In re Hibbard Brown & Co., 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998); Nellis, 165 B.R. at 123; Purofied, 150 B.R. at 522. Where the outcome of litigation is uncertain and distant, a settlement agreement is reasonable because it “eliminates uncertainty and delay, reduces costs, and brings finality to the parties’ dispute.” O’Connell v. Packels (In re Hilsen), 404 B.R. 58, 71-72 (Bankr. E.D.N.Y. 2009).

30. Reviewed in light of these factors, the Settlement Agreement is manifestly fair and equitable and in the best interests of the Debtors’ estates. The amounts of the unsecured claims, cash payments and disbursements to resolve the Debtors’ Injunctive Obligations, and the funding dedicated to the Environmental Custodial Trust, resulted from many months of extensive, arms length and good faith negotiation between the Debtors and the various federal and state government agencies affected. The Settlement Agreement resolves myriad complex and unsettled issues of law relating to claims definition and classification, dischargeability and the intersection among environmental and bankruptcy law that the Debtors, the United States and the California agencies have extensively briefed and were actively litigating in connection with the Objections (in this Court) and the Motion to Withdraw the Reference (in the District Court). The amounts provided for in the Settlement Agreement strike a reasonable balance between the Debtors’ and the government agencies’ conflicting litigation positions, and also take into account the Debtors’ own evaluation of cleanup cost and natural resource damages exposure and litigation risk. It also bears emphasis that the agreed settlement amounts for the claims and Injunctive Obligations fall well below the amounts asserted in the federal and state government

agencies' respective proofs of claim as well as their respective assessments of the value of the Debtors' Injunctive Obligations.

31. The Settlement Agreement resolves approximately \$5.5 billion of asserted claims (and significant additional unliquidated claims) against the Debtors for allowed general unsecured claims in the aggregate amount of approximately \$1.18 billion. This settlement reflects a significant compromise on the value of the asserted claims on each side, and takes into account the time, expense and uncertainty avoided by settlement rather than estimation or other litigation of the claims.

32. The creation of the Environmental Custodial Trust, and its funding in the amount of approximately \$108.4 million, removes nine properties, which are subject to significant environmental liabilities, from the Debtors' estates. The amount of funding, including funds to remediate the properties, restore injured natural resources and to administer the trust, was the subject of considerable negotiation and compromise between the parties.

33. The settlement of Debtors' Injunctive Obligations and the Objections resolves an unquantified and open-ended liability exposure to the Debtors' estates, and the reorganized Debtors, in exchange for a cash payment of approximately \$61.6 million and the right of certain federal and state government agencies to recover claims in the future with respect to certain Additional Sites. The settlement reflects a substantial compromise of the legal positions of federal and state government entities, which contend that Injunctive Obligations are not claims and may be asserted against the Debtors irrespective of bankruptcy, and the legal position of the Debtors, who contend that Injunctive Obligations are claims and may be discharged in bankruptcy. The settlement takes into account the difficult and unsettled nature of the legal issues involved in resolving the Objections and the Motion to Withdraw the Reference,

and the attendant litigation risk faced by each side. Under the Settlement Agreement, the United States retains a limited right to pursue injunctive relief under Section 7003 of RCRA, 42 U.S.C. § 6973, at nine specified Reserved Additional Sites.

34. Absent the Settlement Agreement, the Debtors will have to expend significant resources litigating these disputes, potentially causing delay to the Debtors' reorganization, and with no assurance that the Debtors will succeed at trial. Significantly, the Settlement Agreement provides a mutually acceptable resolution that relieves the Debtors of the considerable liabilities associated with the ownership of the nine contaminated Transferred Real Properties, which have no use or value to the Debtors' estates. Additionally, the Debtors understand that the Official Committee of Unsecured Creditors supports the approval of the Settlement Agreement.

35. For the foregoing reasons, the Debtors respectfully request that the Court approve the Settlement Agreement.

Notice

36. Notice of this Motion has been given in accordance with the Court's Order Establishing Notice Procedures and a Master Service List, dated January 7, 2009 and to any party asserting a lien of record on any of the Transferred Real Properties. In light of the nature of the relief requested, the Debtors submit that no further notice need be given

No Prior Application

37. No previous request for the relief sought herein has been made to this or to any other court.

WHEREFORE, the Debtors respectfully request that this Court enter an order substantially in the form annexed hereto as Exhibit B, (i) authorizing and approving the Settlement Agreement; and (ii) granting the Debtors such other and further relief as is just and proper.

Dated: March 30, 2010
New York, NY

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Attorneys for Lyondell Chemical Company, et al.

EXHIBIT A

Settlement Agreement

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re:	:	Chapter 11
	:	
LYONDELL CHEMICAL COMPANY, <i>et al.</i> ,	:	Case No. 09-10023 (REG)
	:	
Debtors.	:	Jointly Administered
-----	X	

**SETTLEMENT AGREEMENT AMONG THE DEBTORS, THE
ENVIRONMENTAL CUSTODIAL TRUST TRUSTEE, THE UNITED
STATES, AND CERTAIN STATE ENVIRONMENTAL AGENCIES**

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
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LYONDELL CHEMICAL COMPANY, <i>et al.</i> ,	:	Case No. 09-10023 (REG)
	:	
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**SETTLEMENT AGREEMENT AMONG THE DEBTORS, THE ENVIRONMENTAL
CUSTODIAL TRUST TRUSTEE, THE UNITED STATES, AND CERTAIN
STATE ENVIRONMENTAL AGENCIES**

I. BACKGROUND

WHEREAS, Lyondell Chemical Company and certain of its affiliates filed with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") voluntary petitions for relief under Title 11 of the United States Code (the "Bankruptcy Code") on various dates as set forth in Exhibit A hereto (the "Petition Dates"), which petitions have been consolidated for procedural purposes and are being administered jointly as Case No. 09-10023 (REG) (the "Bankruptcy Cases");

WHEREAS, the United States, on behalf of the United States Environmental Protection Agency (along with any legal successor thereto, "EPA"), the United States Department of the Interior (along with any legal successor thereto, "DOI"), and the National Oceanic and Atmospheric Administration (along with any legal successor thereto, "NOAA") (collectively, the "Settling Federal Agencies"), contends that certain Debtors are liable, *inter alia*, under CERCLA, 42 U.S.C. § 9601 *et seq.*, for (i) costs incurred and to be incurred by the United States in response to releases and threats of releases of hazardous substances at or in connection with certain Liquidated Sites, and (ii) natural resource damages and costs of assessment at or in connection with certain Liquidated Sites;

WHEREAS, the United States, on behalf of EPA, DOI, and NOAA, has filed proofs of claim (Claim Nos. 11940, 11941, 12968, 12969, 12970, 12971, 12972, 12973, 12974, and 279491) (collectively, the “U.S. Proofs of Claim”) against certain Debtors;

WHEREAS, the California Department of Toxic Substances Control (along with any legal successor thereto, “DTSC”) contends that certain Debtors are liable to DTSC for (i) costs incurred and to be incurred by DTSC in response to releases and threats of releases of hazardous substances at or in connection with certain Liquidated Sites, and (ii) costs of assessment at or in connection with certain Liquidated Sites;

WHEREAS, DTSC has filed proofs of claim (Claim Nos. 12866, 12867, and 12873) (collectively, the “DTSC Proofs of Claim”) against certain Debtors;

WHEREAS, the California State Water Resources Control Board (along with any legal successor thereto, the “State Board”) contends that certain Debtors are liable for Prepetition response costs in connection with discharges or deposits of waste into the waters of the state at or in connection with the Weber Aircraft Burbank Site;

WHEREAS, the State Board has filed proofs of claim (Claim Nos. 12796, 12797, 12798, 12799, 12800, 12801, 12802, and 12803) (collectively, the “State Board Proofs of Claim”) against certain Debtors;

WHEREAS, the California Regional Water Quality Control Board for the Los Angeles Region (along with any legal successor thereto, the “LA Regional Board”) contends that certain Debtors are liable for injunctive relief and Prepetition response costs in connection with discharges or deposits of waste into the waters of the state at or in connection with the Weber Aircraft Burbank Site;

WHEREAS, the LA Regional Board has filed proofs of claim (Claim Nos. 12788, 12789, 12790, 12791, 12792, 12793, 12794, and 12795) (collectively, the “LA Regional Board Proofs of Claim”) against certain Debtors;

WHEREAS, the U.S. Proofs of Claim, the DTSC Proofs of Claim, the State Board Proofs of Claim, and the LA Regional Board Proofs of Claim set forth the position of the Settling Federal Agencies, DTSC, the State Board, and the LA Regional Board that the Debtors' injunctive obligation to comply with work requirements under court orders, environmental statutes, regulations, administrative orders, licenses, and permits are not dischargeable pursuant to Section 1141 of the Bankruptcy Code;

WHEREAS, on September 4, 2009, the Debtors filed Objections to the U.S. Proofs of Claim, the DTSC Proofs of Claim, the State Board Proofs of Claim, and the LA Regional Board Proofs of Claim (the "Objections"), in which the Debtors contested the non-dischargeability of environmental work obligations at sites other than those owned or operated by the Debtors;

WHEREAS, on September 30, 2009, the United States, DTSC, the State Board, and the LA Regional Board filed a memorandum of law in opposition to the Debtors' Objections, as well as a motion in 09-Civ-8316 (AKH) (S.D.N.Y.) to withdraw the reference to the Bankruptcy Court as to the Debtors' Objections ("Motion to Withdraw the Reference");

WHEREAS, the Debtors, the United States, DTSC, the State Board, and the LA Regional Board wish to resolve their differences with respect to the Objections and address other matters as provided herein, without adjudication of the Objections or the Motion to Withdraw the Reference;

WHEREAS, the treatment of liabilities provided for herein represents a compromise of the contested positions of the Parties that is entered into solely for purposes of this settlement, and the Parties reserve their legal arguments as to any issues involved in other matters;

WHEREAS, the Debtors and the California Regional Water Quality Control Board for the Central Valley Region (along with any legal successor thereto, the "Central Valley Regional Board") wish to address certain matters regarding the Afterthought Mine Site and Kingsburg Winery Site as provided herein;

WHEREAS, the Illinois Environmental Protection Agency (“IEPA”) and the Illinois Department of Natural Resources (“IDNR”), in their capacities as trustees for natural resources (collectively, the “State of Illinois Natural Resource Trustees”), contend that Millennium Petrochemicals, Inc. is liable for natural resource damages and costs of assessment at or in connection with the Hegeler Zinc Site;

WHEREAS, the State of Illinois Natural Resource Trustees have filed a proof of claim (Claim No. 13031) (the “State of Illinois Natural Resource Trustees’ Proof of Claim”) against Millennium Petrochemicals, Inc.;

WHEREAS, but for this Settlement Agreement, the Debtors would dispute, in whole or in part, the State of Illinois Natural Resource Trustees’ Proof of Claim;

WHEREAS, the Debtors and the State of Illinois Natural Resource Trustees wish to resolve their differences with respect to the State of Illinois Natural Resource Trustees’ Proof of Claim and address other matters as provided herein;

WHEREAS, the Michigan Department of Natural Resources and the Environment (“MDNRE”) (successor to the Michigan Department of Environmental Quality) and the Michigan Natural Resource Trustees (collectively, the “Settling Michigan Agencies”) contend that Millennium Holdings, LLC is liable for (i) costs incurred and to be incurred by one or more of the Settling Michigan Agencies in response to releases and threats of releases of hazardous substances at or in connection with the Allied Paper/Portage Creek/Kalamazoo River Site, and (ii) natural resource damages and costs of assessment at or in connection with that site;

WHEREAS, the Settling Michigan Agencies have filed a proof of claim (Claim No. 12843) (the “Settling Michigan Agencies’ Proof of Claim”) against Millennium Holdings, LLC;

WHEREAS, but for this Settlement Agreement, the Debtors would dispute, in whole or in part, the Settling Michigan Agencies’ Proof of Claim;

WHEREAS, the Debtors and the Settling Michigan Agencies wish to resolve their differences with respect to the Settling Michigan Agencies' Proof of Claim and address other matters as provided herein;

WHEREAS, on March 15, 2010, the Debtors filed with the Bankruptcy Court a proposed Third Amended Joint Chapter 11 Plan of Reorganization (as amended, modified, and supplemented from time to time, the "Plan");

WHEREAS, the Plan provides for the creation of an Environmental Custodial Trust to be administered by an Environmental Custodial Trust Trustee pursuant to an Environmental Custodial Trust Agreement, and for the transfer to the Environmental Custodial Trust of nine properties currently owned by certain Debtors (the "Transferred Real Properties");

WHEREAS, the Transferred Real Properties have known or suspected environmental contamination and are the subject of current or expected cleanup obligations;

WHEREAS, the Debtors, the Environmental Custodial Trust Trustee, the United States, the Central Valley Regional Board, IEPA, the Maryland Department of the Environment (along with any legal successor thereto, "MDE"), the Settling Michigan Agencies, the North Carolina Division of Waste Management (along with any legal successor thereto, "NCDWM"), the Department of Environmental Protection of the Commonwealth of Pennsylvania (along with any legal successor thereto, "PADEP"), and the Texas Commission on Environmental Quality (along with any legal successor thereto, "TCEQ") wish to address certain matters with respect to the Transferred Real Properties as provided herein and in the Environmental Custodial Trust Agreement;

WHEREAS, in consideration of, and in exchange for, the promises and covenants herein, including, without limitation, the covenants not to sue and/or releases and agreements not to sue set forth in Paragraphs 37, 39, and 43, and subject to the provisions of Paragraphs 49-53, intending to be legally

bound hereby, the Debtors, the undersigned governmental parties, and the Environmental Custodial Trust Trustee hereby agree to the terms of this Settlement Agreement;

WHEREAS, settlement of the matters governed by this Settlement Agreement is in the public interest and is an appropriate means of resolving these matters;

NOW, THEREFORE, without the admission of liability or the adjudication of any issue of fact or law, and upon the consent and agreement of the Parties by their attorneys and authorized officials, it is hereby agreed as follows:

II. DEFINITIONS

1. Unless otherwise expressly provided herein, terms used in this Settlement Agreement that are defined in CERCLA, CERCLA regulations, the Bankruptcy Code, or the Environmental Custodial Trust Agreement attached as Exhibit B hereto shall have the meaning assigned to them therein. Whenever terms listed below are used in this Settlement Agreement, the following definitions shall apply:

a. "Additional Sites" means the sites (including, without limitation, all facilities, as that term is defined in CERCLA) as set forth in Exhibit C to this Settlement Agreement. "Additional Sites" include: (i) for DTSC, "DTSC Additional NPL Sites" and "DTSC Additional Other Sites"; (ii) for the LA Regional Board, "LA Regional Board Additional Sites"; and (iii) for the Settling Federal Agencies, "U.S. Additional CERCLIS/NPL Sites," "U.S. Additional Other Sites," and "Reserved Additional Sites." An "Additional Site" shall be construed to include (i) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any natural resources affected or potentially affected by the release or threatened release of hazardous substances at or from such site, and (ii) for those sites not included on the NPL, all areas and natural resources affected or potentially affected by the release or threatened release of hazardous substances at or from such site.

- b. "Allowed General Unsecured Claim" has the meaning set forth in the Plan of Reorganization.
- c. "Bankruptcy Cases" has the meaning set forth in the recitals.
- d. "Bankruptcy Code" has the meaning set forth in the recitals.
- e. "Bankruptcy Court" or the "Court" has the meaning set forth in the recitals.
- f. "Central Valley Regional Board" has the meaning set forth in the recitals.
- g. "Central Valley Regional Board Lyondell Bankruptcy Sites" means the Afterthought Mine Site and the Kingsburg Winery Site.
- h. "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, as now in effect or hereafter amended.
- i. "CERCLIS" means the Comprehensive Environmental Response, Compensation, and Liability Information System database maintained by EPA.
- j. "Claims" has the meaning provided in Section 101(5) of the Bankruptcy Code.
- k. "Debtors" means Lyondell Chemical Company and those of its affiliates which filed voluntary petitions for relief on the respective dates set forth in Exhibit A, as debtors, debtors-in-possession, or in a new or reorganized form as a result of the Bankruptcy Cases.
- l. "Debtor-Owned/Operated Sites" means any properties, facilities, or sites owned and/or operated by any of the Debtors at or at any time after the confirmation of the Plan of Reorganization, but does not include the Transferred Real Properties.
- m. "DOI" has the meaning set forth in the recitals.
- n. "DTSC" has the meaning set forth in the recitals.
- o. "DTSC Additional NPL Sites" means the Additional Sites that are located in California and were listed on the NPL as of the Petition Dates, were disclosed by the Debtors in response to Question 17 of their Statements of Financial Affairs, and are set forth in Exhibit C, Item 1.

- p. "DTSC Additional Other Sites" means the Additional Sites listed in Exhibit C, Item 2.
- q. "DTSC Lyondell Bankruptcy Sites" means the Jefferson New Middle School Site, the Hillview Porter Site, the Syntex Site, the DTSC Additional NPL Sites, and the DTSC Additional Other Sites.
- r. "DTSC Proofs of Claim" has the meaning set forth in the recitals.
- s. "EPA" has the meaning set forth in the recitals.
- t. "Effective Date" means the later of (i) the date an order entered by the Bankruptcy Court approving this Settlement Agreement becomes a Final Order, or (ii) the date an order entered by the Bankruptcy Court confirming the Plan of Reorganization becomes a Final Order.
- u. "Final Order" means an order or judgment that has not been reversed, vacated, or stayed and as to which (i) the time to appeal, to petition for a writ of certiorari or to move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for a writ of certiorari, or motion for a new trial, reargument, or rehearing shall then be pending; or (ii) if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which such order was appealed, or the petition for a writ of certiorari shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order or judgment, and the time to take any further appeal, to petition for a writ of certiorari, or to move for a new trial, reargument, or rehearing shall have expired.
- v. "Federal Trustees" means DOI and NOAA, collectively.
- w. "IDNR" has the meaning set forth in the recitals.
- x. "IEPA" has the meaning set forth in the recitals.
- y. "LA Regional Board" has the meaning set forth in the recitals.
- z. "LA Regional Board Additional Sites" means the Additional Sites listed in Exhibit C,

Item 3.

aa. "LA Regional Board Lyondell Bankruptcy Sites" means the Weber Aircraft Burbank Site and the LA Regional Board Additional Sites.

bb. "LA Regional Board Proofs of Claim" has the meaning set forth in the recitals.

cc. "Liquidated Sites" means the following 19 sites:

- (1) 68th Street Dump Site located in Maryland;
- (2) Afterthought Mine Site located in California;
- (3) Allied Paper/Portage Creek/Kalamazoo River Site located in Michigan;
- (4) Barefoot Disposal Site located in Pennsylvania;
- (5) Berks Landfill Site located in Pennsylvania;
- (6) Chief Supply Site located in Oklahoma;
- (7) Clinton Dock Area Site located in Iowa;
- (8) Diamond Alkali/Lower Passaic River Study Area Site located in New Jersey;
- (9) French Limited Site located in Texas;
- (10) Hegeler Zinc Site located in Illinois;
- (11) Hillview Porter Site located in California;
- (12) Jefferson New Middle School Site located in California;
- (13) Kingsburg Winery Site located in California;
- (14) Malone Service Site located in Texas;
- (15) Many Diversified Interests Site located in Texas;
- (16) Omega Chemical Corporation Site located in California (except with respect to the Settling California Agencies);
- (17) San Fernando Valley Site located in California (except with respect to the Settling California Agencies);
- (18) Syntex Site located in California; and

(19) Weber Aircraft Burbank Site located in California.

A "Liquidated Site" delineated above shall be construed to include: (i) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any natural resources affected or potentially affected by the release or threatened release of hazardous substances at or from such sites; or (ii) for those sites not included on the NPL, all areas and natural resources affected or potentially affected by the release or threatened release of hazardous substances at or from such sites.

dd. "MDE" has the meaning set forth in the recitals.

ee. "MDNRE" has the meaning set forth in the recitals.

ff. "Motion to Withdraw the Reference" has the meaning set forth in the recitals.

gg. "NCDWM" has the meaning set forth in the recitals.

hh. "NOAA" has the meaning set forth in the recitals.

ii. "NPL" means the National Priorities List, 40 C.F.R. Part 300.

jj. "PADEP" has the meaning set forth in the recitals.

kk. "Parties" means the Debtors, the United States, the Environmental Custodial Trust Trustee, the Settling California Agencies, the State Board, the State of Illinois, MDE, the Settling Michigan Agencies, NCDWM, PADEP, and TCEQ (any one of which, individually, shall be referred to herein as a "Party").

ll. "Petition Dates" has the meaning set forth in the recitals.

mm. "Plan of Reorganization" or "Plan" has the meaning set forth in the recitals.

nn. "Prepetition," with respect to a particular Debtor, refers to the time period on or prior to the date on which such Debtor filed a voluntary petition for relief under the Bankruptcy Code, as set forth in Exhibit A hereto.

oo. "Postpetition," with respect to a particular Debtor, refers to the time period from and after the date on which such Debtor filed a voluntary petition for relief under the Bankruptcy Code as set forth in Exhibit A hereto.

pp. "RCRA" means the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*, as now in effect or hereafter amended.

qq. "RCRA Order" means any administrative or judicial order issued pursuant to Section 7003 of RCRA, 42 U.S.C. § 6973, or similar state law, regardless of whether such RCRA Order was issued Prepetition or Postpetition, and regardless of whether the Debtors' liability under Section 7003 arises from the Prepetition acts, omissions, or conduct of the Debtors or their predecessors.

rr. "Reserved Additional Sites" means the Additional Sites listed in Exhibit C, Item 6.

ss. "Settling California Agencies" means DTSC, the LA Regional Board, and the Central Valley Regional Board.

tt. "Settling Federal Agencies" has the meaning set forth in the recitals.

uu. "Settling Michigan Agencies" has the meaning set forth in the recitals.

vv. "Settling Michigan Agencies' Proof of Claim" has the meaning set forth in the recitals.

ww. "Similar California Laws" means the California Hazardous Substance Account Act, Cal. Health & Safety Code section 25300 *et seq.*, Cal. Health & Safety Code section 25187, and California Water Code section 13000 *et seq.*

xx. "State Board" has the meaning set forth in the recitals.

yy. "State Board Proofs of Claim" has the meaning set forth in the recitals.

zz. "State of Illinois Natural Resource Trustees" has the meaning set forth in the recitals.

aaa. "State of Illinois Natural Resource Trustees' Proof of Claim" has the meaning set forth in the recitals.

bbb. "Statements of Financial Affairs" means the statements filed by the Debtors in the Bankruptcy Cases on April 6, 2009, May 13, 2009, May 14, 2009, and May 29, 2009 pursuant to Section 521(a)(1)(B)(iii) of the Bankruptcy Code.

ccc. "States" means the Settling California Agencies, the State of Illinois Natural Resource Trustees, MDE, the Settling Michigan Agencies, NCDWM, PADEP, and TCEQ.

ddd. "TCEQ" has the meaning set forth in the recitals.

eee. "United States" means the United States of America, including EPA, NOAA, DOI, and all of its agencies, departments, and instrumentalities.

fff. "U.S. Additional CERCLIS/NPL Sites" means the Additional Sites that were listed on the NPL or in CERCLIS as of the Petition Dates, were disclosed by the Debtors in response to Question 17 of their Statements of Financial Affairs, and are set forth in Exhibit C, Item 4.

ggg. "U.S. Additional Other Sites" means the Additional Sites listed in Exhibit C, Item 5.

hhh. "U.S. Proofs of Claim" has the meaning set forth in the recitals.

III. JURISDICTION

2. The Court has jurisdiction over the subject matter hereof pursuant to 28 U.S.C. §§ 157, 1331, and 1334, and 42 U.S.C. §§ 9607 and 9613(b).

IV. PARTIES BOUND; SUCCESSION AND ASSIGNMENT

3. This Settlement Agreement applies to, is binding upon, and shall inure to the benefit of the Parties, their legal successors and assigns, and any trustee, examiner, or receiver appointed in the Bankruptcy Cases.

V. LIQUIDATED SITES – ALLOWANCE OF CLAIMS

4. In settlement and satisfaction of the proofs of claim filed by the Settling Federal Agencies, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and the Settling Michigan Agencies with respect to the Liquidated Sites, and any proof of claim deemed to have been filed pursuant

to Paragraph 34, the Settling Federal Agencies, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and the Settling Michigan Agencies shall have Allowed General Unsecured Claims in the amounts set forth below. The Settling Federal Agencies, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and the Settling Michigan Agencies shall receive no distributions from the Debtors in the Bankruptcy Cases with respect to the Debtors' liabilities asserted in the aforementioned proofs of claim with respect to the Liquidated Sites other than as set forth in this Paragraph and Paragraph 5.

a. Liquidated Claim Amounts for the Settling Federal Agencies

(1) With respect to the 68th Street Dump Site located in Maryland, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$7,620,000 against Millennium Holdings LLC.

(2) With respect to the Allied Paper/Portage Creek/Kalamazoo River Site located in Michigan, (i) the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$908,261,837 against Millennium Holdings, LLC; and (ii) the United States on behalf of the Federal Trustees shall have an Allowed General Unsecured Claim of \$124,231,125 against Millennium Holdings, LLC.

(3) With respect to the Barefoot Disposal Site located in Pennsylvania, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$500,000 against Millennium Petrochemicals, Inc.

(4) With respect to the Chief Supply Site located in Oklahoma, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$100,000 against Millennium Specialty Chemicals, Inc.

(5) With respect to the Clinton Dock Area Site located in Iowa, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$50,000 against Equistar Chemicals, LP.

(6) With respect to the Diamond Alkali/Lower Passaic River Study Area Site located in New Jersey, (i) the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$10,072,000 against Millennium Petrochemicals, Inc., an Allowed General Unsecured Claim of \$4,572,000 against Equistar Chemicals, LP; and an Allowed General Unsecured Claim of \$4,572,000 against MHC, Inc.; and (ii) the United States on behalf of the Federal Trustees shall have an Allowed General Unsecured Claim of \$275,000 against Millennium Petrochemicals, Inc. for assessment costs only; an Allowed General Unsecured Claim of \$112,500 against Equistar Chemicals, LP, for assessment costs only; and an Allowed General Unsecured Claim of \$112,500 against MHC, Inc., for assessment costs only.

(7) With respect to the Hegeler Zinc Site located in Illinois, (i) the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$25,000,000 against Millennium Petrochemicals, Inc.; and (ii) the United States on behalf of DOI shall have an Allowed General Unsecured Claim of \$20,529 against Millennium Petrochemicals, Inc., for assessment costs only.

(8) With respect to the Malone Service Site located in Texas, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$144,500 against Millennium Petrochemicals, Inc.; and an Allowed General Unsecured Claim of \$2,745,500 against Lyondell Chemical Company.

(9) With respect to the Many Diversified Interests Site located in Texas, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$1,790,000 against Lyondell Chemical Company.

(10) With respect to the Omega Chemical Corporation Site located in California, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$185,418 against Millennium Holdings, LLC.

(11) With respect to the San Fernando Valley Site located in California, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$44,551,101 against MHC, Inc.

b. Liquidated Claim Amounts for the Settling California Agencies

(1) With respect to the Jefferson New Middle School Site, DTSC shall have an Allowed General Unsecured Claim of \$5,000,000 against MHC, Inc.

(2) With respect to the Syntex and Hillview Porter Sites, DTSC shall have an Allowed General Unsecured Claim of \$2,000,000 against Millennium Holdings, LLC.

(3) With respect to the Afterthought Mine Site, the Central Valley Regional Board shall have an Allowed General Unsecured Claim of \$500,000 against Millennium Holdings, LLC.

(4) With respect to the Kingsburg Winery Site, the Central Valley Regional Board shall have an Allowed General Unsecured Claim of \$500,000 against Millennium Petrochemicals, Inc.

(5) With respect to the Weber Aircraft Burbank Site, the LA Regional Board shall have an Allowed General Unsecured Claim of \$5,000,000 against MHC, Inc.

c. Liquidated Claim Amount for the State of Illinois Natural Resource Trustees

With respect to the Hegeler Zinc Site located in Illinois, the State of Illinois Natural Resource Trustees shall have an Allowed General Unsecured Claim of \$955,161 against Millennium Petrochemicals, Inc.

d. Liquidated Claim Amount for the Settling Michigan Agencies

With respect to the Allied Paper/Portage Creek/Kalamazoo River Site located in Michigan, the Settling Michigan Agencies shall have an Allowed General Unsecured Claim of \$30,067,687.60 against Millennium Holdings, LLC.

VI. SETTLEMENT OF THE DEBTORS' OBJECTIONS

5. In settlement of the Debtors' Objections to the proofs of claim filed by the Settling Federal Agencies, DTSC, the State Board, and the LA Regional Board, and the proof of claim deemed to have been filed by the Central Valley Regional Board pursuant to Paragraph 34, the Debtors shall, in addition to other consideration provided for under this Settlement Agreement, make payments and distributions to the aforementioned agencies in the amounts and in the manner set forth below.

a. Cash Payments to the United States on behalf of EPA

(1) With respect to the 68th Street Dump Site located in Maryland, the United States on behalf of EPA shall receive a cash payment in the amount of \$40,000.

(2) With respect to the Allied Paper/Portage Creek/Kalamazoo River Site located in Michigan, the United States on behalf of EPA shall receive a cash payment in the amount of \$49,549,379.

(3) With respect to the Barefoot Disposal Site located in Pennsylvania, the United States on behalf of EPA shall receive a cash payment in the amount of \$1,400,000.

(4) With respect to the Berks Landfill Site located in Pennsylvania, the United States on behalf of EPA shall receive a cash payment in the amount of \$67,771.

(5) With respect to the Diamond Alkali/Lower Passaic River Study Area Site located in New Jersey, the United States on behalf of EPA shall receive a cash payment in the amount of \$400,000.

(6) With respect to the French Limited Site located in Texas, the United States on behalf of EPA shall receive a cash payment in the amount of \$2,171,000.

b. Cash Payment to DTSC

With respect to the Hillview Porter Site, the Syntex Site, the Jefferson New Middle School Site, the DTSC Additional NPL Sites, and the DTSC Additional Other Sites, DTSC shall receive a cash payment in the amount of \$4,000,000.

c. Cash Payment to the LA Regional Board

With respect to the Weber Aircraft Burbank Site and the LA Regional Board Additional Sites, the LA Regional Board shall receive a cash payment in the amount of \$3,500,000.

d. Cash Payment to the Central Valley Regional Board

With respect to the Afterthought Mine Site and Kingsburg Winery Site, the Central Valley Regional Board shall receive a cash payment in the amount of \$500,000.

e. The cash amounts set forth in Paragraph 5.a-d shall be paid in full within thirty days of the Effective Date of this Settlement Agreement.

VII. TREATMENT OF DEBTOR-OWNED/OPERATED SITES

6. With respect to the Brunswick Facility located in Georgia, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$499,980 against Millennium Specialty Chemicals Inc., in settlement and satisfaction of EPA's claim for civil penalties for alleged Prepetition days of violation of RCRA.

7. With respect to the Houston Refinery located in Texas, the United States on behalf of EPA shall have an Allowed General Unsecured Claim of \$480,000 against Houston Refining, LP, in settlement and satisfaction of EPA's claim for civil penalties for alleged Prepetition days of violation of the Clean Air Act, 42 U.S.C. §§ 7401-7671q.

8. Non-Dischargeability/Reservation Regarding Debtor-Owned/Operated Sites

a. The following claims of or obligations to the Settling Federal Agencies and the States with respect to Debtor-Owned/Operated Sites shall not be discharged under Section 1141 of the

Bankruptcy Code by the confirmation of the Plan of Reorganization, nor shall such claims or obligations be impaired or affected in any way by the Bankruptcy Cases or confirmation of the Plan of Reorganization:

(1) Claims against the Debtors by the Settling Federal Agencies or the States under Section 107 of CERCLA, 42 U.S.C. § 9607, or similar state laws for recovery of response costs incurred Postpetition with respect to response actions taken at a Debtor-Owned/Operated Site, including such response actions taken to address hazardous substances that have migrated from a Debtor-Owned/Operated Site to a proximate location;

(2) Claims against the Debtors by the Settling Federal Agencies or the States under Section 107 of CERCLA, 42 U.S.C. § 9607, or similar state laws for recovery of natural resource damages arising as a result of Postpetition releases or ongoing releases of hazardous substances at, or which migrate to a proximate location from, a Debtor-Owned/Operated Site;

(3) Claims against the Debtors by the Settling Federal Agencies or the States for recovery of civil penalties for violations of law resulting from Postpetition conduct of the Debtors. As used in this Paragraph, "Postpetition conduct" shall not include a failure to satisfy or comply with any Prepetition liability or obligations, or to pay a claim (including, without limitation, a penalty claim), except as required by or resulting from the terms of the Plan of Reorganization, any provision of this Settlement Agreement, or a final order of the Court confirming the Plan of Reorganization; or

(4) Actions against the Debtors by the Settling Federal Agencies or the States under CERCLA or RCRA or similar state laws seeking to compel the performance of a removal action, remedial action, corrective action, closure, or any other cleanup action at a Debtor-Owned/Operated Site, including actions to address hazardous substances that have migrated to a proximate location from a Debtor-Owned/Operated Site.

b. The Settling Federal Agencies and the States may pursue enforcement actions or proceedings under applicable law with respect to the Claims and obligations of the Debtors to the Settling Federal Agencies or the States under Subparagraph 8.a in the manner, and by the administrative or judicial tribunals, in which the Settling Federal Agencies or the States could have pursued enforcement actions or proceedings if the Bankruptcy Cases had never been commenced. The Debtors reserve the right to assert any and all defenses and counterclaims available to them under applicable law with respect to any Claims and obligations of the Debtors to the Settling Federal Agencies or the States under Subparagraph 8.a that are asserted by the Settling Federal Agencies or the States, except for any alleged defense of discharge of liabilities provided under the Bankruptcy Code, the Plan of Reorganization, or any order of confirmation. The Settling Federal Agencies and the States reserve all of their rights with respect to any defenses or counterclaims asserted by the Debtors under this Subparagraph.

VIII. SUMMARY OF ALLOWED GENERAL UNSECURED CLAIMS AND CASH PAYMENTS

9. As itemized in Paragraphs 4-7, the following Parties shall have Allowed General Unsecured Claims and shall receive cash payments in the total amounts listed below:

<u>Claimant</u>	<u>Total Allowed General Unsecured Claims</u>	<u>Total Cash Payments</u>
United States on behalf of EPA	\$1,011,144,336	\$53,628,150
United States on behalf of the Federal Trustees	\$124,731,125	\$0
United States on behalf of DOI	\$20,529	\$0
DTSC	\$7,000,000	\$4,000,000
Central Valley Regional Board	\$1,000,000	\$500,000

LA Regional Board	\$5,000,000	\$3,500,000
State of Illinois Natural Resource Trustees	\$955,161	\$0
Settling Michigan Agencies	\$30,067,687.60	\$0

IX. CREDITS AND SITE ACCOUNTS

10. With respect to the Allowed General Unsecured Claims set forth in Paragraph 4 for the Settling Federal Agencies, the State of Illinois Natural Resource Trustees, and the Settling Michigan Agencies, only the amount of cash received by such entity (and net cash received upon sale of any non-cash distributions) from the Debtors under this Settlement Agreement for the Allowed General Unsecured Claim for a particular site, and not the total amount of the allowed claim against the Debtors, shall be credited by each such entity to its account for a particular site, which credit shall reduce the liability of non-settling potentially responsible parties for the particular site by the amount of the credit.

11. The Settling Federal Agencies may, in their sole discretion, direct any portion of any cash distribution or the proceeds of any non-cash distribution received for a site pursuant to this Settlement Agreement into a site-specific special account established to fund response, assessment, and/or restoration actions at the site in the event that future work is anticipated at the site.

12. With respect to any cash distributions or proceeds of any non-cash distributions received pursuant to Paragraph 4.b or 5.b of this Settlement Agreement, DTSC shall deposit the funds to the subaccount established pursuant to California Health & Safety Code Section 25330.4 for the DTSC Lyondell Bankruptcy Sites. DTSC may, in its sole discretion, direct any portion of the funds to one or more of the DTSC Lyondell Bankruptcy Sites. Only the amount of cash actually expended by DTSC for a particular site will be credited to that site, which credit shall reduce the liability of non-settling responsible parties, if any, for a particular site by the amount actually expended by DTSC for the particular site.

13. With respect to any cash distributions or proceeds of any non-cash distributions received pursuant to Paragraph 5.d of this Settlement Agreement, the Central Valley Regional Board may, in its sole discretion, direct any portion of the funds to one or more of the Central Valley Regional Board Lyondell Bankruptcy Sites. Only the amount of cash actually expended by the Central Valley Regional Board for a particular site will be credited to that site, which credit shall reduce the liability of non-settling responsible parties, if any, for a particular site by the amount actually expended by the Central Valley Regional Board for the particular site.

14. With respect to any cash distributions or proceeds of any non-cash distributions received pursuant to Paragraphs 4.b or 5.c of this Settlement Agreement, the LA Regional Board may, in its sole discretion, direct any portion of the funds to one or more of the LA Regional Board Lyondell Bankruptcy Sites. Only the amount of cash actually expended by the LA Regional Board for a particular site will be credited to that site, which credit shall reduce the liability of non-settling responsible parties, if any, for a particular site by the amount actually expended by the LA Regional Board for the particular site.

X. INSURANCE PROCEEDS

15. To the extent that at any time after the Effective Date, the Debtors recover insurance proceeds on account of any of the Liquidated Sites in excess of the Debtors' costs of pursuing such insurance proceeds, the Debtors may retain 30% of such excess insurance proceeds on account of the Liquidated Sites and the Debtors shall pay 70% of such excess insurance proceeds on account of the Liquidated Sites to the United States, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and/or the Settling Michigan Agencies, as applicable. The Debtors agree to allocate in writing any excess insurance proceeds on a fair and equitable basis among sites between Liquidated Sites and other sites based upon all of the facts and circumstances including, but not limited to, any defenses asserted by insurers, and with deference to any allocation by a court or in an approved settlement document. In determining the Debtors' cost of pursuing insurance proceeds for Liquidated Sites, the Debtors shall use

the same percentage allocation of costs as is used in the Debtors' allocation of recovery of excess insurance proceeds attributed to Liquidated Sites. To the extent that excess insurance proceeds are allocable to sites other than Liquidated Sites, no payment need be made to the United States, the Settling California Agencies, the State of Illinois Natural Resource Trustees, or the Settling Michigan Agencies from the excess insurance proceeds allocable to sites other than Liquidated Sites. The United States, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and the Settling Michigan Agencies reserve the right to petition the Court for an adjustment of the Debtors' allocation based upon all of the facts and circumstances. The payments required to be made under this Paragraph shall be in addition to the payments required to be made under Paragraphs 4 and 5. However, under no circumstances, may the payments required to be made under this Paragraph, when combined with the consideration received for the Liquidated Sites by the Settling Federal Agencies, the Settling California Agencies, the State of Illinois Natural Resource Trustees, or the Settling Michigan Agencies under Paragraphs 4 and 33 of this Settlement Agreement, exceed the amount of the Allowed General Unsecured Claims for the Liquidated Sites under Paragraph 4. In the event that the excess insurance proceeds sharing requirements of this Paragraph would otherwise result in such an exceedance, the Debtors shall retain the additional amount of excess insurance proceeds necessary to avoid such an exceedance. With respect to any payments received by the United States, the Settling California Agencies, the State of Illinois Natural Resource Trustees, or the Settling Michigan Agencies under this Paragraph, the United States, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and the Settling Michigan Agencies shall credit site accounts for particular Liquidated Sites only in accordance with the Debtors' allocation and payment for the particular Liquidated Site (unless adjusted by the Court), which credit shall reduce the liability of non-settling potentially responsible parties for the particular site by the amount of the credit.

XI. ENVIRONMENTAL CUSTODIAL TRUST

16. This Settlement Agreement hereby incorporates in full the Environmental Custodial Trust Agreement that is entered into by the parties thereto.

17. Le Petomane XXIII, Inc., not individually but solely in its representative capacity as Environmental Custodial Trust Trustee, by and through Jay A. Steinberg, not individually but solely in his representative capacity as president of the Environmental Custodial Trust, is appointed to serve as the Environmental Custodial Trust Trustee to administer the Environmental Custodial Trust and the Custodial Trust Accounts.

18. The Funds to be transferred pursuant to Section 2.5 of the Environmental Custodial Trust Agreement shall be transferred simultaneously with the transfer of the Transferred Real Properties to the Environmental Custodial Trust, and shall be allocated as follows:

- a. \$50,050,000 to be deposited in the Custodial Trust Response Cost Account for the Allied Paper Mill Transferred Real Property.
- b. \$2,000,000 to be deposited in the Custodial Trust Restoration Cost Account for the Allied Paper Mill Transferred Real Property.
- c. \$1,671,850 to be deposited in the Custodial Trust MDNRE Cost Account for the Allied Paper Mill Transferred Real Property.
- d. \$2,000,000 to be deposited in the Custodial Trust Environmental Cost Account for the Beaver Valley Transferred Real Property.
- e. \$8,000,000 to be deposited in the Custodial Trust Environmental Cost Account for the Bully Hill, Rising Star, and Excelsior Mines Transferred Real Properties.
- f. \$5,300,000 to be deposited in the Custodial Trust Environmental Cost Account for the Charlotte Transferred Real Property.

g. \$1,100,000 to be deposited in the Custodial Trust Environmental Cost Account for the Gypsum Pile Transferred Real Property.

h. \$10,000,000 to be deposited in the Custodial Trust Environmental Cost Account for the Saint Helena Transferred Real Property.

i. \$6,800,000 to be deposited in the Custodial Trust Environmental Cost Account for the Turtle Bayou Transferred Real Property.

j. \$21,500,000 to be deposited in the Custodial Trust Administrative Expense Account.

19. The Lead Government Agency and other governmental agency for each of the Transferred Real Properties or Custodial Trust Environmental Cost Accounts are as set forth in the table below:

Property or Account	Lead Government Agency	Other Governmental Agency
Allied Paper Mill Transferred Real Property Custodial Trust Response Cost Account	EPA	MDNRE
Allied Paper Mill Transferred Real Property Custodial Trust Restoration Cost Account	Federal Trustees	MDNRE
Allied Paper Mill Transferred Real Property Custodial Trust MDNRE Account	MDNRE	EPA
Beaver Valley Transferred Real Property	PADEP	EPA
Bully Hill, Rising Star, and Excelsior Mines Transferred Real Properties	Central Valley Regional Board	EPA
Charlotte Transferred Real Property	NCDWM	EPA
Gypsum Pile Transferred Real Property	IEPA	EPA
Saint Helena Transferred Real Property	EPA	MDE

Turtle Bayou Transferred Real Property	EPA	TCEQ
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After this Settlement Agreement's execution, the United States and the relevant State governmental unit(s) may provide the Environmental Custodial Trust Trustee with joint written notice that the Lead Government Agency for a particular Transferred Real Property has changed.

20. Neither the United States, the States, nor any of the Debtors shall be deemed to be an owner, operator, trustee, partner, agent, shareholder, officer, or director of the Environmental Custodial Trust or the Custodial Trust Parties, or to be an owner or operator of any of the Transferred Real Properties or owner of the Funds on account of this Settlement Agreement or actions contemplated thereby.

21. Notwithstanding any other provision of this Settlement Agreement, the Debtors shall continue, at their own expense, the operation of any required ongoing environmental activities at the Transferred Real Properties until the Funds and Transferred Real Properties are transferred to the Environmental Custodial Trust in accordance with this Settlement Agreement and the Environmental Custodial Trust Agreement. Upon such transfer, all obligations of the Debtors to perform work pursuant to any outstanding Consent Decree, Unilateral Administrative Order, Agreed Order, Administrative Order on Consent, or permit regarding any of the Transferred Real Properties or Sites shall be deemed fully resolved and satisfied by this Settlement Agreement, and the applicable Debtor(s) shall be removed as a party to such orders, decrees, or permits, provided that the relevant Parties shall execute and file such papers as may be necessary to substitute the Environmental Custodial Trust for the applicable Debtor(s) with respect to any outstanding orders, decrees, or permits regarding any of the Transferred Real Properties. The outstanding orders, decrees, and permits referenced in the preceding sentence are listed in Exhibit D to this Settlement Agreement. Any statutory, stipulated, or other penalties allegedly due from any Debtor as of the date of lodging of this Settlement Agreement, in connection with such orders, decrees, or permits, shall be deemed fully resolved and satisfied by this Settlement Agreement.

22. The Environmental Custodial Trust Trustee shall at all times seek to have the Environmental Custodial Trust treated as a “qualified settlement fund” as that term is defined in Treasury Regulation Section 1.468B-1. For purposes of complying with Section 468B(g)(2) of the Internal Revenue Code, this Settlement Agreement shall constitute a consent decree between the Parties. Approval of the Bankruptcy Court, as a unit of the District Court, shall be sought, and the Bankruptcy Court shall retain continuing jurisdiction over the Environmental Custodial Trust sufficient to satisfy the requirements of Treasury Regulation Section 1.468B-1. The Environmental Custodial Trust Trustee will not elect to have the Environmental Custodial Trust treated as a grantor trust. The Environmental Custodial Trust shall be treated as a separate taxable entity. The Environmental Custodial Trust Trustee shall cause any taxes imposed on the earnings of the Environmental Custodial Trust to be paid out of such earnings and shall comply with all tax reporting and withholding requirements imposed on the Environmental Custodial Trust under applicable tax laws. The Environmental Custodial Trust Trustee shall be the “administrator” of the Environmental Custodial Trust pursuant to Treasury Regulation Section 1.468B-2(k)(3).

XII. TREATMENT OF ADDITIONAL SITES

23. With respect to the Additional Sites, all liabilities and obligations of the Debtors to the Settling Federal Agencies, DTSC, and the LA Regional Board under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607, Section 7003 of RCRA, 42 U.S.C. § 6973, and Similar California Laws arising from Prepetition acts, omissions, or conduct of the Debtors or their predecessors, including without limitation the Prepetition generation, transportation, disposal, or release of hazardous wastes or materials or the Prepetition ownership or operation of hazardous waste facilities, shall be treated as follows: the Settling Federal Agencies, DTSC, and the LA Regional Board shall receive no distributions in the Bankruptcy Cases with respect to such liabilities and obligations, but the applicable Debtors shall be required to pay the Settling Federal Agencies, DTSC, or the LA Regional Board, or such other party as

they may designate, such amounts as are provided for in Paragraphs 24 and 25, and no additional amounts, unless otherwise provided in a future settlement agreement or consent decree.

24. If and when the Settling Federal Agencies, DTSC, or the LA Regional Board undertakes enforcement activities in the ordinary course with respect to an Additional Site, the United States, DTSC, or the LA Regional Board may seek a determination of the liability, if any, of any Debtor identified as a potentially responsible party with respect to that Additional Site and may seek to obtain a judgment of liability of the Debtor or enter into a settlement with the Debtor with regard to the Additional Site in the manner and before the administrative or judicial tribunal in which the Settling Federal Agencies' claims, DTSC's claims, or the LA Regional Board's claims would have been resolved or adjudicated if the Bankruptcy Cases had never been commenced. However, the Settling Federal Agencies, DTSC, and the LA Regional Board shall not issue or cause to be issued any unilateral order or seek any injunction against the Debtors under Section 106 of CERCLA, 42 U.S.C. § 9606, Section 7003 of RCRA, 42 U.S.C. § 6973, or Similar California Laws arising from the Prepetition acts, omissions, or conduct of the Debtors or their predecessors with respect to an Additional Site, except as provided in Paragraph 29. The Debtors and the Settling Federal Agencies, DTSC, and/or the LA Regional Board will attempt to settle each liability or obligation asserted by the Settling Federal Agencies, DTSC, or the LA Regional Board against any Debtor relating to an Additional Site on a basis that is fair and equitable under the circumstances, including consideration of (i) settlement proposals made to other potentially responsible parties who are similar to the Debtor in the nature of their involvement with the site, (ii) the fact of the Debtor's bankruptcy, and (iii) the circumstances of this Settlement Agreement; but nothing in this sentence shall create an obligation of the Settling Federal Agencies, DTSC, or the LA Regional Board that is subject to judicial review. The aforesaid resolution or adjudication of liability may occur notwithstanding the terms of the Plan of Reorganization, the order confirming the Plan of Reorganization, or the terms of any order entered to effectuate the discharge received by the Debtors. In any action or proceeding with respect to an Additional

Site, the Debtors, the Settling Federal Agencies, DTSC, and the LA Regional Board reserve any and all rights, claims, and defenses they would have been entitled to assert had the claim been adjudicated in the ordinary course or during the course of the Bankruptcy Cases, including, without limitation, any argument that joint and several liability should or should not be imposed upon any Debtor identified as a potentially responsible party with respect to that Additional Site, but not including any right to have the claim estimated. Nothing herein shall be construed to limit the rights of the Debtors, the Settling Federal Agencies, DTSC, or the LA Regional Board to assert any and all rights, claims, and defenses they may have in actions or proceedings involving other parties with respect to Additional Sites.

25. In the event any liability is liquidated pursuant to Paragraph 24 by settlement or judgment to a determined amount (the "Determined Amount"), the Debtor(s) with which such settlement is made or against which such judgment is entered will satisfy such liability within thirty days after the later of the effective date of the Plan of Reorganization or the date on which the settlement or judgment is final and effective (the "Settlement/Judgment Date") as follows: (a) for DTSC Additional NPL Sites and U.S. Additional CERCLIS/NPL Sites, by providing DTSC or the respective Settling Federal Agency the "Distribution Amount" to the extent that any funds are available under the Plan of Reorganization, including any disputed claim reserve, to make distributions to holders of Allowed General Unsecured Claims against the Debtor(s) in question; and (b) for DTSC Additional Other Sites, LA Regional Board Additional Sites, U.S. Additional Other Sites, and Reserved Additional Sites, by providing DTSC, the LA Regional Board, or the respective Settling Federal Agency the Distribution Amount. The Distribution Amount shall be the value of the consideration which would have been distributed under the Plan of Reorganization to the holder of such Claim if the Determined Amount had been an Allowed General Unsecured Claim in such amount under the Plan of Reorganization. Except as provided in Paragraph 26, the Distribution Amount shall be paid in the same form (*e.g.*, cash, notes, etc.) as was distributed under the Plan of Reorganization. The Settling Federal Agencies, DTSC, and the LA Regional Board shall have no

recourse under the provisions of this Paragraph against a Schedule III Debtor (as that term is defined in the Plan of Reorganization) to the extent that the Schedule III Debtor has been liquidated pursuant to the Bankruptcy Code or has no assets with which to pay the Distribution Amount.

26. In the event that the Plan of Reorganization provides that Allowed General Unsecured Claims will receive consideration other than cash, the Debtors may, in their sole discretion, provide the non-cash portion of the Distribution Amount to the Settling Federal Agencies, DTSC, or the LA Regional Board in cash that has an aggregate value as of the Settlement/Judgment Date that is equivalent to the non-cash portion of the Distribution Amount. For purposes of determining the value of the consideration paid to the holders of Allowed General Unsecured Claims at the time of distribution(s), notes shall have a value equal to their face value and equity securities shall have a value equal to the weighted average of the reported regular way sales prices of all transactions for the security on the New York Stock Exchange on the date(s) of distribution (or the first date thereafter on which the security trades), or if the security is not listed or admitted to trade on such exchange, on the principal national securities exchange on which the security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, the weighted average of the reported bid prices for the security on all transactions on the National Association of Securities Dealers Automated Quotations National Market System or, if the security is not listed or admitted to trading on any national securities exchange or quoted on such National Market System, the weighted average of the reported sales prices for such security on all transactions in the over-the-counter market in the United States as furnished by any New York Stock Exchange member firm selected by the Debtors and the relevant claimant for that purpose. For purposes of determining the number of shares of securities that have the value of the Distribution Amount on the Settlement/Judgment Date, the fair market value per share of securities on the Settlement/Judgment Date shall be determined as set forth in the immediately preceding sentence. The terms of this Paragraph and Paragraphs 23-25 of this Settlement Agreement shall apply to, be binding on, and inure to the benefit of any successor or assign of the Debtors

to the extent that and only to the extent that the alleged liability of the successor or assign for an Additional Site is based solely on its status as and in its capacity of a successor or assign of the Debtors.

27. Claims of or obligations to the Settling Federal Agencies, DTSC, or the LA Regional Board resulting from the Debtors' Postpetition conduct at Additional Sites that would give rise to liability under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607, Section 7003 of RCRA, 42 U.S.C. § 6973, and Similar California Laws shall not be discharged under Section 1141 of the Bankruptcy Code by the confirmation of the Plan of Reorganization, nor shall such Claims or obligations be impaired or affected in any way by the Bankruptcy Cases or confirmation of the Plan of Reorganization. As used in the preceding sentence, the phrase "Postpetition conduct" does not include continuing releases related to conduct occurring before the date of lodging of this Settlement Agreement.

28. The Settling Federal Agencies, DTSC, and the LA Regional Board may pursue enforcement actions or proceedings under applicable law with respect to their Claims against and obligations of the Debtors under Paragraph 27 in the manner, and by the administrative or judicial tribunals, in which the Settling Federal Agencies, DTSC, or the LA Regional Board could have pursued enforcement actions or proceedings if the Bankruptcy Cases had never been commenced. The Debtors reserve the right to assert any and all defenses and counterclaims available to them under applicable law with respect to any such Claims and obligations, except for any alleged defense of discharge of liabilities provided under the Bankruptcy Code, any plan of reorganization, or order of confirmation. The Settling Federal Agencies, DTSC, and the LA Regional Board reserve all of their rights with respect to any defenses or counterclaims asserted by the Debtors under this Paragraph.

29. Notwithstanding any other provision of this Settlement Agreement, neither this Settlement Agreement, the confirmation of the Plan of Reorganization, nor the Bankruptcy Cases shall operate to discharge, impair, or release any Debtor from its obligation to comply with any RCRA Order issued with respect to a Reserved Additional Site. Moreover, neither this Settlement Agreement, the confirmation of

the Plan of Reorganization, nor the Bankruptcy Cases shall act to enjoin, restrain, or prevent the United States from taking any action to enforce Section 7003 of RCRA, 42 U.S.C. § 6973, or state law similar to RCRA, against a Debtor with respect to any Reserved Additional Site, including but not limited to any action to issue, seek, or enforce a RCRA Order. The United States may pursue such enforcement action in the manner, and by the administrative or judicial tribunals, in which it could have pursued such action if the Bankruptcy Cases had never been commenced.

XIII. TREATMENT OF ALLOWED CLAIMS

30. All Allowed General Unsecured Claims under or pursuant to the terms of this Settlement Agreement, including without limitation any such Claims as may eventually be allowed pursuant to Paragraphs 24-26 (Treatment of Prepetition Liabilities for Additional Sites), regardless of the holder of such Claims, (i) will receive the same treatment under the Plan of Reorganization, without discrimination, as other Allowed General Unsecured Claims with all attendant rights provided by the Bankruptcy Code and other applicable law, and (ii) will not be entitled to any priority in distribution (although the provisions of Section X (Insurance Proceeds) shall apply in the event of excess insurance proceeds, and the provisions of Paragraph 33 shall apply with respect to setoff). In no event shall the general unsecured Claims allowed or to be allowed pursuant to this Settlement Agreement be subordinated to any other Allowed General Unsecured Claims pursuant to any provision of the Bankruptcy Code or other applicable law that authorizes or provides for subordination of allowed Claims, including without limitation Sections 105, 510, and 726(a)(4) of the Bankruptcy Code.

31. The Claims allowed in this Settlement Agreement do not constitute, nor shall they be construed as, forfeitures, fines, or penalties (or payments in lieu thereof), and nothing herein is intended, or shall be construed, as an admission by the Debtors of any facts or any violation of law. Notwithstanding the foregoing, the Debtors do agree to comply with all terms of this Settlement Agreement upon the Effective Date.

32. Notwithstanding any other provision of this Settlement Agreement, and except as provided under applicable law, there shall be no restrictions on the ability and right of the Settling Federal Agencies, the Settling California Agencies, the State of Illinois Natural Resource Trustees, or the Settling Michigan Agencies to transfer or sell all or a portion of any securities distributed to them pursuant to the Plan of Reorganization, to sell their right to all or a portion of any distributions under the Plan to one or more third parties, or to transfer or sell to one or more third parties all or a portion of any Allowed General Unsecured Claims pursuant to this Settlement Agreement.

33. The treatment of claims as Allowed General Unsecured Claims under this Settlement Agreement is without prejudice to any right of the United States, the Settling California Agencies, the State of Illinois Natural Resource Trustees, or the Settling Michigan Agencies to set off, against the debts underlying such claims, the following, to the extent otherwise permitted under applicable law: (a) any debts owed by or in connection with the U.S. Customs and Border Protection (an agency within the U.S. Department of Homeland Security) to a particular Debtor or Debtors; and (b) any tax refunds or other tax-related debts owed to a particular Debtor or Debtors (the "Tax Refund Setoff"), as further specified in the remainder of this Paragraph. The Tax Refund Setoff shall not exceed \$10 million in total, and the Debtors reserve the right to dispute, under applicable law, any effort by the United States to utilize the Tax Refund Setoff to recover unpaid portions of any Allowed General Unsecured Claims set forth in Sections V and VII of this Settlement Agreement other than the unpaid portions of the United States' Allowed General Unsecured Claims against Lyondell Chemical Company. If any tax refunds or other tax-related debts become due to a particular Debtor or Debtors, the United States shall not withhold payment of any amount of such tax refunds or other tax-related debts in excess of the \$10 million Tax Refund Setoff cap identified above for purposes of setting off any Allowed General Unsecured Claims of the Settling Federal Agencies. The United States, DTSC, and the LA Regional Board shall not under this Settlement

Agreement, the Plan of Reorganization, or otherwise, exercise any right of setoff with respect to Determined Amounts or Distribution Amounts for Additional Sites.

34. The U.S. Proofs of Claim, the DTSC Proofs of Claim, the State Board Proofs of Claim, the LA Regional Board Proofs of Claim, the State of Illinois Natural Resource Trustees' Proof of Claim, and the Settling Michigan Agencies' Proof of Claim shall be deemed satisfied in full in accordance with the terms of this Settlement Agreement. Moreover, the approval of this Settlement Agreement by the Court, together with the proofs of claim referenced in the preceding sentence, shall be deemed to satisfy any requirement for the Settling Federal Agencies, the Settling California Agencies, the State of Illinois Natural Resource Trustees, and the Settling Michigan Agencies to file in these Bankruptcy Cases any claim, request, or demand for the disbursement of funds as provided herein. No further proof of claim or other request or demand by the Settling Federal Agencies, the Settling California Agencies, the State of Illinois Natural Resource Trustees, or the Settling Michigan Agencies shall be required. Any and all proofs of claim deemed to be filed pursuant to this Paragraph shall also be deemed satisfied in full in accordance with the terms of this Settlement Agreement.

35. The Court order approving this Agreement shall provide that the Objections to the U.S. Proofs of Claim, the DTSC Proofs of Claim, the State Board Proofs of Claim, and the LA Regional Board Proofs of Claim and the United States and the Settling California Agencies' Motion to Withdraw the Reference are withdrawn, with respect to the causes of actions, claims and defenses asserted therein, without costs or attorney's fees to any party.

XIV. DISTRIBUTION INSTRUCTIONS

36. Distributions

a. Distributions to the United States

(1) Cash distributions to the United States shall be made by FedWire Electronic Funds Transfer ("EFT") to the United States Department of Justice account in accordance with current EFT

procedures. Payment shall be made in accordance with instructions provided to the Debtors by the Financial Litigation Unit of the United States Attorney's Office for the Southern District of New York and shall reference Bankruptcy Case Number 09-10023 and DOJ File Number 90-5-2-1-2132/3. The Debtors shall transmit written confirmation of such payments to the United States at the addresses specified in Paragraph 48. In the event that the United States sells or transfers its Claims, payment shall be made to a transferee only at such time as the Debtors and, as applicable, any claims administrator or liquidating trustee appointed in these cases receive written instructions from the United States directing that payments be made to a transferee and instructions as to where such payments should be directed, and, prior to the closing of the Bankruptcy Cases, after an evidence of claim transfer has been filed with the Bankruptcy Court.

(2) Non-cash distributions to the United States on behalf of EPA shall be made to:

U.S. EPA -- Superfund
P.O. Box 371003M
Pittsburgh, PA 15251

Non-cash distributions to the United States on behalf of DOI or the Federal Trustees shall be made in accordance with instructions provided to the Debtors by the Financial Litigation Unit of the United States Attorney's Office for the Southern District of New York. The Debtors shall transmit written confirmation of non-cash distributions to the United States at the addresses specified in Paragraph 48, with a reference to Bankruptcy Case Number 09-10023 and DOJ File Number 90-5-2-1-2132/3,

b. Cash distributions to DTSC shall be made either by EFT or by cashier's check. If by cashier's check, the check shall be made payable to the "California Department of Toxic Substances Control" and shall be sent by first class mail to: Orchid Kwei, Esq., Office of Legal Counsel, 1001 I Street, P.O. Box 806, Sacramento, CA 95812-0806, and shall reference the "Lyondell Bankruptcy Sites." Non-cash distributions to DTSC shall be made to the same address. The Debtors shall transmit written confirmation of distributions to DTSC as specified in Paragraph 48.

c. Cash distributions to the Central Valley Regional Board shall be made by certified check made payable to the "State Water Resources Control Board Cleanup and Abatement Account" and shall be made in person or sent by first class or overnight mail to the following address, with a reference to the "Lyondell Settlement Cleanup of Sites in the Central Valley Region": State Water Resources Control Board, Accounting Office, 18th Floor, P.O. Box 100, Sacramento, CA 95812-0100. Non-cash distributions to the Central Valley Regional Board shall be made to the same address. The Debtors shall transmit written confirmation of distributions to the Central Valley Regional Board as specified in Paragraph 48.

d. Cash distributions to the LA Regional Board shall be made by certified check made payable to the "State Water Resources Control Board Cleanup and Abatement Account" and shall be made in person or sent by first class or overnight mail to the following address, with a reference to the "Lyondell Settlement Cleanup of Sites in the Los Angeles Region": State Water Resources Control Board, Accounting Office, 18th Floor, P.O. Box 100, Sacramento, CA 95812-0100. Non-cash distributions to the LA Regional Board shall be made to the same address. The Debtors shall transmit written confirmation of distributions to the LA Regional Board as specified in Paragraph 48.

e. Cash distributions to the State of Illinois Natural Resource Trustees shall be made to the Division of Ecosystems and Environment, Office of Realty and Planning, Department of Natural Resources, One Natural Resources Way, Springfield, IL 62702. Non-cash distributions to the State of Illinois Natural Resource Trustees shall be made to the same address. The Debtors shall transmit written confirmation of distributions to the State of Illinois Natural Resource Trustees as specified in Paragraph 48.

f. Cash distributions to the Settling Michigan Agencies shall be made by certified check, made payable to the "State of Michigan – Environmental Response Fund" and shall be sent by first class mail to: Michigan Department of Natural Resources and the Environment, Financial and Business

Cashiering/Revenue Control Unit, P.O. Box 30657, 525 West Allegan, Lansing, MI 48909-8157, and shall reference the Settlement ID Number RRD2259 and "Allied Paper/Portage Creek/Kalamazoo River Superfund Site, Lyondell Bankruptcy." Non-cash distributions to the Settling Michigan Agencies shall be made to the same address. The Debtors shall transmit written confirmation of distributions to the Settling Michigan Agencies as specified in Paragraph 48.

XV. COVENANT NOT TO SUE, RELEASES, AND RESERVATION OF RIGHTS

37. In consideration of all of the foregoing, including, without limitation, the payments and/or distributions that will be made on account of the Allowed General Unsecured Claims as provided herein, the cash payments pursuant to Paragraph 5, and the full funding of all Custodial Trust Accounts as provided in this Settlement Agreement and the Environmental Custodial Trust Agreement:

a. EPA and the States (except for NCDWM and TCEQ) covenant not to file a civil action or to take any administrative or other civil action against the Debtors or the Custodial Trust Parties pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or any similar state laws with respect to each of the Liquidated Sites and Transferred Real Properties.

b. DOI covenants not to file a civil action or to take any administrative or other civil action against the Debtors or the Custodial Trust Parties pursuant to Section 107 of CERCLA, 42 U.S.C. § 9607, with respect to the Allied Paper/Portage Creek/Kalamazoo River Site, the Allied Paper Mill Transferred Real Property, the Diamond Alkali/Lower Passaic River Study Area Site, or the Hegeler Zinc Site. With respect to all other Liquidated Sites and Transferred Real Properties, all liabilities and obligations of the Debtors to DOI under Section 107 of CERCLA, 42 U.S.C. § 9607, arising from Prepetition acts, omissions, or conduct of the Debtors or their predecessors shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation and effectiveness of the Plan of Reorganization.

c. NOAA covenants not to file a civil action or to take any administrative or other civil action against the Debtors or the Custodial Trust Parties pursuant to Section 107 of CERCLA, 42 U.S.C. § 9607, with respect to the Allied Paper/Portage Creek/Kalamazoo River Site, the Allied Paper Mill Transferred Real Property, or the Diamond Alkali/Lower Passaic River Study Area Site. With respect to all other Liquidated Sites and Transferred Real Properties, all liabilities and obligations of the Debtors to NOAA under Section 107 of CERCLA, 42 U.S.C. § 9607, arising from Prepetition acts, omissions, or conduct of the Debtors or their predecessors shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation and effectiveness of the Plan of Reorganization.

d. NCDWM releases and agrees not to sue or to take administrative action (i) against the Debtors pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or any similar state laws for any liabilities or obligations asserted in NCDWM's proof of claim (Claim No. 4430) with respect to the Charlotte Transferred Real Property, or (ii) against the Custodial Trust Parties pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or any similar state laws with respect to the Charlotte Transferred Real Property.

e. TCEQ releases and agrees not to sue or to take administrative action (i) against the Debtors pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or any similar state laws for any liabilities or obligations asserted in TCEQ's proof of claim (Claim No. 8183) with respect to the Turtle Bayou Transferred Real Property, or (ii) against the Custodial Trust Parties pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or any similar state laws with respect to the Turtle Bayou Transferred Real Property.

The foregoing covenants not to sue and/or releases and agreements not to sue shall take effect on the Effective Date.

38. This Settlement Agreement in no way impairs the scope and effect of the Debtors' discharge under Section 1141 of the Bankruptcy Code as to any third parties or as to any Claims that are not addressed by this Settlement Agreement.

39. Without in any way limiting the covenant not to sue (and the reservations thereto) set forth in Paragraph 37, and notwithstanding any other provision of this Settlement Agreement, such covenant not to sue shall also apply to the Debtors' successors and assigns, officers, directors, employees, and trustees, but only to the extent that the alleged liability of the successor or assign, officer, director, employee, or trustee of any Debtor is based solely on its status as and in its capacity as a successor or assign, officer, director, employee, or trustee of any Debtor.

40. The covenants not to sue and/or releases and agreements not to sue contained in Paragraphs 37 and 39 of this Settlement Agreement extend only to the Debtors and the persons described in Paragraphs 37 and 39 above and do not extend to any other person. Nothing in this Settlement Agreement is intended as a covenant not to sue or a release from liability for any person or entity other than the Debtors, the United States, the States, the Custodial Trust Parties, and the persons described in Paragraph 39. The United States, the States, the Custodial Trust Parties, and the Debtors expressly reserve all claims, demands, and causes of action, either judicial or administrative, past, present, or future, in law or equity, which they may have against all other persons, firms, corporations, entities, or predecessors of the Debtors for any matter arising at or relating in any manner to the sites or claims addressed herein.

41. The covenants not to sue and/or releases and agreements not to sue set forth in Paragraph 37 do not pertain to any matters other than those expressly specified therein. The United States and the States expressly reserve, and this Settlement Agreement is without prejudice to, all rights against the Debtors and the persons described in Paragraph 39 with respect to all other matters other than those set forth in Paragraph 37. The United States and the States also specifically reserve, and this Settlement Agreement is without prejudice to, any action based on (i) a failure to meet a requirement of this Settlement Agreement;

(ii) criminal liability; or (iii) matters reserved in Paragraph 8 (Non-Dischargeability/Reservation Regarding Debtor-Owned/Operated Sites). In addition, the United States and the States reserve, and this Settlement Agreement is without prejudice to, all rights against the Debtors, their successors, assigns, officers, directors, employees, and trustees with respect to the Liquidated Sites and Transferred Real Properties for liability for response costs, natural resource damages (including natural resource damage assessment costs), and injunctive relief under CERCLA, RCRA, or state law for acts that occur after the date of lodging of this Settlement Agreement and give rise to liability under CERCLA, RCRA, or state law. As used in the preceding sentence, the phrase “acts that occur after the date of lodging of this Settlement Agreement” does not include continuing releases related to conduct occurring before the date of lodging of this Settlement Agreement, or continued ownership by any Debtor of any of the Transferred Real Properties prior to their transfer to the Environmental Custodial Trust in accordance with this Settlement Agreement and the Environmental Custodial Trust Agreement.

42. Nothing in this Settlement Agreement shall be deemed to limit the authority of the United States or the States to take response action under Section 104 of CERCLA, 42 U.S.C. § 9604, or any other applicable law or regulation, or to alter the applicable legal principles governing judicial review of any action taken by the United States or the States pursuant to such authority. Nothing in this Settlement Agreement shall be deemed to limit the information-gathering authority of the United States or the States under Sections 104 and 122 of CERCLA, 42 U.S.C. §§ 9604 and 9622, or any other applicable federal or state law or regulation, or to excuse the Debtors or the Environmental Custodial Trust Trustee from any disclosure or notification requirements imposed by CERCLA, RCRA, or any other applicable federal or state law or regulation.

43. The Debtors and the Environmental Custodial Trust Trustee hereby covenant not to sue and agree not to assert or pursue any claims or causes of action against the United States and the States with respect to the Liquidated Sites or Transferred Real Properties, and the Debtors covenant not to sue and

agree not to assert claims or causes of action against the Custodial Trust Parties, including, but not limited to (i) any direct or indirect claim for reimbursement from the Hazardous Substances Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) through Sections 106(b)(2), 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9611, 9612, or 9613, or any other provision of law, or from the California Hazardous Substance Account, the California State Water Cleanup and Abatement Account, or any similar funds or accounts of the States pursuant to any provision of law; (ii) any claim against the United States or the States, including any department, agency, or instrumentality of the United States or the States, under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, related to the Liquidated Sites or Transferred Real Properties; or (iii) any claims arising out of response activities at the Liquidated Sites or the Transferred Real Properties. Such covenant not to sue shall also apply to the United States' and the States' officers, directors, employees, trustees, successors, and assigns. Nothing in this Settlement Agreement shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

44. Notwithstanding Paragraph 43, nothing in this Settlement Agreement shall affect the validity or enforceability by the Environmental Custodial Trust of the Agreement dated March 12, 1997, among ARCO Chemical Company, Beazer East, Inc., and the United States with respect to the Beaver Valley Transferred Real Property. Furthermore, nothing in this Settlement Agreement shall be interpreted to modify the terms of the Agreement dated March 12, 1997.

XVI. CONTRIBUTION PROTECTION

45. The Parties agree that, and by entering this Settlement Agreement and the Environmental Custodial Trust Agreement, the Court finds, that this settlement constitutes a judicially-approved settlement for purposes of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and that the Debtors and the Custodial Trust Parties are entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), or as may be otherwise

provided by law, for “matters addressed” in this Settlement Agreement. Subject to the last sentence of this Paragraph, the “matters addressed” in this Settlement Agreement, as that phrase is used in Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), include, without limitation, (i) claims by EPA or potentially responsible parties for response costs at or in connection with each of the Liquidated Sites and Transferred Real Properties, including claims related to releases of hazardous substances from any portion of the Liquidated Sites and Transferred Real Properties and all areas affected by natural migration of such substances from such sites; (ii) claims by DOI or potentially responsible parties for natural resource damages for injury to DOI trust resources (including related natural resource damage assessment costs) at or in connection with each of the Liquidated Sites and Transferred Real Properties for which DOI is providing a covenant not to sue pursuant to Paragraph 37, including claims related to releases of hazardous substances from any portion of the Liquidated Sites and Transferred Real Properties and all areas affected by natural migration of such substances from such sites; and (iii) claims by NOAA or potentially responsible parties for natural resource damages for injury to NOAA trust resources (including related natural resource damage assessment costs) at or in connection with each of the Liquidated Sites and Transferred Real Properties for which NOAA is providing a covenant not to sue pursuant to Paragraph 37, including claims related to releases of hazardous substances from any portion of the Liquidated Sites and Transferred Real Properties and all areas affected by natural migration of such substances from such sites. The “matters addressed” in this Settlement Agreement do not include claims against any of the Debtors for liquidated past response costs incurred prior to the Petition Dates and included in proofs of claim filed in any of the Bankruptcy Cases by potentially responsible parties with respect to any of the Liquidated Sites or Transferred Real Properties.

46. The Debtors each agree that with respect to any suit for contribution brought against any of them after the Effective Date for matters related to this Settlement Agreement, they will notify the United States and the States, as applicable, within fifteen business days of service of the complaint upon them. In

addition, in connection with such suit, the Debtors shall notify the United States and the States, as applicable, within fifteen business days of service or receipt of any Motion for Summary Judgment and within fifteen business days of receipt of any order from a court setting a case for trial (provided, however, that the failure to notify the United States pursuant to this Paragraph shall not in any way affect the protections afforded under Section XV (Covenants Not to Sue, Releases, and Reservation of Rights)).

XVII. FINANCIAL ASSURANCE

47. EPA, the States, and the Debtors shall take all appropriate steps under each financial assurance instrument to release all financial assurance maintained by the Debtors at Liquidated Sites or Transferred Real Properties, as listed in Exhibit E to this Settlement Agreement, within thirty days after the Debtors transfer all funds pursuant to Sections VI and XI of this Settlement Agreement.

XVIII. NOTICES AND SUBMISSIONS

48. Whenever, under the terms of this Settlement Agreement, written notice is required to be given, or a report or other document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below via U.S. certified mail, return receipt requested, unless those individuals or their successors give notice of a change of address to the other Parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Except as otherwise provided in this Settlement Agreement, written notice as specified herein shall constitute complete satisfaction of any written notice requirement in the Settlement Agreement with respect to the Parties.

As to the United States:

Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044
Ref. DOJ File No. 90-5-2-1-2132/3

Pierre G. Armand
Assistant United States Attorney
Office of the United States Attorney
for the Southern District of New York
86 Chambers Street, Third Floor
New York, NY 10007

As to EPA:

David Smith-Watts
Attorney-Advisor
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

As to DOI:

Amy Horner
Attorney Advisor
U.S. Department of the Interior
Office of the Solicitor
1849 C Street, NW
Washington, DC 20240

As to NOAA:

M.E. Rolle
National Oceanic and Atmospheric Administration
263 13th Avenue South
Saint Petersburg, FL 33701

As to DTSC:

Margarita Padilla
Supervising Deputy Attorney General
Office of the California Attorney General
1515 Clay Street, 20th Floor
P.O. Box 70550
Oakland, CA 94612-0550

Barbara Cook
Acting Assistant Deputy Director
Brownfields and Environmental Restoration Program
California Department of Toxic Substances Control
700 Heinz Street, Suite 200
Berkeley, CA 94710-2721

Orchid Kwei, Esq.
California Department of Toxic Substances Control
Office of Legal Counsel
1001 I Street
P.O. Box 806
Sacramento, CA 95812-0806

As to the State Board:

Marilyn H. Levin
Noah Golden-Krasner
Deputy Attorneys General
300 South Spring Street, 11th Floor
Los Angeles, CA 90013

Alex Mayer, Esq.
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812

As to the LA Regional Board:

Marilyn H. Levin
Noah Golden-Krasner
Deputy Attorneys General
300 South Spring Street, 11th Floor
Los Angeles, CA 90013

Tracy Egoscue
Executive Officer
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, CA 90013

Jennifer Fordyce
Staff Counsel
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812

As to the Central Valley Regional Board:

Marilyn H. Levin
Noah Golden-Krasner
Deputy Attorneys General
300 South Spring Street, 11th Floor
Los Angeles, CA 90013

Pamela Creedon
Executive Officer
Central Valley Regional Water Quality Control Board
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670

Patrick Pulupa
Staff Counsel
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812

As to the State of Illinois:

Chief, Environmental Bureau South
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

James Kropid
Illinois Environmental Protection Agency
Division of Legal Counsel
P.O. Box 19726
1021 North Grand Avenue East
Springfield, IL 62796

As to the State of Illinois Natural Resource Trustees:

Todd Rettig
Division of Ecosystems and Environment
Office of Realty and Planning
Department of Natural Resources
One Natural Resources Way
Springfield, IL 62702

As to MDE:

Horacio Tablada, Director
Land Management Administration
Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, MD 21230

As to the Settling Michigan Agencies:

Polly Synk
Assistant Attorney General
Michigan Department of Attorney General
Environment, Natural Resources, and Agriculture Division
P.O. Box 30755
Lansing, MI 48909

Brian Monroe
Chief, Redevelopment and Enforcement Support Unit
Compliance and Enforcement Section
Remediation and Redevelopment Division
Michigan Department of Natural Resources and the Environment
P.O. Box 30426
Lansing, MI 48909-7926

As to NCDWM:

Bruce Parris
Western Regional Supervisor
Inactive Hazardous Sites Branch
N.C. Department of Environment and Natural Resources
610 East Center Ave., Suite 301
Mooresville, NC 28118

As to PADEP:

Manager
Waste Management
400 Waterfront Drive
Pittsburgh, PA 15222

Regional Counsel
Office of Chief Counsel
400 Waterfront Drive
Pittsburgh, PA 15222

As to TCEQ:

Staff Attorney, Petrochemical Systems, Inc. (Turtle Bayou)
Litigation Division, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

As to the Debtors:

Craig Glidden
General Counsel
Lyondell Chemical Company
1221 McKinney Street
Suite 700
Houston, TX 77010

As to the Environmental Custodial Trust Trustee:

The Environmental Custodial Trust
Le Petomane XXIII, Inc., not individually but
solely as Custodial Trust Trustee
35 East Wacker Drive - Suite 1550
Chicago, IL 60601

XIX. JUDICIAL APPROVAL AND OPPORTUNITY FOR PUBLIC COMMENT

49. This Settlement Agreement shall be subject to approval of the Bankruptcy Court, which approval may be granted in the same order approving the Plan of Reorganization or in a separate order. The Debtors shall promptly seek approval of this Settlement Agreement under Bankruptcy Rule 9019 or applicable provisions of the Bankruptcy Code (the "Rule 9019 Motion").

50. This Settlement Agreement shall be lodged with the Bankruptcy Court as an exhibit to the Rule 9019 Motion, and shall thereafter be subject to a period of public comment following publication of notice of the Settlement Agreement in the *Federal Register*. The Settlement Agreement shall also be subject to public notice and comment under any applicable provision of state law. Any public comment period under state law may run concurrently with the public comment period provided for in the first sentence of this Paragraph, and any public comment period provided for in this Paragraph may run concurrently with any notice period required pursuant to Bankruptcy Rule 2002 or applicable local rule in connection with judicial approval of the Settlement Agreement pursuant to the preceding Paragraph.

51. The United States and any State taking public comment reserve the right to withdraw or withhold their consent to this Settlement Agreement if the public comments regarding it disclose facts or

considerations which indicate that it is not in the public interest. After the period for public comment, the United States and any State taking public comment will file with the Bankruptcy Court any comments received, as well as their responses to the comments. At that time, if appropriate, the United States and the States will seek approval of the Settlement Agreement.

52. If for any reason (i) the Settlement Agreement is withdrawn by the United States or any State taking public comment as provided in Paragraph 51, or (ii) the Settlement Agreement is not approved, or (iii) the Bankruptcy Cases are, in whole or in part, dismissed or converted to cases under Chapter 7 of the Bankruptcy Code before the effective date of the Plan of Reorganization, or (iv) the Court confirms the Plan without the Environmental Custodial Trust Agreement attached hereto as Exhibit B: (a) this Settlement Agreement shall be null and void and the Parties shall not be bound hereunder or under any documents executed in connection herewith; (b) the Parties shall have no liability to one another arising out of or in connection with this Settlement Agreement or under any documents executed in connection herewith; and (c) this Settlement Agreement and any documents prepared in connection herewith shall have no residual or probative effect or value, and it shall be as if they had never been executed.

XX. PLAN OF REORGANIZATION

53. Unless the United States or any State withdraws its support for the Settlement Agreement as provided in Paragraph 51, the Debtors shall not (i) amend the Plan of Reorganization in a manner inconsistent with the terms and provisions of this Settlement Agreement, (ii) take any other action in the Bankruptcy Cases that is inconsistent with the terms and provisions of this Settlement Agreement, or (iii) amend the Plan in a manner inconsistent with (or propose terms for any order confirming the Plan that are inconsistent with) Section 11.8(e) of the Plan as proposed on March 15, 2010. The Debtors shall timely serve each of the Parties to this Agreement with any motion to amend the Plan after its confirmation. The Settling Federal Agencies and the States shall not oppose any term or provision of the

Plan that is addressed by and consistent with this Settlement Agreement. The Parties reserve all other rights and defenses they may have with respect to the Plan.

XXI. AMENDMENTS/INTEGRATION AND COUNTERPARTS

54. This Settlement Agreement and any other documents to be executed in connection herewith or referred to herein shall constitute the sole and complete agreement of the Parties hereto with respect to the matters addressed herein. This Settlement Agreement may not be amended except by a writing signed by all Parties.

55. Each undersigned representative of a Party certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of such Party and bind it legally to the terms and provisions herein.

56. This Settlement Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same agreement.

XXII. TCEQ

57. Notwithstanding any other provision of this Settlement Agreement, the Environmental Custodial Trust Agreement, or any Order approving this Settlement Agreement or the Environmental Custodial Trust Agreement, only the following Sections of this Settlement Agreement shall apply to TCEQ: Section III (Jurisdiction), Section IV (Parties Bound; Succession and Assignment), Section XI (Environmental Custodial Trust), Section XV (Covenant Not to Sue, Releases, and Reservation of Rights), Section XVI (Contribution Protection), Section XVIII (Notices and Submissions), Section XIX (Judicial Approval and Opportunity for Public Comment), Section XX (Plan of Reorganization), Section XXI (Amendments/Integration and Counterparts), Section XXII (TCEQ), and Section XXIII (Retention of Jurisdiction). In addition, Section I (Introduction) and Section II (Definitions) shall apply to TCEQ, but only to the extent that those Sections contain definitions of capitalized terms used in the other Sections identified in this Paragraph. TCEQ expressly reserves, and this Settlement Agreement is without prejudice

to, all TCEQ claims against the Debtors for the Many Diversified Interests Site, Malone Service Site, and French Limited Site located in Texas.


XXIII. RETENTION OF JURISDICTION

58. Except as provided in Paragraph 8 (Non-Dischargeability/Reservation Regarding Debtor-Owned/Operated Sites) and Section XII (Treatment of Additional Sites) regarding proceedings in other administrative or judicial tribunals, the Court (or, upon withdrawal of the Court's reference, the United States District Court of the Southern District of New York) shall retain jurisdiction over the subject matter of this Settlement Agreement and the Parties for the duration of the performance of the terms and provisions of this Settlement Agreement for the purpose of enabling any of the Parties to apply to the Court at any time for such further order, direction, and relief as may be necessary or appropriate for the construction or interpretation of this Settlement Agreement or to effectuate or enforce compliance with its terms.


THE UNDERSIGNED PARTIES ENTER INTO THIS SETTLEMENT AGREEMENT:

FOR THE UNITED STATES OF AMERICA:

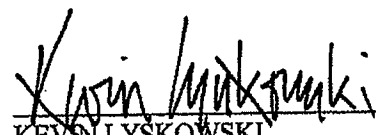
Date: 3/26/10

By: 
ROBERT DREHER
Principal Deputy Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice

Date: 3/29/10

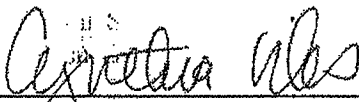
By: 
PIERRE G. ARMAND
JEANNETTE A. VARGAS
ALICIA SIMMONS
BRANDON COWART
Assistant United States Attorneys
Office of the United States Attorney for the
Southern District of New York
86 Chambers Street, Third Floor
New York, NY 10007

Date: 3/29/10


By: 
KEVIN LYSKOWSKI
Senior Bankruptcy Counsel
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

Date: 3/28/10

By: 
CYNTHIA GILES
Assistant Administrator for the Office of Enforcement and
Compliance Assurance
U.S. Environmental Protection Agency

Date: 03/25/10

By: 
DAVID SMITH-WATTS
Attorney-Advisor
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

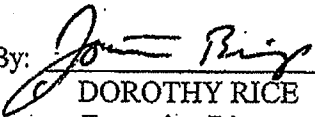
FOR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL:

Date: 3-23-2010

By: Barbara J. Cook

FOR THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD:

Date: 3/23/2010

By: 
DOROTHY RICE
Executive Director
State Water Resources Control Board


FOR THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD FOR THE
CENTRAL VALLEY REGION:

Date: 24 March 2010

By: Kenneth D. London, Assistant Executive Officer
for PAMELA CREEDON
Executive Officer
Central Valley Regional Water Quality Control Board
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670

FOR THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD FOR THE
LOS ANGELES REGION:

Date: 3/24/10

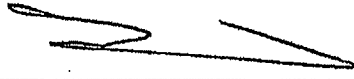
By: 
TRACY EGOSCUE
Executive Officer
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, CA 90013

FOR THE STATE OF ILLINOIS, THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY, AND
THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES

FOR THE STATE OF ILLINOIS
LISA MADIGAN, Attorney General of the State of Illinois


MATTHEW J. DUNN, Chief
Environmental Enforcement/Asbestos Litigation Division

Date: 3/24/10


THOMAS E. DAVIS, Chief
Environmental Bureau
Assistant Attorney General
500 South Second Street
Springfield, IL 62706

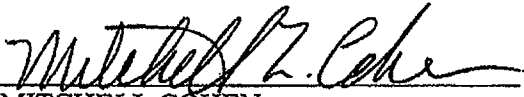
FOR THE ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

Date: 3/19/10


JOHN J. KIM
Chief Legal Counsel


FOR THE ILLINOIS DEPARTMENT OF NATURAL
RESOURCES

Date: 3.25.10


MITCHELL COHEN
Chief General Counsel

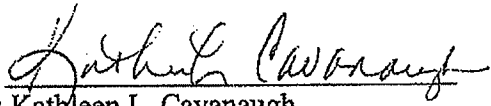
FOR THE MARYLAND DEPARTMENT OF THE ENVIRONMENT:

Date: March 25, 2010

By: 
HORACIO TABLADA
Director, Land Management Administration
Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, MD 21230

**FOR THE MICHIGAN DEPARTMENT OF NATURAL RESOURCES AND THE
ENVIRONMENT**

Date: 3-25-10


By: Kathleen L. Cavanaugh
Assistant Attorney General
Michigan Department of Attorney General
ENRA Division
P.O. Box 30755
Lansing, MI 48909

FOR THE NORTH CAROLINA DIVISION OF WASTE MANAGEMENT:

Date: March 30, 2010 By: W. Wallace Foulton, Jr.

FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF THE COMMONWEALTH
OF PENNSYLVANIA:

Date: 3/22/10

By: 

Chief Counsel
Office of Chief Counsel

FOR THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

Date: 3/24/10


By: 

Hal F. Morris
Assistant Attorney General
Bankruptcy & Collections Division
Office of the Texas Attorney General

FOR THE DEBTORS:

Date: March 19, 2010

By:



SAMUEL L. SMOLIK
Vice President Health, Safety &
Environment

FOR THE ENVIRONMENTAL CUSTODIAL TRUST TRUSTEE:

Date: _____

Le Petomane XXIII, Inc., not individually but
Solely in its representative capacity as the
Environmental Custodial Trust Trustee

By:

Not individually
Jay A. Steinberg, but solely as President
Jay A. Steinberg, not individually but solely in his
representative capacity as President of the
Environmental Custodial Trust Trustee

Exhibit A	Debtors and Petition Dates
Exhibit B	Environmental Custodial Trust Agreement
Exhibit C	Additional Sites
Exhibit D	Orders, Decrees, and Permits – Transferred Real Properties
Exhibit E	Financial Assurance Instruments

Exhibit A
Debtors and Petition Dates

January 6, 2009

Basell Finance USA Inc.	09-10021
Basell Germany Holdings GmbH	09-10048
Basell North America Inc.	09-10034
Basell USA Inc.	09-10033
Circle Steel Corporation	09-10032
Duke City Lumber Company, Inc.	09-10035
Equistar Chemicals, LP	09-10036
Equistar Funding Corporation	09-12956
Equistar Transportation Company, LLC	09-10049
Glidco Leasing, Inc.	09-10037
Glidden Latin America Holdings Inc.	09-10040
H.W. Loud Co.	09-10039
HOISU Ltd.	09-10022
Houston Refining LP	09-10038
HPT 28 Inc.	09-10042
HPT 29 Inc.	09-10043
IMWA Equities II, Co., L.P.	09-10047
LBI Acquisition LLC	09-10045
LBIH LLC	09-10025
LeMean Property Holdings Corporation	09-10027
Lyondell (Pelican) Petrochemical L.P. 1, Inc.	09-10067
Lyondell Asia Pacific, Ltd.	09-10050
Lyondell Chemical Company	09-10023
Lyondell Chemical Delaware Company	09-10051
Lyondell Chemical Espana Co.	09-10052
Lyondell Chemical Europe, Inc.	09-10053
Lyondell Chemical International Co.	09-10054
Lyondell Chemical Nederland, Ltd.	09-10055
Lyondell Chemical Products Europe, LLC	09-10056
Lyondell Chemical Properties, L.P.	09-10057
Lyondell Chemical Technology 1 Inc.	09-10101
Lyondell Chemical Technology Management, Inc.	09-10058
Lyondell Chemical Technology, L.P.	09-10059
Lyondell Chimie France LLC	09-10060
Lyondell Europe Holdings Inc.	09-10026
Lyondell Greater China, Ltd.	09-10061
Lyondell Houston Refinery Inc.	09-10028

Lyondell LP3 GP, LLC	09-10062
Lyondell LP3 Partners, LP	09-10063
Lyondell LP4 Inc.	09-10029
Lyondell Petrochemical L.P. Inc.	09-10030
Lyondell Refining Company LLC	09-10064
Lyondell Refining I LLC	09-10094
LyondellBasell Advanced Polyolefins USA Inc.	09-10065
LyondellBasell Finance Company	09-10066
Lyondell-Equistar Holdings Partners	09-10072
MHC Inc.	09-10073
Millennium America Holdings Inc.	09-10074
Millennium America Inc.	09-10031
Millennium Chemicals Inc.	09-10075
Millennium Holdings, LLC	09-10071
Millennium Petrochemicals GP LLC	09-10070
Millennium Petrochemicals Inc.	09-10069
Millennium Petrochemicals LP LLC	09-10100
Millennium Petrochemicals Partners, LP	09-10099
Millennium Realty Inc.	09-10077
Millennium Specialty Chemicals Inc.	09-10076
Millennium US Op Co LLC	09-10098
Millennium Worldwide Holdings I Inc.	09-10097
MWH South America LLC	09-10096
National Distillers & Chemical Corporation	09-10078
NDCC International II Inc.	09-10079
Nell Acquisition (US) LLC	09-10080
Penn Export Company, Inc.	09-10081
Penn Navigation Company	09-10082
Penn Shipping Company, Inc.	09-10085
Penntans Company	09-10095
PH Burbank Holdings, Inc.	09-10103
Power Liquidating Company, Inc.	09-10084
Quantum Acceptance Corporation	09-10083
SB Liquidating Company	09-10044
SCM Plants, Inc.	09-10102
Suburban Propane GP, Inc.	09-10086
Tiona, Ltd.	09-10087
UAR Liquidating Inc.	09-10088
USI Chemicals International, Inc.	09-10089
USI Credit Corp.	09-10090
USI Puerto Rico Properties, Inc.	09-10091
Walter Kidde & Company, Inc.	09-10092
Wyatt Industries, Inc.	09-10093

April 24, 2009

LyondellBasell AFGP S.á.r.l.	09-12519
LyondellBasell Industries AF S.C.A.	09-12518

May 8, 2009

Basell Capital Corporation	09-12940
Basell Impact Holding Company	09-12942
Equistar Bayport, LLC	09-12943
Equistar Polypropylene, LLC	09-12944
LPC Partners Inc.	09-12953
Lyondell Bayport, LLC	09-12949
Lyondell Chemical Holding Company	09-12950
Lyondell Chemical Wilmington, Inc.	09-12952
Lyondell General Methanol Company	09-12945
Lyondell Intermediate Holding Company	09-12947
Quantum Pipeline Company	09-12951
SCM Chemicals Inc.	09-12955

ENVIRONMENTAL CUSTODIAL TRUST AGREEMENT

BY AND AMONG

**LYONDELL CHEMICAL COMPANY,
LEMEAN PROPERTY HOLDINGS CORPORATION,
MILLENNIUM HOLDINGS, LLC,
EQUISTAR CHEMICALS, LP,
and
MILLENNIUM SPECIALTY CHEMICALS, INC
as Settlers,**

**LE PETOMANE XXIII, INC.,
not individually but solely in its representative capacity
as Environmental Custodial Trust Trustee,**

AND

**THE UNITED STATES OF AMERICA, THE CALIFORNIA REGIONAL WATER
QUALITY CONTROL BOARD, CENTRAL VALLEY REGION, THE STATE OF
ILLINOIS, THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY, THE
MARYLAND DEPARTMENT OF THE ENVIRONMENT, THE MICHIGAN
DEPARTMENT OF NATURAL RESOURCES AND THE ENVIRONMENT, THE
NORTH CAROLINA DIVISION OF WASTE MANAGEMENT, THE DEPARTMENT
OF ENVIRONMENTAL PROTECTION OF THE COMMONWEALTH OF
PENNSYLVANIA and THE TEXAS COMMISSION ON ENVIRONMENTAL
QUALITY,
as Environmental Trust Beneficiaries**

As of March 30, 2010

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ENVIRONMENTAL CUSTODIAL TRUST AGREEMENT

This Environmental Custodial Trust Agreement (the “Agreement”) is made and entered as of the _____ day of March, 2010, by and among LYONDELL CHEMICAL COMPANY (“Lyondell Chemical”), a Delaware corporation, LEMEAN PROPERTY HOLDINGS CORPORATION, a Delaware corporation, MILLENNIUM HOLDINGS, LLC, a Delaware corporation, EQUISTAR CHEMICALS, LP, a Delaware corporation, and MILLENNIUM SPECIALTY CHEMICALS, INC., a Delaware corporation, as debtors and debtors in possession in the Bankruptcy Case (defined below) (collectively “Settlors”); LE PETOMANE XXIII, INC., not individually but solely in its representative capacity as Environmental Custodial Trust Trustee (defined herein) of the Environmental Custodial Trust established hereby (the “Environmental Custodial Trust”); and the Environmental Trust Beneficiaries (defined herein).

RECITALS:

WHEREAS, on January 6, 2009, the Settlers and certain of their affiliates and subsidiaries (collectively, the “Debtors”) commenced reorganization cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*, as amended (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York, (the “Bankruptcy Court”) (collectively, the “Chapter 11 Cases”);

WHEREAS, on December 24, 2009, the Debtors filed the Second Amended Joint Chapter 11 Plan of Reorganization (as amended, modified and supplemented from time to time, the “Plan”) with the Bankruptcy Court;

WHEREAS, the Transferred Real Properties (defined herein and identified in Exhibit “B” attached hereto) have known or suspected environmental contamination and are the subject of current or expected clean-up obligations;

WHEREAS, the Debtors contend that the Transferred Real Properties are no longer beneficial to the ongoing operations of the Debtors;

WHEREAS, the Settlers and the Environmental Trust Beneficiaries have entered into a Settlement Agreement (the “Settlement Agreement”) with respect to the Transferred Real Properties;

WHEREAS, the Plan provides for the creation of the Environmental Custodial Trust and transfer of the Transferred Real Properties to the Environmental Custodial Trust to be administered by the Environmental Custodial Trust Trustee pursuant to this Agreement and the Settlement Agreement;

WHEREAS, in accordance with the Plan, the Settlement Agreement and this Agreement, the Environmental Custodial Trust is established for the purposes of (a) owning the Transferred Real Properties and carrying out administrative and property management functions related to the Transferred Real Properties, (b) managing and/or funding the implementation of Environmental Actions (defined herein) with respect to the Transferred Real Properties, (c)

paying future oversight costs, and (d) ultimately selling, transferring or otherwise disposing of the Transferred Real Properties, if possible;

WHEREAS, pursuant to the Plan and the Settlement Agreement, on the Effective Date (defined herein), Debtors shall transfer the Transferred Real Properties, along with the Funds (defined herein), to the Environmental Custodial Trust;

WHEREAS, this Agreement and the Settlement Agreement govern the Environmental Custodial Trust, which is created pursuant to section 1.468B-1 of the Treasury Regulations promulgated under the Internal Revenue Code ("Treasury Regulations");

WHEREAS, the Environmental Custodial Trust shall be the exclusive holder of the assets described herein and the Settlement Agreement for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3);

WHEREAS, the Environmental Trust Beneficiaries will hold all of the beneficial trust interests in the Environmental Custodial Trust; and

WHEREAS, the Environmental Custodial Trust is intended to qualify as a qualified settlement fund (for which no grantor trust election has been made) pursuant to section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, and as a tax-exempt settlement fund (to the extent that interests in the Environmental Custodial Trust are owned by "government entities" within the meaning of section 468B(g)(2) of the Internal Revenue Code) pursuant to section 468B(g)(2) of the Internal Revenue Code.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein and the Settlement Agreement, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF CONSTRUCTION

1.1 Definitions

The following terms as used in this Agreement shall have the definitions given below:

- 1.1.1 "Administrative Expenses" means the expenses incurred in administering the Environmental Custodial Trust, including but not limited to real estate taxes, insurance, and maintenance costs.
- 1.1.2 "Agreement" has the meaning set forth in the preamble to this Agreement and the Settlement Agreement.
- 1.1.3 "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York.
- 1.1.4 "Bankruptcy Code" has the meaning set forth in the recitals to this Agreement.

- 1.1.5 “Carved Out Expenses” has the meaning set forth in Section 4.10.2 of this Agreement.
- 1.1.6 “CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended.
- 1.1.7 “Chapter 11 Cases” has the meaning set forth in the recitals to this Agreement.
- 1.1.8 “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.
- 1.1.9 “Court” means the Bankruptcy Court or, if the Bankruptcy Court abstains from exercising jurisdiction or is otherwise without jurisdiction over any matter arising out of this Agreement, a United States District Court having competent jurisdiction with respect to such matters.
- 1.1.10 “Custodial Trust Account” shall have the meaning given in Section 2.5.2. hereof.
- 1.1.11 “Custodial Trust Assets” means (a) those assets and properties, including the Funds, the Transferred Real Properties, the Transferred Contracts, and any documents and/or information concerning the Transferred Real Properties and related Sites in the possession of environmental contractors or consultants previously retained by the Debtors, to be transferred to the Environmental Custodial Trust pursuant to the Plan and the Settlement Agreement; and (b) such other assets acquired or held by the Environmental Custodial Trust from time to time pursuant to this Agreement, the Settlement Agreement and the Plan, or an order of the Court.
- 1.1.12 “Custodial Trust Administrative Expense Account” means the Custodial Trust Account established to hold funds to pay real estate taxes, insurance, and other costs incurred in administering the Environmental Custodial Trust.
- 1.1.13 “Custodial Trust Environmental Cost Account” means each of the Custodial Trust Accounts established pursuant to Section 2.5 to hold funds to pay Environmental Costs for each Transferred Real Property. With respect to the Allied Paper Mill Transferred Real Property, Custodial Trust Environmental Cost Account shall mean (i) the Custodial Trust Response Cost Account, (ii) the Custodial Trust Restoration Cost Account, and (iii) the Custodial Trust MDNRE Cost Account.
- 1.1.14 “Custodial Trust MDNRE Cost Account” means the Custodial Trust Account established pursuant to Section 2.5 to hold funds to pay Environmental Costs for Environmental Actions approved by MDNRE with respect to the Allied Paper Mill Transferred Real Property.

- 1.1.15 “Custodial Trust Response Cost Account” means the Custodial Trust Account established pursuant to Section 2.5 to hold funds to pay Environmental Costs for Environmental Actions approved by USEPA with respect to the Allied Paper Mill Transferred Real Property.
- 1.1.16 “Custodial Trust Restoration Cost Account” means the Custodial Trust Account established pursuant to Section 2.5 to hold funds to pay Restoration Costs for Restoration Actions approved by DOC/NOAA and DOI with respect to the Allied Paper Mill Transferred Real Property.
- 1.1.17 “Custodial Trust Parties” means the Environmental Custodial Trust, the Environmental Custodial Trust Trustee, the Environmental Custodial Trust Trustee’s shareholders, officers, directors, employees, consultants, agents, or other professionals employed by the Environmental Custodial Trust or the Environmental Custodial Trust Trustee. Each of the Custodial Trust Parties is, individually, a Custodial Trust Party.
- 1.1.18 “Custodial Trust Proceeds” means the proceeds of any liquidation, sale, lease, recovery or other disposition of or other proceeds in respect of the Custodial Trust Assets.
- 1.1.19 “Debtors” has the meaning set forth in the recitals to this Agreement.
- 1.1.20 “DOC/NOAA” means the United States Department of Commerce, National Oceanic and Atmospheric Administration and any successor departments or agencies of the United States.
- 1.1.21 “DOI” means the United States Department of the Interior and any successor departments or agencies of the United States.
- 1.1.22 “Effective Date” means the first Business Day on which the conditions specified in Section 10.1 of the Plan have been satisfied or waived and the Plan becomes effective in accordance with its terms and the Confirmation Order.
- 1.1.23 “Environmental Actions” means any response, removal, investigation, remediation, reclamation, closure, post-closure, corrective action, institutional controls, and operation and maintenance activities selected and approved by the Lead Government Agency with respect to a Transferred Real Property. Environmental Actions may also include Restoration Actions.
- 1.1.24 “Environmental Costs” means the costs and expenses of implementing Environmental Actions and the costs of payment of oversight costs of any Environmental Trust Beneficiary with respect to a Transferred Real Property.

- 1.1.25 “Environmental Custodial Trust” has the meaning set forth in the preamble to this Agreement.
- 1.1.26 “Environmental Custodial Trust Trustee” means the Environmental Custodial Trust by and through its trustee not individually but solely in its representative capacity.
- 1.1.27 “Environmental Trust Beneficiary” means any one of the United States and/or the California Regional Water Quality Control Board, Central Valley Region, the State of Illinois, IEPA, MDE, MDNRE, NCDWM, PADEP, and/or TCEQ, collectively, the “Environmental Trust Beneficiaries.”
- 1.1.28 “Environmental Law” means any applicable federal, tribal, state or local law, statute, ordinance, rule, regulation or code, any license, permit, authorization, administrative or court order, judgment, decree or injunction, including all common law, related to pollution, protection or restoration of health, safety or the environment, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of pollutants or Hazardous Substances, including, without limitation, CERCLA; RCRA; the Clean Air Act, 42 U.S.C. Section 7401, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq.; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001, et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f, et seq.; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq.; and the Occupational Safety and Health Act, 29 U.S.C. 651, et seq., and any applicable tribal, state, or local law counterparts, as the same may be reauthorized or amended from time to time.
- 1.1.29 “Funds” means those funds contributed by the Debtors to the Environmental Custodial Trust in the amount of \$108,421,850 in order to pay Environmental Costs and Administrative Expenses of the Transferred Real Properties and the Environmental Custodial Trust, and to fulfill the purposes of the Environmental Custodial Trust consistent with this Agreement, the Settlement Agreement and the Plan.
- 1.1.30 “Hazardous Substances” means all materials, substances, or wastes defined, designated, regulated or classified as hazardous, toxic or radioactive, under any Environmental Laws, whether by type or by quantity, and shall include petroleum or any derivative or by-product thereof and asbestos containing materials.
- 1.1.31 “IEPA” means the Illinois Environmental Protection Agency and any successor departments or agencies thereto.

- 1.1.32 Indemnifiable Expenses” has the meaning set forth in Section 4.10.2.
- 1.1.33 “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.
- 1.1.34 “Lead Government Agency” with respect to a Transferred Real Property means the Environmental Trust Beneficiary with primary oversight authority over particular Environmental Actions with respect to such Transferred Real Property, as identified in the Settlement Agreement. With respect to the Allied Paper Mill Transferred Real Property, Lead Government Agency shall mean (i) USEPA (for Environmental Actions approved by USEPA); (ii) DOC/NOAA and DOI (for Restoration Actions approved by DOC/NOAA and DOI); and (iii) MDNRE (for Environmental Actions approved by MDNRE).
- 1.1.35 “MDE” means the Maryland Department of the Environment and any successor departments or agencies thereto.
- 1.1.36 “MDNRE” means the Michigan Department of Natural Resources and the Environment and any successor departments or agencies thereto.
- 1.1.37 “Natural Resource Damages” means damages for injury to, destruction of, or loss of natural resources as defined in 42 U.S.C. § 101(16) and includes natural resource damages assessment costs and Restoration Actions.
- 1.1.38 “NCDWM” means the North Carolina Division of Waste Management and any successor departments or agencies thereto.
- 1.1.39 “PADEP” means the Department of Environmental Protection of the Commonwealth of Pennsylvania and any successor departments or agencies thereto.
- 1.1.40 “Parties” means the Settlers, the Environmental Custodial Trust Trustee, and the Environmental Trust Beneficiaries.
- 1.1.41 “Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, charitable foundation, unincorporated organization, government or any agency or political subdivision thereof or any other entity.
- 1.1.42 “Plan” has the meaning set forth in the recitals to this Agreement.
- 1.1.43 “RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., as amended.

- 1.1.44 “Reorganized Debtors” has the meaning set forth in the Plan (other than the Schedule III Debtors).
- 1.1.45 “Restoration Actions” means restoration or other actions related to Natural Resource Damages with respect to Transferred Real Properties.
- 1.1.46 “Restoration Costs” means the costs and expenses of implementing Restoration Actions.
- 1.1.47 “Schedule III Debtors” means the Debtors listed on Exhibit C to the Plan.
- 1.1.48 “Settlement Agreement” has the meaning set forth in the recitals to this Agreement.
- 1.1.49 “Settlors” has the meaning set forth in the preamble to this Agreement.
- 1.1.50 “Sites” means all of the sites described in Exhibit “A” to this Agreement.
- 1.1.51 “States” means the California Regional Water Quality Control Board, Central Valley Region, the State of Illinois, IEPA, MDE, MDNRE, NCDWM, PADEP, and TCEQ.
- 1.1.52 “Superfund” means the “Hazardous Substance Superfund” established by 26 U.S.C. § 9507 or, in the event such Hazardous Substance Superfund no longer exists, any successor fund or comparable account of the Treasury of the United States to be used for removal or remedial actions to address releases or threats of releases of hazardous substances.
- 1.1.53 “TCEQ” means the Texas Commission on Environmental Quality and any successor departments or agencies thereto.
- 1.1.54 “Transferred Contracts” means those contracts and agreements relating to the Transferred Real Properties listed in Exhibit “D” to this Agreement.
- 1.1.55 “Transferred Real Properties” means the portions of each of the Sites that are owned by Settlers immediately prior to the Effective Date, as set forth and more particularly described in Exhibit “B” to this Agreement including, without limitation, all fixtures, improvements, and equipment located thereon as of the Effective Date and all appurtenances, rights, easements, rights-of-way, mining rights (including unpatented mining claims, mill site claims, and placer claims), mineral rights, mineral claims, appurtenant groundwater rights, associated surface water rights, claims, and filings or other interests relating to or benefitting such properties.
- 1.1.56 “Treasury Regulations” has the meaning set forth in the recitals to this Agreement.

1.1.57 “United States” means the United States of America on behalf of its agencies and departments.

1.1.58 “USEPA” means the United States Environmental Protection Agency and any successor departments or agencies of the United States.

1.2 Principles of Construction

1.2.1 The meanings set forth for defined terms in Section 1.1 or elsewhere in this Agreement shall be equally applicable to both the singular and plural forms of the terms defined.

1.2.2 All references to “this Agreement” or “hereof” and other like terms mean, unless the context requires otherwise, this Agreement, including the Exhibits hereto, as the same may be amended, modified or supplemented from time to time in accordance with the terms of this Agreement.

1.2.3 The section headings contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

1.2.4 References in this Agreement to Sections and Exhibits, unless otherwise specified, are to Sections of and Exhibits to this Agreement.

1.2.5 To the extent reasonably possible, the provisions of this Agreement shall be interpreted in a manner consistent with the Plan and the Settlement Agreement. Where the provisions of this Agreement are irreconcilable with the provisions of the Plan, the terms of this Agreement shall govern. Where the provisions of this Agreement are irreconcilable with the provisions of the Settlement Agreement, the terms of the Settlement Agreement shall govern, with the exception of Article 4, in which case this Agreement shall govern.

ARTICLE 2

ESTABLISHMENT OF THE ENVIRONMENTAL CUSTODIAL TRUST

2.1 Name

The name of the Environmental Custodial Trust shall be the “Lyondell Environmental Custodial Trust” or such other name as the Environmental Custodial Trust Trustee, in its discretion, shall determine.

2.2 Establishment of Environmental Custodial Trust

The Parties hereto hereby establish the Environmental Custodial Trust pursuant to this Agreement and the Settlement Agreement and as approved by the Bankruptcy Court for the benefit of the Environmental Trust Beneficiaries to be effective as of the Effective Date. It is the intention of the Parties that this Agreement and the Settlement Agreement constitute the

governing instruments of the Environmental Custodial Trust. Effective as of the date hereof, the Environmental Custodial Trust Trustee shall have all the rights, powers and duties set forth herein with respect to accomplishing the purpose of the Environmental Custodial Trust set forth below. The Bankruptcy Court shall retain continuing jurisdiction over the Environmental Custodial Trust.

2.3 Purpose of the Environmental Custodial Trust

The exclusive purposes and functions of the Environmental Custodial Trust are to: (a) own the Transferred Real Properties; (b) carry out administrative and property management functions related to the Transferred Real Properties; (c) conduct, manage, and/or fund the implementation of Environmental Actions approved by the Lead Government Agencies with respect to the Transferred Real Properties, (d) sell, transfer, or otherwise dispose of the Transferred Real Properties; and (e) make distributions, if any, in accordance with the terms of this Agreement and the Settlement Agreement. The Environmental Custodial Trust shall have no objective or authority to engage in any trade or business. The performance of the Environmental Custodial Trust Trustee of its duties under this Agreement and the Settlement Agreement shall not be considered to be the Environmental Custodial Trust Trustee's engaging in a trade or business. This Environmental Custodial Trust satisfies all of the requirements of, and is intended by the Parties to be classified as, a qualified settlement fund (for which no grantor trust election has been made) pursuant to section 468B of the Internal Revenue Code and related Treasury Regulations.

2.4 Transfer of Ownership

Pursuant to the Plan and the Settlement Agreement, the Parties hereby establish, on behalf of the Environmental Trust Beneficiaries named herein, and Settlers hereby agree to transfer, assign, and deliver to, the Environmental Custodial Trust, or to the Environmental Custodial Trust Trustee, not individually but solely in its representative capacity as Environmental Custodial Trust Trustee, if the law of the state in which the property to be transferred is situated prohibits a trust entity from holding such title, on behalf of the Environmental Trust Beneficiaries, all of Settlers' right, title and interest in and to the Custodial Trust Assets. Settlers shall retain no ownership or other interest whatsoever in the Transferred Real Properties, the Funds or the Transferred Contracts. The transfer of ownership shall be of all of the Settlers' rights, titles and interests, and the transfer of the Transferred Real Properties (i) shall be free and clear of all claims, liens and interests against the Debtors other than any liability to the Governments under the Settlement Agreement, but subject to any existing *in rem* claims other than liens for the payment of monetary claims such as property taxes or other monetary claims asserted or that could have been asserted in the Chapter 11 Cases, and (ii) shall be done by quit claim deed, in a form substantially similar to the quit claim deed attached as Exhibit "C" to this Agreement, and/or personal property bill of sale without warranty, all such conveyance documents to be agreed to in form by Lyondell Chemical and the Environmental Custodial Trust, provided that in no event shall the conveyance include any warranty whatsoever by the grantor by virtue of the grant document or statutory or common law or otherwise. The grantee for each such deed and personal property bill of sale shall be the Environmental Custodial Trust by and through the Environmental Custodial Trust Trustee, not individually but solely in its representative capacity as Environmental Custodial Trust Trustee, or if the law of the state in

which the property to be transferred is situated prohibits a trust entity from holding such title, the Environmental Custodial Trust Trustee, not individually but solely in its representative capacity as Environmental Custodial Trust Trustee. Settlers shall pay all property taxes relating to the Transferred Real Properties prorated through the Effective Date, and the Debtors shall not further encumber the Transferred Real Properties or their other interests therein and shall, before transfer, maintain such properties, including the improvements thereon and fixtures thereto that are related to ongoing remediation activities in the condition that they exist as of the date of this Agreement's execution, except to the extent that ongoing environmental actions require otherwise. The Environmental Custodial Trust Trustee shall pay premiums for policies of title insurance for any of the Transferred Real Properties. Nothing in this paragraph shall require the Debtors to provide any deed or other documentation other than a quit claim deed and personal property bill of sale without warranty for any Transferred Real Property. The Environmental Custodial Trust hereby accepts and agrees to hold the Custodial Trust Assets in the Environmental Custodial Trust for the benefit of the Environmental Trust Beneficiaries for the purposes described in Section 2.3, subject to the terms of the Plan, the Settlement Agreement and this Agreement, and any applicable orders of the Court.

2.5 Transfer of Funds and Creation of Custodial Trust Accounts

2.5.1 Funding. On the Effective Date, the Settlers shall cause to be transferred to or at the direction of the Environmental Custodial Trust Trustee cash in the amount of \$108,421,850, which constitutes the Funds and represents the aggregate amounts approved by the Court as sufficient to pay the Environmental Costs and the costs of administering the Environmental Custodial Trust. Upon the Settlers' transfer of the Funds pursuant to this Subparagraph, Debtors shall have no further obligation to transfer any additional funds under this Agreement, the Settlement Agreement or otherwise for the purpose of paying Environmental Costs, the costs of administering the Environmental Custodial Trust or for any other purpose relating to the Transferred Real Properties.

2.5.2 Custodial Trust Accounts. Upon receipt of the Transferred Real Properties and the Funds, the Environmental Custodial Trust Trustee shall set aside in separate segregated trust accounts (each a "Custodial Trust Environmental Cost Account"), the Funding for Environmental Costs with respect to each Transferred Real Property. The Environmental Custodial Trust Trustee shall also set aside the Funding provided for general administration in a separate Custodial Trust Administrative Expense Account, which account shall not include any of the Transferred Real Properties. The separate accounts are referred to in this Agreement individually as a "Custodial Trust Account" and collectively as the "Custodial Trust Accounts." The initial Funds for each of the Custodial Trust Accounts shall be as set forth in the Settlement Agreement. Subject to Section 2.7 of this Agreement, the income and gains from any investment of the Custodial Trust Assets shall be allocated, paid and credited to such Custodial Trust Account.

- 2.5.3 Separate Accounts. Without limiting the foregoing, the Environmental Custodial Trust shall at all times maintain at least one Custodial Trust Environmental Cost Account for each of the Transferred Real Properties to fund Environmental Costs with respect to that Transferred Real Property, except with respect to the Bully Hill Transferred Real Property, the Rising Star Transferred Real Property, and the Excelsior Mine Transferred Real Property, for which the Environmental Custodial Trust may maintain one common Custodial Trust Environmental Cost Account. With respect to the Allied Paper Mill Transferred Real Property, the Environmental Custodial Trust shall at all times maintain (i) the Custodial Trust Response Cost Account, (ii) the Custodial Trust Restoration Cost Account, and (iii) the Custodial Trust MDNRE Cost Account. Funds designated for a Transferred Real Property shall be held and distributed from its respective Custodial Trust Account as set forth herein, and Funds from a Custodial Trust Account may not be used for another Transferred Real Property except as otherwise expressly provided by and in accordance with this Section and Section 2.7.3 of this Agreement.
- 2.5.4 Subaccounts. Each Custodial Trust Account may be divided into such number of trust subaccounts dedicated for specific uses as may be deemed necessary in the sole discretion of the Environmental Custodial Trust Trustee to comply with the terms of, and implement, the Plan, the Settlement Agreement and this Agreement.
- 2.5.5 Qualified Settlement Fund. For all federal income tax purposes, the Environmental Custodial Trust Trustee and Settlor shall treat the transfer of the Custodial Trust Assets by Settlor to the Environmental Custodial Trust as a transfer to a qualified settlement fund pursuant to section 468B of the Internal Revenue Code and related Treasury Regulations. The Environmental Custodial Trust Trustee will at all times seek to have the Environmental Custodial Trust treated as a "qualified settlement fund" as that term is defined in Treasury Regulation section 1.468B-1. The Environmental Custodial Trust Trustee will not elect to have the Environmental Custodial Trust treated as a grantor trust. The Environmental Custodial Trust will be treated as a separate taxable entity. The Environmental Custodial Trust Trustee shall cause any taxes imposed on the earnings of the Environmental Custodial Trust to be paid out of such earnings and shall comply with all tax reporting and withholding requirements imposed on the Environmental Custodial Trust under applicable tax laws.

2.6 Holder of Custodial Trust Assets

Upon transfer of the Environmental Trust Assets to the Environmental Custodial Trust, the Environmental Custodial Trust shall be the exclusive holder of the Custodial Trust Assets and Custodial Trust Accounts described herein for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012 (b)(3).

2.7 Management of Custodial Trust Assets

- 2.7.1 Consistent with this Agreement and the Settlement Agreement, the Environmental Custodial Trust shall use the Custodial Trust Environmental Cost Account for each of the Transferred Real Properties to fund Environmental Actions and oversight costs approved by the Lead Government Agency pursuant to CERCLA, RCRA, or similar state or federal statutes applicable to that Transferred Real Property. The Environmental Custodial Trust shall also fund from the Custodial Trust Administrative Expense Account administrative costs of the Environmental Custodial Trust approved by the United States after consultation with States that are Lead Government Agencies.
- 2.7.2 The Environmental Custodial Trust Trustee may enter into a consent decree or consent order or agreement with the United States and/or a State in which a Transferred Real Property is located, and may perform work pursuant to Unilateral Administrative Orders issued by USEPA, to facilitate implementation of Section 2.7 with respect to such Transferred Real Property.
- 2.7.3 Except as provided in Section 2.7.4, upon the completion of all Environmental Actions and disbursement of all Environmental Costs for a Transferred Real Property and related Site, any funds remaining in the Custodial Trust Environmental Cost Account for such Transferred Real Property shall be transferred in the following order: (1) first, in accordance with instructions provided by the United States Department of Justice and the respective State to any of the other Custodial Trust Environmental Cost Accounts established under this Agreement for a Transferred Real Property in that State or USEPA region with remaining actions to be performed and a need for additional trust funding; (2) second, then in accordance with instructions provided by the United States Department of Justice after consultation with the States, to any of the other Custodial Trust Environmental Cost Accounts established under this Agreement, and (3) third, in accordance with instructions provided by the United States Department of Justice after consultation with the States, to the Superfund and/or a state fund. In addition, the United States and the State in which a Transferred Real Property is located may agree in writing at any time after one year from the Effective Date that based on new information about the estimated cost of cleanup or the assumption of liability by a buyer or other party for a Transferred Real Property, the funding in a Custodial Trust Environmental Cost Account is more than is conservatively projected to be needed. Upon such an agreement, the United States Department of Justice, after consultation with the States, may instruct the Environmental Custodial Trust Trustee to transfer any such excess funding to one or more of the other Custodial Trust Environmental Cost Accounts established under this Agreement for a Transferred Real Property with remaining actions to be performed and a

need for additional trust funding (giving priority first to Custodial Trust Environmental Cost Accounts in the same State). During the eighth year after the Effective Date, the Environmental Custodial Trust Trustee shall provide the United States Department of Justice and the States an update of anticipated future administrative costs of the Environmental Custodial Trust. The United States Department of Justice may thereafter instruct in writing after consultation with the States and the Environmental Custodial Trust Trustee that any conservatively projected surplus funding in the Custodial Trust Administrative Expense Account be transferred to one or more of the other Custodial Trust Environmental Cost Accounts established under this Agreement for a Transferred Real Property with remaining actions to be performed and a need for additional funding.

- 2.7.4 Upon certification of completion of the remedial action by USEPA with respect to the Allied Paper Mill Transferred Real Property, any funds remaining in the Custodial Trust Response Cost Account shall be transferred in accordance with instructions provided by the United States Department of Justice to the USEPA site-wide special account for the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site. Upon the completion of all Restoration Actions approved by DOC/NOAA and DOI with respect to the Allied Paper Mill Transferred Real Property, any funds remaining in the Custodial Trust Restoration Cost Account shall be transferred in accordance with instructions provided by the United States Department of Justice to the Natural Resource Damage Assessment and Restoration Fund for the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site. Upon the completion of all Environmental Actions approved by MDNRE with respect to the Allied Paper Mill Transferred Real Property, any funds remaining in the Custodial Trust MDNRE Cost Account shall be transferred in accordance with instructions provided by the United States Department of Justice, after consultation with MDNRE, to (i) a site account established by MDNRE for the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site; (ii) the USEPA site-wide special account for the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site; and/or (iii) the Natural Resource Damage Assessment and Restoration Fund for the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site.

2.8 Investment and Safekeeping of Custodial Trust Assets

- 2.8.1 The Custodial Trust Assets, until sold as provided herein and in the Plan, shall be held in trust and segregated. The Environmental Custodial Trust Trustee shall be under no liability for interest or producing income on any moneys received by the Environmental Custodial Trust hereunder and held for distribution or payment as provided in this Agreement, except as such interest is actually received by the Environmental Custodial Trust. Investments of any moneys held by the Environmental Custodial Trust shall be administered in a manner consistent with the standards and

requirements applicable to a trustee in connection with a Chapter 7 liquidation; provided, however, that the right and power of the Environmental Custodial Trust to invest the Custodial Trust Assets, the Custodial Trust Proceeds, or any income earned by the Environmental Custodial Trust, shall be limited to the right and power to invest such assets (pending periodic distributions in accordance with Article 3 hereof) in demand and time deposits, such as certificates of deposit, in banks or other savings institutions whose deposits are federally insured, or other liquid investments, such as Treasury bills; and provided further, that the scope of any such permissible investments shall be limited to include only those investments, or shall be expanded to include any additional investments, as the case may be, that a liquidating trust, within the meaning of Treasury Regulation section 301.7701-4(d), may be permitted to hold, pursuant to Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise (although the Parties acknowledge and agree that the Environmental Custodial Trust is properly characterized for federal tax purposes as a qualified settlement fund within the meaning of Section 1.468B-1 of the Treasury Regulations, and not as a liquidating trust under Section 301.7701-4(d) of the Treasury Regulations).

- 2.8.2 The Environmental Custodial Trust Trustee is expressly prohibited from holding any or all of the Funds provided for Environmental Costs in a common, commingled or collective trust fund and from holding any or all of the Funds in a common, commingled or collective trust fund with the assets of any other entity. However, the Funds provided for Administrative Expenses can be held in one account.
- 2.8.3 Nothing in this Section 2.8 shall be construed as authorizing the Environmental Custodial Trust Trustee to cause the Environmental Custodial Trust to carry on any business or to divide the gains therefrom, including without limitation, the business of an investment company, a company "controlled" by an "investment company," required to register as such under the Investment Company Act of 1940, as amended. The sole purpose of this Section 2.8 is to authorize the investment of the funds in the Custodial Trust Accounts or any portions thereof as may be reasonably prudent pending use of the proceeds for the purposes of the Environmental Custodial Trust.
- 2.8.4 The Custodial Trust Parties shall not incur any liability for following any written direction or order to act (or to refrain to act) from any Environmental Trust Beneficiary so long as such written direction is not inconsistent with this Agreement and the Plan.

2.9 Insurance Policy to Cover Future Response Actions

Only at the direction of the United States and the States in which the relevant Transferred Real Properties are located, shall the Environmental Custodial Trust Trustee investigate the possible purchase of an insurance policy to cover future Environmental Actions and general liability at one or more of the Transferred Real Properties. If, and only if, the United States and the States in which the relevant Transferred Real Properties are located unanimously direct the Environmental Custodial Trust Trustee in writing to purchase such insurance, shall the Environmental Custodial Trust Trustee use Custodial Trust Assets to purchase such insurance.

2.10 Access and Deed Restrictions

The Environmental Custodial Trust shall provide the United States and the respective States and their representatives and contractors with reasonable access at all reasonable times to the Transferred Real Properties for the purposes of conducting Environmental Actions or related activities at or near the Transferred Real Properties. The Environmental Custodial Trust Trustee shall implement any institutional controls or deed restrictions requested by the Governments with respect to any of the Transferred Real Properties. The Environmental Custodial Trust shall execute and record in the appropriate local real estate records any easements or deed restrictions restricting the use of the Transferred Real Properties requested by the Environmental Trust Beneficiaries in order to protect public health, welfare or safety or the environment or ensure non-interference with or protectiveness of any action. Nothing in the Plan, the Settlement Agreement or this Agreement is intended to or shall be construed to terminate or otherwise amend any easements or deed restrictions of record as to any Transferred Real Property existing prior to the Effective Date. The Environmental Custodial Trust Trustee shall abide by the terms of any institutional controls or deed restrictions in place or of record as to any Transferred Real Property.

2.11 Accounting

The Environmental Custodial Trust Trustee shall maintain proper books, records, and accounts relating to all transactions pertaining to the Environmental Custodial Trust, and the assets and liabilities of, and claims against or assumed by, the Environmental Custodial Trust in such detail and for such period of time as may be necessary to enable the Environmental Custodial Trust Trustee to make full and proper accounting in respect thereof in accordance with Article 6 below and to comply with applicable provisions of law and good accounting practices. Except as otherwise provided herein or by the Plan or the Settlement Agreement, the Environmental Custodial Trust Trustee shall not be required to file any accounting or seek approval of the Court with respect to the administration of the Environmental Custodial Trust, or as a condition for making any payment or distribution out of the Custodial Trust Assets. Environmental Trust Beneficiaries shall have the right upon fourteen (14) days' prior written notice delivered to the Environmental Custodial Trust Trustee to inspect such books and records.

2.12 Termination

2.12.1 Consistent with the terms of this Agreement, the Settlement Agreement and the Plan, the Environmental Custodial Trust Trustee shall not unduly

prolong the duration of the Environmental Custodial Trust and shall at all times endeavor to resolve, settle, or otherwise dispose of all claims against Custodial Trust Assets and to effect the distribution of Custodial Trust Assets and other receipts relating thereto to the Environmental Trust Beneficiaries and the others who receive distributions hereunder in accordance with the terms hereof, and to terminate the Environmental Custodial Trust as soon as practicable consistent with this Agreement, the Settlement Agreement and the Plan.

2.12.2 The parties agree that the rule against perpetuities does not apply to the Environmental Custodial Trust, but to the extent that any rule against perpetuities shall be deemed applicable, the Environmental Custodial Trust shall automatically dissolve on the date 90 days after the date on which 21 years less 91 days pass after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date hereof. If the Environmental Custodial Trust is terminated pursuant to this Section 2.12.2, title to the Environmental Custodial Trust's assets shall be transferred to or at the direction of the United States in consultation with any of the States in which Transferred Real Properties then remaining in the Environmental Custodial Trust are located.

2.13 Property Disposition

2.13.1 Subject to Section 2.12.2 of this Agreement, the United States, the State in which a Transferred Real Property is located, or a governmental unit that is a designee thereof, may at any time propose in writing to take ownership of any of the Transferred Real Properties or any part thereof. Any such proposed transfer and the terms thereof are subject to approval in writing by USEPA, DOI and DOC/NOAA as applicable, and the State in which the Transferred Real Property is located. The Environmental Custodial Trust Trustee may at any time seek the approval of USEPA, DOI and DOC/NOAA as applicable, and the applicable State for the sale or lease or other disposition of all or part of a Transferred Real Property. In the event of any approved sale or lease or other disposition under this Paragraph, any net proceeds from the sale or lease or other disposition shall be paid to the Custodial Trust Environmental Cost Account for that Transferred Real Property (subject to the provisions of Sections 2.7.3 and 2.7.4) in a proportion approved by USEPA, DOI and DOC/NOAA as applicable, and the State in writing. With the prior written approval of USEPA, DOI and DOC/NOAA as applicable, and the applicable State, the Environmental Custodial Trust may, after the sale or lease of all or part of a Transferred Real Property to a third party pursuant to this Section, continue to conduct, manage, and/or fund Environmental Actions, and pay oversight costs, with respect to that property.

- 2.13.2 Any actions by the Environmental Custodial Trust Trustee on property administered by any federal agency can only be taken after the written concurrence of the federal agency.

ARTICLE 3
WORK AND DISTRIBUTIONS

3.1 Budgets for and Payments by the Environmental Custodial Trust

On or before the date that is ninety (90) days after the Effective Date, the Environmental Custodial Trust Trustee shall provide the United States and the Lead Government Agency for a Transferred Real Property with a proposed budget for the balance of the calendar year and the next calendar year. On or before January 1 of each calendar year, the Environmental Custodial Trust Trustee shall provide the United States and the Lead Government Agency with balance statements and proposed budgets as described in Sections 3.1.1 and 3.1.3 of this Agreement. The Environmental Custodial Trust Trustee shall not pay any expense that has not been provided for in the applicable budget and approved by the Lead Government Agency.

- 3.1.1 Administrative Expenses of the Environmental Custodial Trust. On or before January 1 of each year, the Environmental Custodial Trust Trustee shall provide the United States and the States with a balance statement and an annual budget for administration of the Environmental Custodial Trust for that calendar year, which may be approved or disapproved in whole or in part by the United States and States that are Lead Government Agencies. If disapproved, such budget shall be revised and resubmitted as expeditiously as possible. No administrative expenses may be incurred or paid by the Environmental Custodial Trust Trustee that are inconsistent with the approved budget, unless the United States and States that are Lead Government Agencies approve a revised budget. Each annual budget shall include a future year forecast of administrative expenditures, with annual details for at least the next three years (or such longer period as the United States and States that are Lead Government Agencies shall reasonably request). The Environmental Custodial Trust shall regularly, but not less often than annually, and otherwise upon the reasonable request of the United States or the States, provide documentation to the United States and the States to substantiate compliance with the applicable approved budget and application of Custodial Trust Assets consistently with the terms of this Agreement, the Settlement Agreement and the Plan. The approved budget shall be funded by the transfer of the approved amounts from the Custodial Trust Assets.

- 3.1.2 Remuneration for Environmental Custodial Trust Trustee's Start-Up Fees and Expenses. The Environmental Custodial Trust Trustee shall be entitled to remuneration from the Custodial Trust Administrative Expense Account of up to \$90,000 for its fees and expenses incurred prior to the Effective Date in connection with the formation of the Environmental Custodial Trust.
- 3.1.3 Environmental Expenses of the Environmental Custodial Trust. In consultation with the Lead Government Agency, the Environmental Custodial Trust Trustee shall prepare balance statements and annual budgets of projected expenditures for Environmental Costs from each of the Custodial Trust Environmental Cost Accounts. The first budget for the remainder of the current calendar year and the next calendar year shall be prepared within ninety (90) days following the Effective Date and annual budgets shall be prepared thereafter on or before each January 1 during the term of the Environmental Custodial Trust. The Lead Government Agency shall have the authority to approve or disapprove the proposed budget for the relevant Custodial Trust Environmental Cost Account after consultation with the other governmental agency (i.e., the State in which the Transferred Real Property is located for a Site for which USEPA, DOI, and/or DOC/NOAA is the Lead Government Agency and vice versa). If disapproved, a budget shall be revised and resubmitted as expeditiously as possible. No expenses may be incurred or paid by the Environmental Custodial Trust Trustee that are inconsistent with an approved budget, unless the Lead Government Agency after consultation with the other governmental agency approves a revised budget; provided, however, that the Environmental Custodial Trust Trustee may incur or pay ongoing or recurring expenses approved in the prior year's budget that occur between the time a proposed annual budget is submitted and the time it is approved. In addition, the Environmental Custodial Trust Trustee shall pay funds from a Custodial Trust Environmental Cost Account to the Lead Government Agency within 10 days of a written request by the Lead Government Agency for such funds. Such written request shall specify what expenditures by the Lead Government Agency the funds would reimburse and shall certify that such expenditures by the Lead Government Agency were only for Environmental Actions and/or oversight costs with respect to the Transferred Real Property and related Site. The Environmental Custodial Trust Trustee shall also, within 10 days of a written request by the Lead Government Agency, pay annual funds from a Custodial Trust Environmental Cost Account to pay the Lead Government Agency's projected expenditures with respect to the Transferred Real Property and related Site, provided that the Lead Government Agency's written request shall specify what projected expenditures by the Lead Government Agency the funds are for and shall certify that such projected expenditures by the Lead Government Agency are only for Environmental Actions that are expected to occur in the following year with respect to the Transferred Real Property and related Site. The Environmental Custodial

Trust Trustee shall also pay funds from a Custodial Trust Environmental Cost Account to the other governmental agency (as described in the third sentence of this Section) within 10 days of such request, where the Lead Government Agency has requested the assistance of the other governmental agency with respect to the Transferred Real Property and related Site. Any request for payment pursuant to the preceding sentence shall comply with the same requirements set forth in this Section for requests for payment to a Lead Government Agency.

- 3.1.4 Annual Reports. By January 1 of each year during the term of the Environmental Custodial Trust and within nine (9) months after termination of the Environmental Custodial Trust, the Environmental Custodial Trust Trustee shall prepare and submit to the Environmental Trust Beneficiaries an annual report with respect to each of the Custodial Trust Accounts. The annual report shall pertain to the prior calendar year, or if the report is a final report, such period from the most recent annual report to the termination of the Custodial Trust Accounts.

3.2 Liens

Notwithstanding anything to the contrary in this Article 3, the Environmental Custodial Trust hereby grants to the Environmental Custodial Trust Trustee, the United States and the respective States a first-priority lien on and security interest in the Custodial Trust Assets to secure the payment of all amounts owed to, accrued or reserved on account of the Environmental Custodial Trust or to be retained by the Environmental Custodial Trust Trustee hereunder or otherwise due hereunder. Upon written request by the Environmental Trust Beneficiaries, the Environmental Custodial Trust agrees to take appropriate actions and execute appropriate documents to perfect the Environmental Custodial Trust Trustee's, liens and security interest hereunder. However, only the Environmental Custodial Trust Trustee shall have a first-priority lien and security interest in the Custodial Trust Administrative Expense Account and only the United States and the respective States shall have a first-priority lien on and security interest in the Custodial Trust Environmental Cost Accounts.

3.3 Manner of Payment

Cash payments made by the Environmental Custodial Trust pursuant to this Agreement and the Settlement Agreement shall be in United States dollars by checks drawn on a domestic bank whose deposits are federally insured selected by the Environmental Custodial Trust Trustee, or by wire transfer from such a domestic bank, at the option of the Environmental Custodial Trust Trustee.

3.4 Unclaimed Distributions

Upon the dissolution of the Environmental Custodial Trust, and after the payment or making of reasonable provision for payment of all obligations of the Environmental Custodial Trust in accordance with applicable law, the Environmental Custodial Trust Trustee shall, as expeditiously as is consistent with the conservation and preservation of the Environmental Trust

Assets, distribute any remaining assets in the Environmental Custodial Trust to such federal and state accounts as the Environmental Trust Beneficiaries designate; provided none of such assets shall be distributed to any of the Debtors or Reorganized Debtors.

ARTICLE 4
THE ENVIRONMENTAL CUSTODIAL TRUST TRUSTEE

4.1 Appointment

- 4.1.1 Debtors, after approval by the United States, hereby appoint Le Petomane XXIII, Inc., not individually but solely in its representative capacity as Environmental Custodial Trust Trustee, by and through Jay A. Steinberg, not individually but solely in his representative capacity as president of the Environmental Custodial Trust Trustee, to serve as the Environmental Custodial Trust Trustee, and the Environmental Custodial Trust Trustee hereby accepts such appointment and agrees to serve in such representative capacity, effective upon the Effective Date of this Agreement. Subject to the provisions of Section 4.11 herein, the term of the Environmental Custodial Trust Trustee shall be for ten years at which time the Environmental Custodial Trust Trustee may be re-appointed or terminated. Any successor Environmental Custodial Trust Trustee shall be appointed in accordance with Section 4.12 of this Agreement. If the Environmental Custodial Trust Trustee is not reappointed and no successor Environmental Custodial Trust Trustee is appointed by the expiration of the Environmental Custodial Trust Trustee's term, the Court may reappoint the Environmental Custodial Trust Trustee or appoint a successor Environmental Custodial Trust Trustee.
- 4.1.2 After consultation with the United States and the States, the Environmental Custodial Trust is authorized to obtain the services of an environmental consultant to implement the future Environmental Actions (the "Consultant"). The Consultant shall obtain environmental, general and professional liability insurance in the sum of \$25,000,000 or such lesser amount as agreed to by the Environmental Custodial Trust after consultation with the United States and the States. The beneficiary of the insurance policies shall be the Environmental Custodial Trust and shall cover negligence committed by the Consultant in implementing the future Environmental Actions or any other negligence committed by the Consultant. The legal relationship of the Consultant to the Environmental Custodial Trust and Environmental Custodial Trust Trustee is that of an independent contractor professional, not that of an entity employed by the Environmental Custodial Trust or the Environmental Custodial Trust Trustee. The Consultant shall not be deemed a Custodial Trust Party.

4.2 General Authority

The Environmental Custodial Trust Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purposes of the Environmental Custodial Trust and not otherwise. The Environmental Custodial Trust Trustee shall have the authority to bind the Environmental Custodial Trust, and any successor Environmental Custodial Trust Trustee, or successor or assign of the Environmental Custodial Trust, but shall for all purposes hereunder be acting in its representative capacity as Environmental Custodial Trust Trustee and not individually. Notwithstanding anything to the contrary contained herein, the Environmental Custodial Trust Trustee shall not be required to take action or omit to take any action if, after the advice of counsel, the Environmental Custodial Trust Trustee believes in good faith such action or omission is not consistent with the Environmental Custodial Trust Trustee's fiduciary duties.

4.3 Powers

In connection with the administration of the Environmental Custodial Trust, except as otherwise set forth in this Agreement and the Settlement Agreement, the Environmental Custodial Trust Trustee is authorized to perform any and all acts necessary to accomplish the purposes of the Environmental Custodial Trust. However no such action shall cause the Environmental Custodial Trust to fail to qualify as a qualified settlement fund (for which no grantor trust election has been made) under section 468B of the Internal Revenue Code and the Treasury Regulations thereunder. The powers of the Environmental Custodial Trust Trustee shall, without any further Court approval or order, include, without limitation, each of the following:

- 4.3.1 to receive, manage, invest, supervise and protect the Custodial Trust Assets, withdraw, make distributions and pay taxes and other obligations owed by the Environmental Custodial Trust or the Custodial Trust Accounts from funds held by the Environmental Custodial Trust Trustee and/or the Environmental Custodial Trust (or the Custodial Trust Accounts) in accordance with this Agreement and the Settlement Agreement, and withhold and pay to the appropriate taxing authority any withholding taxes on distributions from the Environmental Custodial Trust;
- 4.3.2 to invest in, and only in, demand and time deposits such as short term certificates of deposit, in banks or other savings institutions or other temporary, liquid investments, such as a U.S. Treasury bills as permitted by Section 345 of the Bankruptcy Code, but including only those investments, and expanded to include any additional investments, as the case may be, that a liquidating trust, within the meaning of Treasury Regulation section 301.7701-4(d), may be permitted to hold, pursuant to Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise;
- 4.3.3 to borrow funds, incur or assume liabilities, and pledge any portion of the Environmental Trust Assets on behalf of the Environmental Custodial

Trust in furtherance of or in connection with the Environmental Custodial Trust Trustee's or the Environmental Custodial Trust's duties, powers, authority, and obligations under this Agreement and determine and satisfy any and all liabilities created, incurred or assumed by the Environmental Custodial Trust;

- 4.3.4 to make distributions of the Custodial Trust Assets from the Custodial Trust Accounts for the purposes contemplated in this Agreement and the Plan;
- 4.3.5 to engage and retain employees, counsel and other professionals, including any professional who represented parties in interest in the Chapter 11 Cases, to assist the Environmental Custodial Trust Trustee with respect to the responsibilities described herein, on such terms as the Environmental Custodial Trust Trustee deems appropriate, without Bankruptcy Court approval;
- 4.3.6 to perform duties, exercise the powers, and assert the rights of a trustee under Section 704 and 1106 of the Bankruptcy Code;
- 4.3.7 to obtain general liability insurance and other reasonable insurance coverage with respect to the Environmental Custodial Trust Trustee's liabilities and obligations as Environmental Custodial Trust Trustee under this Agreement and the Settlement Agreement (in the form of an errors and omissions policy or otherwise) and indemnification for the Environmental Custodial Trust Trustee and others to the extent provided for in the Plan and this Agreement;
- 4.3.8 to request any appropriate tax determination with respect to the Environmental Custodial Trust, protest, contest or otherwise object to any such tax determination, and make any tax election, settle or compromise any tax liability, or consent to any claim or assessment relating to taxes;
- 4.3.9 to establish and maintain a website for the purpose of providing notice of Trust activities in lieu of sending written notice to the Environmental Trust Beneficiaries, and for any other purpose identified by the Environmental Custodial Trust Trustee in the reasonable exercise of its discretion, subject to providing notice of such website to the Environmental Trust Beneficiaries;
- 4.3.10 to effect all actions and execute all agreements, instruments and other documents necessary to implement this Agreement and the Settlement Agreement, including to exercise such other powers as may be vested in or assumed by the Environmental Custodial Trust and/or the Environmental Custodial Trust Trustee pursuant to this Agreement and any order of the Court or as may be necessary and proper to carry out the provisions of this Agreement. No Person dealing with the Environmental Custodial Trust

shall be obligated to inquire into the authority of the Environmental Custodial Trust Trustee in connection with the protection, conservation or disposition of Custodial Trust Assets. The Environmental Custodial Trust Trustee is authorized to execute and deliver all documents on behalf of the Environmental Custodial Trust to accomplish the purposes of this Agreement and the Settlement Agreement; and

4.3.11 to take all other appropriate action with respect to the Environmental Trust Assets to the extent consistent with the purpose of the Environmental Custodial Trust.

4.4 Other Professionals

After consultation with the United States and the States, the Environmental Custodial Trust is authorized to retain on behalf of the Environmental Custodial Trust and pay such third parties as the Environmental Custodial Trust Trustee (in accordance with a budget approved pursuant to Section 3.1 above) may deem necessary or appropriate to assist the Environmental Custodial Trust Trustee in carrying out its powers and duties under this Agreement, the Settlement Agreement and the Plan, including, without limitation, (i) counsel to the Environmental Custodial Trust and/or Environmental Custodial Trust Trustee, (ii) a public accounting firm to perform such reviews and/or audits of the financial books and records of the Environmental Custodial Trust as may be appropriate in the Environmental Custodial Trust Trustee's reasonable discretion and to prepare and file any tax returns or informational returns for the Environmental Custodial Trust or the Custodial Trust Accounts as may be required, and (iii) environmental consultants, custodians, security personnel, engineers, surveyors, brokers, contractors, and clerks. The Environmental Custodial Trust Trustee may pay all such Persons compensation for services rendered and expenses incurred in accordance with a budget approved as provided in Section 3.1.

4.5 Books and Records

The Environmental Custodial Trust Trustee shall maintain, or cause to be maintained, in respect of the Environmental Custodial Trust and the Environmental Trust Beneficiaries, books and records relating to the Environmental Trust Assets and income of the Environmental Custodial Trust and the payment or assumption by the Environmental Custodial Trust of liabilities, expenses or obligations in such detail and for such period of time as may be necessary to enable the Environmental Custodial Trust to make full and proper accounting in respect thereof. Such books and records shall be maintained on a modified cash or other comprehensive basis of accounting. The United States and the States shall have the right to examine all such books and records and all other books and records of the Environmental Custodial Trust. Except as otherwise may be expressly provided herein, nothing in this Agreement requires the Environmental Custodial Trust Trustee to file any accounting, or seek approval of any court, with respect to the administration of the Environmental Custodial Trust, or as a condition for managing any payment or distribution out of the Environmental Trust Assets.

4.6 Limitation of the Environmental Custodial Trust Trustee's Authority

The Environmental Custodial Trust and the Environmental Custodial Trust Trustee shall have no authority to do any of the following:

- 4.6.1 to engage in any trade or business with respect to the Custodial Trust Assets or collect any proceeds therefrom except as, and to the extent the same is deemed in good faith by the Environmental Custodial Trust Trustee, to be reasonably necessary or proper for the conservation or protection of the Custodial Trust Assets, or the fulfillment of the purposes of the Environmental Custodial Trust;
- 4.6.2 take any action that would cause the Environmental Custodial Trust to fail to qualify as a qualified settlement fund (for which no grantor trust election has been made) under Section 468B of the Internal Revenue Code and the related Treasury Regulations;
- 4.6.3 take any action in contravention of this Agreement, the Plan, the Confirmation Order or applicable law, or any action that would make it impossible to carry on the activities of the Environmental Custodial Trust; or
- 4.6.4 possess property of the Environmental Custodial Trust or assign the Environmental Custodial Trust's rights in specific property for other than purposes of the Environmental Custodial Trust.

4.7 Reliance by the Custodial Trust Parties

Except as may otherwise be provided herein: (a) the Custodial Trust Parties may rely, and shall be protected from liability in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties; (b) the Custodial Trust Parties may consult with legal counsel, financial or accounting advisors and other professionals or environmental consultants to be selected by them, and the Custodial Trust Parties shall not be personally liable for any action taken or omitted to be taken by them in accordance with the advice thereof; and (c) Persons dealing with the Custodial Trust Parties shall look only to the Custodial Trust Assets to satisfy any liability incurred by the Custodial Trust Parties to such Person in carrying out the terms of this Agreement, the Settlement Agreement and the Plan, or any order of the Court and the Custodial Trust Parties shall have no personal obligation to satisfy any such liability.

4.8 Compensation of the Environmental Custodial Trust Trustee

The Environmental Custodial Trust shall pay its own reasonable and necessary costs and expenses, and shall reimburse the Environmental Custodial Trust Trustee for the actual reasonable out-of-pocket fees and expenses to the extent incurred by the Environmental Custodial Trust Trustee in connection with the Environmental Custodial Trust Trustee's duties hereunder, including, without limitation, necessary travel, lodging, office rent (to be paid directly

by the Environmental Custodial Trust), postage, photocopying, telephone and facsimile charges upon receipt of periodic billings, all in accordance with an annual budget or fee schedule approved by the Environmental Trust Beneficiaries. The Environmental Custodial Trust Trustee and employees of the Environmental Custodial Trust and the Environmental Custodial Trust Trustee who perform services for the Environmental Custodial Trust shall be entitled to receive reasonable compensation for services rendered on behalf of the Environmental Custodial Trust in accordance with an annual budget or fee schedule approved by the Environmental Trust Beneficiaries.

The Custodial Trust Assets shall be subject to the claims of the Lyondell Environmental Custodial Trust Trustee, and the Lyondell Environmental Custodial Trust Trustee shall be entitled to compensate itself for administrative work performed consistent with the annual budget approved by the Environmental Trust Beneficiaries out of any available cash in the Custodial Trust Administrative Expense Account, and compensate itself for environmental work performed consistent with the annual budget from the Custodial Trust Environmental Cost Account for the Transferred Real Property that the environmental services related to. The Lyondell Environmental Custodial Trust shall be obligated to pay for actual out-of-pocket expenses and for actual hours worked. All compensation payable to the Lyondell Environmental Custodial Trust Trustee shall be paid from the appropriate Custodial Trust Account based on the nature of the work being either administrative or environmental.

4.9 Liability of Custodial Trust Parties

In no event shall the Custodial Trust Parties be held liable to any third parties for any liability, action, or inaction of any other party including each other and the Settlers. The Custodial Trust Parties shall, further, be indemnified and exculpated in accordance with Section 4.10 of this Agreement.

As provided in the Settlement Agreement, the Custodial Trust Parties are deemed to have resolved their civil liability under CERCLA and State environmental statutes to the United States and States, and have protection from contribution actions or claims as provided by Sections 113(f)(2) of CERCLA, 42 U.S.C. Section 9613(f)(2) or similar state law for matters addressed in the Settlement Agreement. The Custodial Trust Parties shall have the benefits of the covenants not to sue, contribution protections, and the other protection provisions as specified for the Debtors as set forth in the Settlement Agreement.

4.10 Exculpation and Indemnification

The Custodial Trust Parties shall be exculpated and indemnified, consistent with the provisions of this Section 4.10, for any claims, causes of action, or other assertions of liability arising out of or in connection with:

- (a) the ownership of Custodial Trust Assets;
- (b) the discharge of duties and powers conferred upon the Environmental Custodial Trust and/or Environmental Custodial Trust Trustee by this Agreement, the Settlement Agreement and the Plan, any order of the Court, or applicable law or

otherwise, including the making of payments in accordance with this Agreement, the Settlement Agreement and the Plan, or any order of court, and the implementing of the provisions of this Agreement, the Settlement Agreement and the Plan or any order of court; or

(c) any claim against Settlers.

4.10.1 Exculpation. No Custodial Trust Party shall be personally liable unless the Court finds, by a final order, that the Custodial Trust Party committed fraud or willful misconduct after the Effective Date in relation to the Environmental Custodial Trust Trustee's duties that are alleged to be the basis for liability. Each Custodial Trust Party shall be and hereby is exculpated by all Persons, including, without limitation, holders of claims and other parties in interest, of and from any and all claims, causes of action, and other assertions of liability arising out of or in connection with the matters contained in the provisions of Section 4.10 (a), (b) and (c). No Person, including without limitation, holders of claims and other parties in interest, will be allowed to pursue any claims or cause of action against any Custodial Trust Party for the matters contained in the provisions of Section 4.10 (a), (b), and (c). However, nothing in this paragraph or this Agreement shall preclude the Governments (as defined in the Settlement Agreement) from enforcing the terms of the Settlement Agreement against the Parties.

4.10.2 Indemnification. The Environmental Custodial Trust shall indemnify, defend and hold harmless (without the Custodial Trust Parties having to first pay from their personal funds) the Custodial Trust Parties from and against any and all claims, causes of action, liabilities, obligations, losses, costs, judgments, damages or expenses (including attorneys' fees) and any other assertion of liability arising out of or in connection with the matters contained in the provisions of Section 4.10 (a), (b) and (c) (collectively, the "Indemnifiable Expenses"), to the fullest extent permitted by applicable law. The Indemnifiable Expenses shall be limited to and satisfied from funds in the Custodial Trust Environmental Cost Account for the relevant property and the Custodial Trust Administrative Expense Account. Without limiting the foregoing, any such judgment against a Custodial Trust Party and any such costs of defense relating to any Custodial Trust Party shall be paid by the Environmental Cost Custodial Trust consistent with the terms and conditions of this Section 4.10.2. Notwithstanding the foregoing, to the extent fraud or willful misconduct of any Custodial Trust Party is alleged and the Court finds, by a final order, that such Custodial Trust Party committed fraud or willful misconduct after the Effective Date in relation to the Environmental Custodial Trust Trustee's duties that are alleged to be the basis for liability, there shall be no indemnification, of that Custodial Trust Party, for any judgments arising from such allegations of fraud or willful

misconduct (the “Carved Out Expenses”). It shall be an irrebuttable presumption that any action taken, or inaction, consistent with Court approval shall not constitute willful misconduct or fraud. The Environmental Custodial Trust shall advance to any Custodial Trust Party incurring any Indemnifiable Expenses such amounts, on a monthly basis, if the Custodial Trust Party provides the Environmental Custodial Trust with an undertaking reasonably satisfactory to the Environmental Custodial Trust Trustee that such Custodial Trust Party will repay any amounts finally determined to be Carved Out Expenses.

4.11 Termination of the Environmental Custodial Trust, Replacement or Removal of the Environmental Trust and Transfer of Remaining Funds to the United States or State.

4.11.1 Termination. The duties, responsibilities and powers of the Environmental Custodial Trust Trustee will terminate on the date the Environmental Custodial Trust is dissolved under applicable law in accordance with this Agreement and the Settlement Agreement, or by an order of the Court; provided that this Section and Sections 4.7, 4.9 and 4.10 above shall survive such termination, dissolution and entry.

4.11.2. Resignation. The Environmental Custodial Trust Trustee may resign by giving not less than thirty (30) days prior written notice thereof to the Court, the United States, and the States.

4.11.3 Replacement. The Environmental Custodial Trust Trustee may be replaced upon completion of any ten (10) year term, however, this Section and Sections 4.7, 4.9 and 4.10 above shall survive such replacement.

4.11.4 Removal. The Environmental Custodial Trust Trustee may be removed or the Custodial Trust Assets may be transferred to the United States and/or the States by:

(1) The entry of an order by the Bankruptcy Court, immediately upon notice of appointment of a temporary or permanent successor, finding that the Environmental Custodial Trust Trustee committed fraud or willful misconduct after the Effective Date in relation to the Environmental Custodial Trust Trustee’s duties under the Environmental Custodial Trust; or

(2) The entry of an order by the Bankruptcy Court, immediately upon notice of appointment of a temporary or permanent successor, finding that, (i) the Environmental Custodial Trust Trustee has in any material respect, as a result of negligence, exacerbated conditions at any of the Transferred Real Properties, or (ii) has been seriously or repeatedly deficient or seriously or repeatedly late in the performance of its duties, or (iii) has violated the provisions of

this Agreement or other related implementation agreements. In the event of a finding of the occurrence of the events set forth in the foregoing clauses (i), (ii) or (iii), the United States and the State in which the relevant Transferred Real Property is located may jointly direct that the Environmental Custodial Trust Trustee be replaced in accordance with this Agreement or may retain the Environmental Custodial Trust Trustee and direct that all remaining funds and future proceeds or income, if any, attributable to the Custodial Trust Assets in the Environmental Custodial Trust be paid to the United States and/or to the State to be used in accordance with the terms of this Agreement, the Settlement Agreement or the Plan. In the event the funds are so paid, so long as title to any Transferred Real Property remains in the name of the Environmental Custodial Trust or Environmental Custodial Trust Trustee, funds deemed reasonably sufficient by the applicable beneficiaries to cover property taxes and other property management costs to be paid by the Environmental Custodial Trust for any Transferred Real Property shall be left in the Custodial Trust Administrative Expense Account.

- (3) The provisions of this Section and Section 4.7, 4.9 and 4.10 above shall survive the removal of the Environmental Custodial Trust Trustee or transfer of funds.

4.12 Appointment of Successor Environmental Custodial Trust Trustees

Any successor Environmental Custodial Trust Trustee shall be proposed by the United States and the States and appointed by the Court. Any successor Environmental Custodial Trust Trustee appointed hereunder shall execute an instrument accepting such appointment hereunder and shall file such acceptance with the Environmental Custodial Trust records. Thereupon, such successor Environmental Custodial Trust Trustee shall, without any further act, become vested with all the estates, properties, rights, powers, trusts and duties of its predecessor in the Environmental Custodial Trust with like effect as if originally named herein; provided, however, that a removed, incapacitated or resigning Environmental Custodial Trust Trustee shall, nevertheless, when requested in writing by the successor Environmental Custodial Trust Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Environmental Custodial Trust Trustee under the Environmental Custodial Trust all the estates, properties, rights, powers, and trusts of such predecessor Environmental Custodial Trust Trustee.

4.13 No Bond

Notwithstanding any state law to the contrary, the Environmental Custodial Trust Trustee, including any successor Environmental Custodial Trust Trustee, shall be exempt from giving any bond or other security in any jurisdiction.

ARTICLE 5
ENVIRONMENTAL TRUST BENEFICIARIES

5.1 Environmental Trust Beneficiaries

Beneficial interests in the Environmental Custodial Trust shall be held by each of the Environmental Trust Beneficiaries.

5.2 Identification of Environmental Trust Beneficiaries

5.2.1 In order to determine the actual names and addresses of the authorized representatives of an Environmental Trust Beneficiary, the Environmental Custodial Trust and the Environmental Custodial Trust Trustee shall be entitled to rely conclusively on the name and address of the authorized representative for such Environmental Trust Beneficiary listed below in Section 5.2.2, who may from time to time provide additional or replacement names and addresses of authorized representatives, or listed in any written notice provided to the Environmental Custodial Trust Trustee in the future by an authorized representative of such Environmental Trust Beneficiary.

5.2.2 The Environmental Custodial Trust Trustee shall send copies of all reports, budgets, annual balance statements, and other documents that the Environmental Custodial Trust Trustee is required to submit to an Environmental Trust Beneficiary under this Agreement and the Settlement Agreement, and related implementation documents including any unilateral administrative orders, consent decrees, or administrative orders on consent to the following person(s), as applicable:

As to the United States of America as an Environmental Trust Beneficiary:

Authorized representative and party to receive all notices under Section 5.2.2:

The United States:

Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044
Ref. DOJ File No. 90-5-2-1-2132/3

Pierre G. Armand
Assistant United States Attorney
Office of the United States Attorney
for the Southern District of New York
86 Chambers Street, Third Floor
New York, NY 10007

EPA:

David Smith-Watts
Attorney-Advisor
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

DOI:

Amy Horner
Attorney Advisor
U.S. Department of the Interior
Office of the Solicitor
1849 C Street, NW
Washington, DC 20240

NOAA:

M.E. Rolle
National Oceanic and Atmospheric Administration
263 13th Avenue South
Saint Petersburg, FL 33701

As to each of the following state Environmental Trust Beneficiaries:

California Regional Water Quality Control Board, Central Valley Region

Marilyn H. Levin
Noah Golden-Krasner
Deputy Attorneys General
300 South Spring Street, 11th Floor
Los Angeles, CA 90013

Pamela Creedon
Executive Officer
Central Valley Regional Water Quality Control Board
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670

Patrick Pulupa
Staff Counsel
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812

The State of Illinois and IEPA:

Chief, Environmental Bureau South
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

James Kropid
Illinois Environmental Protection Agency
Division of Legal Counsel
P.O. Box 19726
1021 North Grand Avenue East
Springfield, IL 62796

MDE

Horacio Tablada, Director
Land Management Administration
Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, MD 21230

MDNRE

Polly Synk
Assistant Attorney General
Michigan Department of Attorney General
Environment, Natural Resources, and Agriculture Division
P.O. Box 30755
Lansing, MI 48909

Brian Monroe
Chief, Redevelopment and Enforcement Support Unit
Compliance and Enforcement Section
Remediation and Redevelopment Division
Michigan Department of Natural Resources and the Environment
P.O. Box 30426
Lansing, MI 48909-7926

NCDWM:

Bruce Parris
Western Regional Supervisor
Inactive Hazardous Sites Branch
N.C. Department of Environment and Natural Resources
610 East Center Ave., Suite 301
Mooresville, North Carolina 28118

PADEP:

Manager
Waste Management
400 Waterfront Drive
Pittsburgh, PA 15222

Regional Counsel
Office of Chief Counsel
400 Waterfront Drive
Pittsburgh, PA 15222

TCEQ:

Robert Mosley
Staff Attorney
Litigation Division, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

5.3 Non-Beneficiaries

Upon the Effective Date of this Agreement, the Settlers shall have no interests including, without limitation, any reversionary interest, in the Environmental Custodial Trust or any Custodial Trust Assets.

5.4 Transfer of Beneficial Interests

The interest of the Environmental Trust Beneficiaries in the Environmental Custodial Trust, which are reflected only on the records of the Environmental Custodial Trust maintained by the Environmental Custodial Trust, are not negotiable and may be transferred only after written notice to the Environmental Custodial Trust, by order of the Court or by operation of law. The Environmental Custodial Trust shall not be required to record any transfer in favor of any transferee who, in the sole discretion of the Environmental Custodial Trust Trustee, is or might be construed to be ambiguous or to create uncertainty as to the holder of the interest in the Environmental Custodial Trust. Until a transfer is in fact recorded on the books and records maintained by the Environmental Custodial Trust for the purpose of identifying Environmental Trust Beneficiaries, the Environmental Custodial Trust, whether or not in receipt of documents of transfer or other documents relating to the transfer, may nevertheless make distributions and send communications to Environmental Trust Beneficiaries, as though it has no notice of any such transfer, and in so doing the Environmental Custodial Trust and Environmental Custodial Trust Trustee shall be fully protected and incur no liability to any purported transferee or any other Person. Interests in the Environmental Custodial Trust may not be transferred to the Settlers, Lyondell Chemical Company, its successors, its affiliates, or any Persons related to any of the preceding (within the meaning of Section 468B(d)(3) of the Internal Revenue Code).

ARTICLE 6 REPORTING AND TAXES

6.1 Reports

As soon as practicable after the end of the second and fourth quarters of each calendar year, beginning with the first such quarter ended after assets are first received by the Environmental Custodial Trust and ending as soon as practicable upon termination of the Environmental Custodial Trust, the Environmental Custodial Trust shall submit to the Environmental Trust Beneficiaries a written report, including: (a) financial statements of the Environmental Custodial Trust at the end of such calendar quarter; and (b) a description of any action taken by the Environmental Custodial Trust in the performance of its duties which, as determined by outside counsel, accountants or other professional advisors, materially and adversely affects the Environmental Custodial Trust and of which notice has not previously been given to the Environmental Trust Beneficiaries. The Environmental Custodial Trust shall promptly submit additional reports to the Environmental Trust Beneficiaries whenever, as determined by outside counsel, accountants or other professional advisors, an adverse material event or change occurs which affects either the Environmental Custodial Trust or the rights of the Persons receiving distributions (including, without limitation, the Environmental Trust Beneficiaries) hereunder. The Environmental Custodial Trust shall also provide the reports or information required by Section 3.1 of this Agreement.

6.2 Other

The Environmental Custodial Trust shall also file (or cause to be filed) any other statements, returns or disclosures relating to the Environmental Custodial Trust, that are required by any applicable governmental unit.

6.3 Reports in Support of Insurance Claims

The Environmental Custodial Trust shall also file (or cause to be filed) reports and cost analyses in support of claims against insurance carriers at the request of the United States and the States and shall provide the United States and the States a copy of any such reports and cost analyses.

6.4 Tax Treatment of the Environmental Custodial Trust

For U.S. federal income tax purposes, the Environmental Custodial Trust is intended to be treated as a qualified settlement fund (for which no grantor trust election has been made) pursuant to section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, and as a tax-exempt settlement fund (to the extent that the interests in the Environmental Custodial Trust are owned by “government entities” within the meaning of section 468B(g)(2) of the Internal Revenue Code) pursuant to section 468B(g)(2) of the Internal Revenue Code, and, to the extent provided by law, this Agreement shall be governed and construed in all respects consistently with such intent.

6.5 Taxable Entity

In connection with the foregoing, the Environmental Custodial Trust will be treated as a separate taxable entity. The Environmental Custodial Trust Trustee shall cause any property taxes imposed on property owned by the Environmental Custodial Trust, and all other taxes imposed on the Environmental Custodial Trust or its earnings, to be timely paid out of the Environmental Trust Assets, and shall timely comply with all tax reporting and withholding requirements imposed on the Environmental Custodial Trust under applicable law.

6.6 Trustee as Administrator

The Environmental Custodial Trust Trustee shall be the “administrator,” within the meaning of Treasury Regulation Section 1.468B-2(k)(3), of the Environmental Custodial Trust. Subject to definitive guidance from the Internal Revenue Service or a judicial decision to the contrary, the Environmental Custodial Trust Trustee shall file tax returns and pay applicable taxes with respect to the Environmental Custodial Trust in a manner consistent with the provisions of Treasury Regulation Section 1.468B-2. All such taxes shall be paid from the Custodial Trust Assets.

6.7 Fiscal Year

The Environmental Custodial Trust’s fiscal year shall be the calendar year or such other period as may be fixed by the Environmental Custodial Trust Trustee or as otherwise required by applicable law.

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 Amendments and Waivers

Any provision of this Agreement may be amended or waived by mutual written consent of the Environmental Custodial Trust, the United States, and the States; provided, however, that no change shall be made to this Agreement that would alter the provisions of Section 7.4 hereof or adversely affect the federal income tax status of the Environmental Custodial Trust as a “qualified settlement fund” for which no grantor trust election has been made (in accordance with Section 2.5.5 hereof), or, unless agreed to in writing by the affected Environmental Custodial Trust Trustee, the rights of the Environmental Custodial Trust Trustee. Technical amendments to this Agreement may be made as necessary, to clarify this Agreement or enable the Environmental Custodial Trust Trustee to effectuate the terms of this Agreement in a manner consistent with the Settlement Agreement with the mutual consent of the Environmental Custodial Trust, the United States, and the States.

7.2 Cooperation

Debtors agree to cooperate with the Environmental Custodial Trust Trustee prior to the Effective Date by providing reasonable access to and/or copies of such of their non-privileged books and records relating to the Transferred Real Properties for the purpose of performing the Environmental Custodial Trust Trustee’s duties and exercising its powers hereunder, including all environmental information and/or data in the state and condition in which such records are found regarding the Transferred Real Properties in possession of Debtors or any environmental consultants or contractors previously retained by Debtors. Within ninety (90) days after the Effective Date, the Debtors or Reorganized Debtors shall deliver or cause to be delivered to the Environmental Custodial Trust copies or originals, as appropriate in the judgment of Debtors of all material and known non-privileged documents in the Debtors’ or Reorganized Debtors’ possession that relate to the Environmental Trust Assets (including documents held by the Debtors, their agents, advisors and attorneys). Prior to the Effective Date and for a period of thirty (30) days after the Effective Date, Debtors and Reorganized Debtors shall provide reasonable access to such employees of Debtors, Reorganized Debtors, their agents, advisors, attorneys, accountants or any other professionals hired by the Debtors with knowledge of matters relevant to the Environmental Trust Assets. The Environmental Custodial Trust and Environmental Custodial Trust Trustee shall take such actions and execute such documents as are reasonably requested by Debtors with respect to effectuating this Agreement, the Settlement Agreement and the transactions contemplated thereby, provided that such actions are not inconsistent with this Agreement, the Settlement Agreement or the Plan, and provided that such actions shall be at the sole expense of the Debtors. The Environmental Custodial Trust Trustee, Debtor, and the Lead Government Agency for each of the Transferred Real Properties will exchange information and reasonably cooperate to determine the appropriate disposition of executor contracts or unexpired leases, if any, that relate to the relevant Transferred Real Property.

7.3 Situs of the Environmental Custodial Trust

The situs of the Environmental Custodial Trust herein established is New York, and the laws of New York shall control with respect to the construction, administration, and validity of the Environmental Custodial Trust, without giving effect to rules governing the conflict of law that otherwise would apply the law of another jurisdiction.

7.4 Intention of the Parties to Establish Qualified Settlement Fund

This Agreement is intended to create a qualified settlement fund for United States federal income tax purposes and shall be governed and construed in all respects consistently with such intent. Notwithstanding anything to the contrary contained herein, any ambiguity in this Agreement shall be construed consistently with the immediately preceding sentence, and, if necessary, this Agreement may be amended to comply with such United States federal income tax laws, which amendments may apply retroactively.

7.5 Headings

The section headings contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or any term or provision hereof.

7.6 Severability

If any provision of this Agreement or application thereof to any Person or circumstance shall be finally determined by the Court to be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

7.7 Sufficient Notice

Any notice or other communication hereunder shall be in writing (including facsimile transmission or by e-mail) and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office or letter box addressed to the Person for whom such notice is intended (or in the case of notice by facsimile or e-mail, when received and telephonically or electronically confirmed), to the name and address set forth in the case of a Environmental Trust Beneficiary in Section 5.2 of this Agreement or such other address provided in writing to the Environmental Custodial Trust by an authorized representative of the respective Environmental Trust Beneficiary.

If notice to the Environmental Custodial Trust Trustee, to:

The Lyondell Environmental Custodial Trust
Le Petomane XXIII, Inc., not individually but
solely as Custodial Trust Trustee
35 E. Wacker Drive – Suite 1550
Chicago, IL 60601

7.8 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all together shall constitute one agreement.

7.9 Relationship to the Plan

The principal purpose of this Agreement is to aid in the implementation of the Plan and therefore this Agreement incorporates the provisions of the Plan. To that end, subject to the terms and conditions of this Agreement, the Environmental Custodial Trust Trustee shall have full power and authority to take any action consistent with the purpose and provisions of the Plan, and to seek any orders from the Bankruptcy Court in furtherance of implementation of this Agreement and the Plan.

7.10 Actions Taken on Other Than Business Day

If any payment or act under the Plan, this Agreement or the Settlement Agreement is required to be made or performed on a date that is not a business day, then the making of such payment or the performance of such act may be completed on the next succeeding business day, but shall be deemed to have been completed as of the required date. For the purposes of this agreement, a business day shall be any of the days Monday through Friday, excluding national holidays.

7.11 Compliance with Laws

Any and all distributions of Custodial Trust Assets shall be in compliance with applicable laws, including, but not limited to, applicable federal and state securities laws.

7.12 Preservation of Privilege

In connection with the rights, claims, and causes of action that constitute the Custodial Trust Assets, any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the Environmental Custodial Trust shall vest in the Environmental Custodial Trust and its representatives, and the Parties are authorized to take all necessary actions to effectuate the transfer of such privileges.

7.13 No Partnership

This Agreement is intended to create a trust and a trust relationship and to be governed and construed in all respects as a trust. The Environmental Custodial Trust is not intended to be, and shall not be deemed to be or treated as, a general partnership, limited partnership, joint

venture, corporation, joint stock company or association, nor shall the Environmental Custodial Trust Trustee or the Environmental Trust Beneficiaries, or any of them, for any purpose be, or be deemed to be or be treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The relationship of the Environmental Trust Beneficiaries to the Environmental Custodial Trust Trustee shall be solely that of Environmental Trust Beneficiaries of a trust and shall not be deemed to be a principal or agency relationship, and the rights of the Environmental Trust Beneficiaries shall be limited to those conferred upon them by this Agreement and the Settlement Agreement.

7.14 Confidentiality

The Environmental Custodial Trust Trustee shall, during the period that it serves in such capacity under this Agreement and following either the termination of this Agreement or such Environmental Custodial Trust Trustee's removal, incapacity, or resignation hereunder, hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to any entity to which any of the Environmental Trust Assets relates or of which it has become aware in its capacity as Environment Trust Trustee. Notwithstanding anything else in the Plan, this Agreement or any other agreements implementing the Plan, each of the parties hereto (and each employee, representative, or other agent of such Person) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to such Person relating to such tax treatment and tax structure.

7.15 Uniform Custodial Trust Act


The Environmental Custodial Trust Agreement shall not be subject to any provision of the Uniform Custodial Trust Act as adopted by any State, now or in the future.

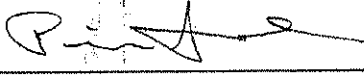
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IN WITNESS WHEREOF, THE UNDERSIGNED PARTIES ENTER INTO THIS
AGREEMENT

FOR THE UNITED STATES

FOR THE UNITED STATES OF AMERICA:


Date: 3/26/10 By: 
ROBERT DREHER
Principal Deputy Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice

Date: 3/29/10 By: 
PIERRE G. ARMAND
JEANNETTE A. VARGAS
ALICIA SIMMONS
BRANDON COWART
Assistant United States Attorneys
Office of the United States Attorney for the
Southern District of New York
86 Chambers Street, Third Floor
New York, NY 10007

Date: 3/29/10 By: 
KEVIN LYSKOWSKI
Senior Bankruptcy Counsel
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044

**FOR THE UNITED STATES ENVIRONMENTAL PROTECTION
AGENCY**

Date: 3/28/10



CYNTHIA GILES
Assistant Administrator
Office of Enforcement and Compliance
Assurance
U.S. Environmental Protection Agency

FOR THE SETTLORS

Date: March 19, 2010



Name: Samuel L. Smolik

Title: Vice President Health Safety
& Environment

FOR THE STATE OF ILLINOIS AND THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

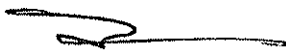
FOR THE STATE OF ILLINOIS

LISA MADIGAN, Attorney General of the State of Illinois

MATTHEW J. DUNN, Chief

Environmental Enforcement/Asbestos Litigation Division

Date: 3/24/10



THOMAS E. DAVIS, Chief

Environmental Bureau

Assistant Attorney General

500 South Second Street

Springfield, IL 62706

FOR THE ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

Date: 3/19/10



JOHN J. KIM

Chief Legal Counsel

FOR THE MICHIGAN NATURAL RESOURCE TRUSTEES:

Date: 3-25-10

By: Kathleen L. Cavanaugh
Kathleen L. Cavanaugh
Assistant Attorney General
Michigan Department of Attorney General
ENRA Division
P.O. Box 30755
Lansing, MI 48909

**FOR THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD,
CENTRAL VALLEY REGION**

Date: 24 March 2010

Kenneth D. Lundgren, Assistant Executive Officer

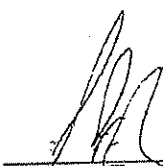
By: Pamela Creedon
for Executive Officer
Central Valley Regional Water Quality Control Board
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670

FOR THE NORTH CAROLINA DIVISION OF WASTE MANAGEMENT:

Date: March 30, 2010 By: W. Wallace Finkler, Jr.


FOR THE MARYLAND DEPARTMENT OF THE ENVIRONMENT

Date: 3/25/10


By: Steven R. Johnson
Assistant Attorney General

**FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF THE
COMMONWEALTH OF PENNSYLVANIA**

Date: 3/22/10


By: Susan Shinkman
Chief Counsel
Office of Chief Counsel

FOR THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Date: 3/24/10



By: Hal F. Morris
Assistant Attorney General
Bankruptcy & Collections Division
Office of the Texas Attorney General

FOR THE ENVIRONMENTAL CUSTODIAL TRUST TRUSTEE

Date: _____

Le Petomane XXIII, Inc., not individually but
Solely in its representative capacity as the
Environmental Custodial Trust Trustee

By:

Not individually but
Jay A. Steinberg, Solely as Pres; Sent
Jay A. Steinberg, not individually but solely in his
representative capacity as President of the
Environmental Custodial Trust Trustee

EXHIBIT “A”

Description of Sites

1. “Allied Paper Mill Site” consists of the Allied Paper Mill Transferred Real Property and any location at which and any media in which Hazardous Substances from the Allied Paper Mill Transferred Real Property have come to be located.
2. “Beaver Valley Site” consists of the Beaver Valley Transferred Real Property and any location at which and any media in which Hazardous Substances from the Beaver Valley Transferred Real Property have come to be located.
3. “Bully Hill Mine Site” consists of the Bully Hill Mine Transferred Real Property and any location at which and any media in which Hazardous Substances from the Bully Hill Mine Transferred Real Property have come to be located.
4. “Rising Star Mine Site” consists of the Rising Star Mine Transferred Real Property and any location at which and any media in which Hazardous Substances from the Rising Star Mine Transferred Real Property have come to be located
5. “Excelsior Mine Site” consists of the Excelsior Mine Transferred Real Property and any location at which and any media in which Hazardous Substances from the Excelsior Mine Transferred Real Property have come to be located.
6. “Charlotte Site” consists of the Charlotte Transferred Real Property and any location at which and any media in which Hazardous Substances from the Charlotte Transferred Real Property have come to be located.
7. “Gypsum Pile Site” consists of the Gypsum Pile Transferred Real Property and any location at which and any media in which Hazardous Substances from the Gypsum Pile Transferred Real Property have come to be located.
9. “Saint Helena Site” consists of the Saint Helena Transferred Real Property and any location at which and any media in which Hazardous Substances from the Saint Helena Transferred Real Property have come to be located.
10. “Turtle Bayou Site” consists of the Turtle Bayou Transferred Real Property and any location at which and any media in which Hazardous Substances from the Turtle Bayou Transferred Real Property have come to be located.

EXHIBIT "B"

Description of Transferred Real Properties

Allied Paper Mill Transferred Real Property:

KALAMAZOO, KALAMAZOO COUNTY, MI

LEGAL DESCRIPTION

PARCEL 1

COMMENCING AT THE CENTER 1/4 POST OF SECTION 27, TOWN 2 SOUTH, RANGE 11 WEST, AND RUNNING THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 89 DEGREES 52 MINUTES EAST), ALONG THE EAST AND WEST 1/4 LINE, 99.10 FEET TO THE EASTERLY LINE OF THE CONRAIL (FORMERLY N.Y.C. RAILROAD) RIGHT-OF-WAY; THENCE NORTH 3 DEGREES 20 MINUTES 13 SECONDS EAST, THEREON 638.49 FEET (ALSO RECORDED AS NORTH 3 DEGREES 23 MINUTES EAST, 638.5 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY NORTH 3 DEGREES 22 MINUTES 59 SECONDS EAST 218.09 FEET (ALSO RECORDED AS NORTH 3 DEGREES 23 MINUTES EAST, 217.80 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY NORTH 89 DEGREES 27 MINUTES 54 SECONDS EAST, 11.65 FEET (ALSO RECORDED AS NORTH 89 DEGREES 22 MINUTES EAST, 11.65 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY, NORTH 1 DEGREES 14 MINUTES 54 SECONDS WEST, 361.95 FEET (ALSO RECORDED AS NORTH 1 DEGREES 20 MINUTES WEST, 361.95 FEET) TO THE SOUTH LINE OF ALCOTT STREET; THENCE NORTH 89 DEGREES 27 MINUTES 04 SECONDS EAST, THEREON, 240.00 FEET FOR THE PLACE OF BEGINNING OF THE LAND HEREINAFTER DESCRIBED; THENCE CONTINUING ALONG THE SOUTH LINE OF ALCOTT STREET, NORTH 89 DEGREES 27 MINUTES 04 SECONDS EAST, 151.30 FEET; THENCE SOUTH 25 DEGREES 39 MINUTES 08 SECONDS EAST, 81.17 FEET; THENCE SOUTH 67 DEGREES 16 MINUTES 54 SECONDS EAST, 53.41 FEET; THENCE SOUTH 86 DEGREES 33 MINUTES 38 SECONDS EAST, 184.44 FEET; THENCE SOUTH 1 DEGREES 32 MINUTES 19 SECONDS EAST, 373.34 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 06 SECONDS WEST, 441.52 FEET; THENCE NORTH 9 DEGREES 31 MINUTES 16 SECONDS WEST, 482.26 FEET TO THE PLACE OF BEGINNING.

PARCEL 2

COMMENCING AT THE CENTER 1/4 POST OF SECTION 27, TOWN 2 SOUTH, RANGE 11 WEST, AND RUNNING THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 89 DEGREES 52 MINUTES EAST), ALONG THE EAST AND WEST 1/4 LINE, 99.10 FEET TO THE EASTERLY LINE OF THE CONRAIL (FORMERLY N.Y.C. RAILROAD) RIGHT-OF-WAY; THENCE NORTH 3 DEGREES 20 MINUTES 13 SECONDS EAST, THEREON 638.49 FEET (ALSO RECORDED AS NORTH 3 DEGREES 23 MINUTES EAST, 638.5 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY NORTH 3 DEGREES 22 MINUTES 59 SECONDS EAST 218.09 FEET (ALSO RECORDED AS NORTH 3 DEGREES 23 MINUTES EAST, 217.80 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY NORTH 89 DEGREES 27 MINUTES 54 SECONDS EAST, 11.65 FEET (ALSO RECORDED AS NORTH 89 DEGREES 22 MINUTES EAST, 11.65 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY, NORTH 1 DEGREES 14 MINUTES 54 SECONDS WEST, 361.95 FEET (ALSO RECORDED AS NORTH 1 DEGREES 20 MINUTES WEST, 361.95 FEET) TO THE SOUTH LINE OF ALCOTT STREET; THENCE NORTH 89 DEGREES 27 MINUTES 04 SECONDS EAST, THEREON, 391.30 FEET FOR THE PLACE OF BEGINNING OF THE LAND HEREINAFTER DESCRIBED; THENCE CONTINUING ALONG THE SOUTH LINE OF ALCOTT STREET, NORTH 85 DEGREES 21 MINUTES 26 SECONDS EAST, 270.06 FEET; THENCE SOUTH 4 DEGREES 38 MINUTES 34 SECONDS EAST, 30.00 FEET; THENCE SOUTH 85 DEGREES 21 MINUTES 26 SECONDS WEST, 5.69 FEET; THENCE SOUTH 1 DEGREES 32 MINUTES 19 SECONDS EAST, 96.40 FEET; THENCE NORTH 86 DEGREES 33 MINUTES 38 SECONDS WEST, 184.44 FEET; THENCE NORTH 67 DEGREES 16 MINUTES 54 SECONDS WEST, 53.41 FEET; THENCE NORTH 25 DEGREES 39 MINUTES 08 SECONDS WEST, 81.17 FEET TO THE PLACE OF BEGINNING.

PARCEL 3

COMMENCING AT THE CENTER 1/4 POST OF SECTION 27, TOWN 2 SOUTH, RANGE 11 WEST, AND RUNNING THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 89 DEGREES 52 MINUTES EAST), ALONG THE EAST AND WEST 1/4 LINE, 99.10 FEET TO THE EASTERLY LINE OF THE CONRAIL (FORMERLY N.Y.C. RAILROAD) RIGHT-OF-WAY; THENCE NORTH 3 DEGREES 20 MINUTES 13 SECONDS EAST, THEREON 638.49 FEET (ALSO RECORDED AS NORTH 3 DEGREES 23 MINUTES EAST, 638.5 FEET) FOR THE PLACE OF BEGINNING OF THE LAND HEREINAFTER DESCRIBED; THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY NORTH 3 DEGREES 22 MINUTES 59 SECONDS EAST 218.09 FEET (ALSO RECORDED AS NORTH 3 DEGREES 23 MINUTES EAST, 217.80 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY NORTH 89 DEGREES 27 MINUTES 54 SECONDS EAST, 11.65 FEET (ALSO RECORDED AS NORTH 89 DEGREES 22 MINUTES EAST, 11.65 FEET); THENCE CONTINUING ALONG THE EASTERLY LINE OF THE SAID RIGHT-OF-WAY, NORTH 1 DEGREES 14 MINUTES 54 SECONDS WEST, 361.95 FEET (ALSO RECORDED AS NORTH 1 DEGREES 20 MINUTES WEST, 361.95 FEET) TO THE SOUTH LINE OF ALCOTT STREET; THENCE NORTH 89 DEGREES 27 MINUTES 04 SECONDS EAST, THEREON, 240.0 FEET; THENCE SOUTH 9 DEGREES 31 MINUTES 16 SECONDS EAST, 482.26 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 06 SECONDS WEST, (ALSO RECORDED AS NORTH 89 DEGREES 52 MINUTES WEST), 91.45 FEET; THENCE SOUTH 0 DEGREES 05 MINUTES EAST, 47.50 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 06 SECONDS WEST (ALSO RECORDED AS NORTH 89 DEGREES 52 MINUTES WEST), 65.40 FEET; THENCE SOUTH 31 DEGREES 48 MINUTES WEST, 77.39 FEET (ALSO RECORDED AS SOUTH 31 DEGREES 53 MINUTES WEST, 77.85 FEET); THENCE SOUTH 76 DEGREES 21 MINUTES 46 SECONDS WEST, 26.92 FEET, (ALSO RECORDED AS SOUTH 76 DEGREES 21 MINUTES WEST, 26.9 FEET); THENCE NORTH 83 DEGREES 31 MINUTES WEST, 113.40 FEET TO THE PLACE OF BEGINNING.

PARCEL 4

COMMENCING AT THE CENTER 1/4 POST OF SECTION 27, TOWN 2 SOUTH, RANGE 11 WEST, AND RUNNING THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 89 DEGREES 52 MINUTES EAST), ALONG THE EAST AND WEST 1/4 LINE, 99.10 FEET TO THE EASTERLY LINE OF THE CONRAIL (FORMERLY N.Y.C. RAILROAD) RIGHT-OF-WAY; THENCE NORTH 3 DEGREES 20 MINUTES 13 SECONDS EAST, THEREON 638.49 FEET (ALSO RECORDED AS NORTH 3 DEGREES 23 MINUTES EAST, 638.5 FEET); THENCE SOUTH 83 DEGREES 31 MINUTES EAST, 113.40 FEET; THENCE NORTH 76 DEGREES 21 MINUTES 46 SECONDS EAST, 26.92 FEET (ALSO RECORDED AS NORTH 76 DEGREES 21 MINUTES EAST, 26.90 FEET); THENCE NORTH 31 DEGREES 48 MINUTES EAST, 77.39 FEET (ALSO RECORDED AS NORTH 31 DEGREES 53 MINUTES EAST, 77.85 FEET); THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 89 DEGREES 52 MINUTES EAST) 65.40 FEET; THENCE NORTH 0 DEGREES 05 MINUTES WEST, 47.50 FEET; THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 89 DEGREES 52 MINUTES EAST), 91.45 FEET; THENCE SOUTH 1 DEGREES 14 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 1 DEGREES 16 MINUTES EAST), 130.30 FEET; THENCE SOUTH 54 DEGREES 46 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 54 DEGREES 48 MINUTES EAST), 23.77 FEET FOR THE PLACE OF BEGINNING OF THE LAND HEREINAFTER DESCRIBED; THENCE SOUTH 81 DEGREES 43 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 81 DEGREES 45 MINUTES EAST) 31.70 FEET; THENCE SOUTH 38 DEGREES 35 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 38 DEGREES 37 MINUTES EAST), 58.53 FEET; THENCE SOUTH 8 DEGREES 24 MINUTES 31 SECONDS WEST (ALSO RECORDED AS SOUTH 8 DEGREES 20 MINUTES WEST), 171.23 FEET; THENCE NORTH 81 DEGREES 43 MINUTES 06 SECONDS WEST (ALSO RECORDED AS NORTH 81 DEGREES 45 MINUTES WEST), 74.29 FEET; THENCE NORTH 8 DEGREES 21 MINUTES 04 SECONDS EAST, 211.25 FEET (ALSO RECORDED AS NORTH 8 DEGREES 18 MINUTES EAST, 211.21 FEET) TO THE PLACE OF BEGINNING. TOGETHER WITH A RIGHT-OF-WAY FOR INGRESS AND EGRESS AND UTILITIES DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWESTERLY CORNER OF THE ABOVE DESCRIBED PARCEL AND RUNNING THENCE SOUTH 8 DEGREES 21 MINUTES 04 SECONDS WEST (ALSO RECORDED AS SOUTH 8 DEGREES 18 MINUTES WEST), 22.43 FEET; THENCE NORTH 54 DEGREES 46 MINUTES 06 SECONDS WEST (ALSO RECORDED AS NORTH 54 DEGREES 48 MINUTES WEST), 44.00 FEET; THENCE NORTH 1 DEGREES 14 MINUTES 06 SECONDS WEST (ALSO RECORDED AS NORTH 1 DEGREES 16 MINUTES WEST), 140.88 FEET; THENCE SOUTH 89 DEGREES 50 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 89 DEGREES 52 MINUTES EAST), 20.00 FEET; THENCE SOUTH 1 DEGREES 14 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 1 DEGREES 16 MINUTES EAST) 130.30 FEET; THENCE SOUTH 54 DEGREES 46 MINUTES 06 SECONDS EAST (ALSO RECORDED AS SOUTH 54 DEGREES 48 MINUTES EAST), 23.77 FEET TO THE PLACE OF BEGINNING.

PARCEL 5

THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING APPROXIMATELY 41.00 ACRES, AND BEING ALL OF KALAMAZOO COUNTY TAX PARCEL NO. 06-27-464-001, AND BEING LOCATED AT 303 E CORK ST, KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN, SAID TRACT OR PARCEL OF LAND BEING DESCRIBED BY THE KALAMAZOO COUNTY EQUALIZATION DEPARTMENT AS FOLLOWS:

SECTION 27-2-11 COM AT S 1/4 POST SEC 27-2-11, RNG TH N 89DEG 50MIN 36SEC E ALG S LI SD SEC 665.91FTTO ELY LI CONRAIL, FORMERLY N.Y.C. RAILROAD, R-O-W & PL OF BEG, TH N 13DEG 32MIN 24SEC W ALG ELY LI SD RAILROAD 511.90FT, TH CONTINUING ALG ELY LI SD RAILROAD N 78DEG 3MIN 36SEC E 90.03FT, TH CONTINUING ALG ELY LI SD RAILROAD N 13DEG 26MIN 8SEC W 1093.96FT, TH S 89DEG 24MIN E 509.87FT, TH S 3DEG 33MIN 43SEC W 417.54FT, TH N 72DEG 45MIN 30SEC E 1049.09FT, TH N 58DEG 28MIN 16SEC W 417.61FT, TH S 70DEG 53MIN 10SEC E 437.05FT, TH S 24DEG 2MIN 59SEC E 465FT, TH S 2DEG 18MIN 46SEC E 479.85 FT, TH S 49DEG 19MIN 48SEC W 116.73FT, TH S 56DEG 35MIN 41SEC W 58.17FT, TH S 63DEG 30MIN 47SEC W 85.93FT, TH S 51DEG 1MIN 42SEC W 116.22FT, TH S 55DEG 20MIN W 87.43FT, TH S 73DEG 22MIN 6SEC W 88.34FT, TH N 85DEG 16MIN 42SEC W 59.64FT, TH S 80DEG 15MIN 29SEC W 18.40FT, TH S 64DEG 10MIN 31SEC W 75.06FT, TH S 89DEG 21MIN 53SEC W 54.10FT, TH S 65DEG 47MIN 15SEC W 80.23FT, TH S 56DEG 4MIN 31SEC W 92.59FT, TH S 61DEG 33MIN 26SEC W 31.04FT, TH S 45DEG 0MIN 56SEC W 32.77FT, TH S 85DEG 13MIN 47SEC W 20.86FT, TH S 36DEG 1MIN 28SEC E 28FT, TH S 81DEG 0MIN 3SEC W 147.37FT, TH S 40DEG 31MIN 56SEC W 58FT, TH N 16DEG 27MIN 24SEC W 103.86FT, TH S 76DEG 8MIN 36SEC W 145.08FT, TH S 16DEG 27MIN 24SEC E 171.22FTTO S LI SD SEC, TH S 89DEG 50MIN 36SEC W THEREON 347.71FT TO PL OF BEG, EXC COM AT S 1/4 POST SD SEC, RNG TH N 8D9EG 50MIN 36SEC E ALG S LI SD SEC 1304.4SFT, TH N 0DEG 9MIN 24SEC W 921.50FT FOR PL OF BEG, TH N 62DEG 20MIN 44SEC W 208.71FT, TH N 27DEG 39MIN 16SEC E 208.71 FT, TH S 62DEG 20MIN 44SEC E 208.71FT, TH S 27DEG 39MIN 16SEC W 208.71FTTO PL OF BEG.

PARCEL 6

THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING APPROXIMATELY 0.16 ACRES, AND BEING ALL OF KALAMAZOO COUNTY TAX PARCEL NO. 06-27-473-001, AND BEING LOCATED AT 405 E CORK ST, KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN, SAID TRACT OR PARCEL OF LAND BEING DESCRIBED BY THE KALAMAZOO COUNTY EQUALIZATION DEPARTMENT AS FOLLOWS:

SECTION 27-2-11 COM AT S 1/4 POST SEC 27-2-11, RNG TH N 89DEG 50MIN 36SEC E ALG S LI SD SEC 1013.62FT, TH N 16DEG 27MIN 24SEC W 171.22FT, TH N 76DEG 8MIN 36SEC E 75.08FT FOR PL OF BEG, TH CONTINUING N 76DEG 8MIN 36SEC E 70FT, TH S 16DEG 27MIN 24SEC E 103.86FT, TH S 79DEG 6MIN 35SEC W 70.26FT, TH N 16DEG 27MIN 24SEC W 100.22FT TO PL OF BEG

PARCEL 7

THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING APPROXIMATELY 7.73 ACRES, AND BEING ALL OF KALAMAZOO COUNTY TAX PARCEL NO. 06-27-423-001, AND BEING LOCATED AT 425 E CORK ST, KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN, SAID TRACT OR PARCEL OF LAND BEING DESCRIBED BY THE KALAMAZOO COUNTY EQUALIZATION DEPARTMENT AS FOLLOWS:

SECTION 27-2-11 COM AT SW COR SEC 27-2-11, RNG TH S 89DEG 50MIN 36SEC W, ALSO RECORDED AS S 89DEG 48MIN 5SEC W, ALG S LI SD SEC 1731.80FT, TH N 0DEG 2MIN 31SEC E, ALSO RECORDED AS N, 1157.57FT FOR PL OF BEG, TH N 3DEG 33MIN 43SEC W, ALSO RECORDED AS N 3DEG 36MIN 14SEC W, 417.54FT, TH S 89DEG 24MIN E 46.17FT, TH N 36DEG 36MIN W 84.46FT, TH N 3DEG 33MIN 43SEC W, ALSO RECORDED AS N 3DEG 36MIN 14SEC W, 99.84FT, TH N 77DEG 7MIN 45SEC E, ALSO RECORDED AS N 77DEG 5MIN 14SEC E, 192.42FT, TH S 45DEG 47MIN 4SEC E, ALSO RECORDED AS S 45DEG 49MIN 35SEC E, 311.29FT, TH N 66DEG 11MIN 30SEC E, ALSO RECORDED AS N 66DEG 8MIN 59SEC E, 296.89FT, TH S 58DEG 28MIN 16SEC E, ALSO RECORDED AS S 58DEG 30MIN 47SEC E, 417.61FT, TH S 72DEG 45MIN 30SEC W, ALSO RECORDED AS S 72DEG 43MIN W, 1049.09FT TO PL OF BEG.

PARCEL 8

THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING APPROXIMATELY 1.00 ACRES, AND BEING ALL OF KALAMAZOO COUNTY TAX PARCEL NO. 06-27-454-001, AND BEING LOCATED AT 455 E CORK ST, KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN, SAID TRACT OR PARCEL OF LAND BEING DESCRIBED BY THE KALAMAZOO COUNTY EQUALIZATION DEPARTMENT AS FOLLOWS:

SECTION 27-2-11 COM AT 5 1/4 POST SEC 27-2-11, RNG TH N 89DEG 50MIN 36SEC E ALG S LI SD SEC 1304.45FT, TH N 0DEG 9MIN 24SEC W 921.50FT FOR PL OF BEG, TH N 62DEG 20MIN 44SEC W 208.71FT, TH N 27DEG 39MIN 16SEC E 208.71FT, TH S 62DEG 20MIN 44SEC E 208.71FT, TH S 27DEG 39MIN 16SEC W 208.71FT TO PL OF BEG.

PARCEL 9

THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING APPROXIMATELY 1.52 ACRES, AND BEING ALL OF KALAMAZOO COUNTY TAX PARCEL NO. 06-27-495-001, AND BEING LOCATED AT 501 E CORK ST, KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN, SAID TRACT OR PARCEL OF LAND BEING DESCRIBED BY THE KALAMAZOO COUNTY EQUALIZATION DEPARTMENT AS FOLLOWS:

SECTION 27-2-11 COM ATS 1/4 POST SEC 27-2-11, RNG TH N89DEG 50MIN 36SEC E ALG S LI SD SEC 1304.45FT FOR PL OF BEG, TH CONTINUING N 89DEG 50MIN 36SEC E ALG SD S LI 276.20.FT, TH N 0DEG 9MIN 24SEC W 290.20FT, TH S 84DEG 39MIN 3SSEC W 64.01FT, TH S 71DEG 2MIN 18SEC W 45.28FT, TH S 52DEG 32MIN 33SEC W 105.70FT, TH S 44DEG 5SMIN 49SEC W 37.90FT, TH S 46DEG 13MIN 14SEC W 81.04FT, TH S 0DEG 9MIN 24SEC E 123.10FT TO PL OF BEG.

PARCEL 10

THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING APPROXIMATELY 5.00 ACRES, AND BEING ALL OF KALAMAZOO COUNTY TAX PARCEL NO. 06-27-419-001, AND BEING LOCATED AT 525 E CORK ST REAR, KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN, SAID TRACT OR PARCEL OF LAND BEING DESCRIBED BY THE KALAMAZOO COUNTY EQUALIZATION DEPARTMENT AS FOLLOWS:

SECTION 27-2-11 ALL THAT PROPERTY IN SE 1/4 SEC 27-2-11 LYING WLY& SWLY OF ELY LI PORTAGE CREEK & BRYANT MILL POND & ELY OF FOLLOWING DESCRIBED LINE COM AT CEN 1/4 POST SD SEC, TH S 89DEG 50MIN 6SEC E 728.51FT ALG E&W 1/4 LI SD SEC, TH S 6DEG 22MIN 0SEC E 54.95FT FOR PL OF BEG, TH N 85DEG 59MIN 0SEC W 187.22FT, TH S 48DEG 39MIN 0SEC W 60.49FT, TH S 0DEG 19MIN 1SEC E 276.75FT, TH N 79DEG 35MIN 33SEC W 84.14FT, TH S 5DEG 38MIN 4SEC E 34.96FT, TH S 36DEG 36MIN 0SEC E 783.29FT, TH N 3DEG 33MIN 43SEC W 99.84FT, TH N 77DEG 7MIN 45SEC E 192.42FT, TH S 45DEG 47MIN 4SEC E 311.29FT, TH N 66DEG 11MIN 30SEC E 296.89FT, TH S 70DEG 53MIN 10SEC E 437.05FT, TH S 24DEG 2MIN 59SEC E 465FT, TH S 2DEG 18MIN 46SEC E 550FT, M-OR-L, TO SELY BANK PORTAGE CREEK, & PT OF ENDING.

PARCEL 11

THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING APPROXIMATELY 8.94 ACRES, AND BEING ALL OF KALAMAZOO COUNTY TAX PARCEL NO. 06-27-492-001, AND BEING LOCATED AT 603 E CORK ST, KALAMAZOO, KALAMAZOO COUNTY, MICHIGAN, SAID TRACT OR PARCEL OF LAND BEING DESCRIBED BY THE KALAMAZOO COUNTY EQUALIZATION DEPARTMENT AS FOLLOWS:

SECTION 27-2-11 COM SE COR SEC 27-2-11, TH S 89DEG 50MIN 36SEC W ALG S LI SD SEC 385.74FT FOR PL OF BEG, TH N 0DEG 9MIN 24SEC W 153.78FT, TH N 32DEG 30MIN 36SEC E 65.17FT, TH N 89DEG 50MIN 36SEC E 50.99FT, TH N 0DEG 9MIN 24SEC W 326.36FT, TH N 59DEG 39MIN 24SEC W 134.55FT, TH S 23DEG 43MIN 11SEC W 19.33FT, TH S 65DEG 50MIN 32SEC W 60.29FT, TH S 63DEG 16MIN 48SEC W 105.72FT, TH S 68DEG 2MIN 57SEC W 70.90FT, TH S 54DEG 7MIN W 53.34FT, TH S 58DEG 46MIN 15SEC W 23.77FT, TH S 42DEG 26MIN 7SEC W 41.13FT, TH S 54DEG 55MIN 52SEC W 67.28FT, TH S 43DEG 15MIN 18SEC W 32.97FT, TH S 60DEG 50MIN 22SEC W 19.15FT, TH S 78DEG 42MIN W 45.61FT, TH S 77DEG 1MIN 16SEC W 38.84FT, TH S 89DEG 57MIN 7SEC W 72.26FT, TH S 63DEG 21MIN 52SEC W 49.07FT, TH S 73DEG 1MIN 37SEC W 44.24FT, TH S 1247.34FT TO PL OF BEG, EXC COM AT S 1/4 POST SD SEC 27, RNG TH N 89DEG 50MIN 36SEC E ALG S LI SD SEC 1304.45FT FOR PL OF BEG, TH CONTINUING N 89DEG 50MIN 36SEC E ALG SD S LI 276.20FT, TH N 0DEG 9MIN 24SEC W 290.20FT, TH S 84DEG 39MIN 35SEC W 64.01FT, TH S 71DEG 2MIN 18SEC W 45.28FT, TH S 52DEG 32MIN 33SEC W 105.70FT, TH S 44DEG 55MIN 49SEC W 37.90FT, TH S 46DEG 13MIN 14SEC W 81.04FT, TH S 0DEG 9MIN 24SEC E 123.10FT TO PL OF BEG.

Beaver Valley Transferred Real Property:

MONACA, BEAVER COUNTY, PA

LEGAL DESCRIPTION

THAT CERTAIN TRACT OR PARCEL OF LAND **CONTAINING APPROXIMATELY 139.769 ACRES**, MORE OR LESS, BEING THE **RESIDUE OF THAT CERTAIN 435.879 ACRE TRACT** OF LAND BEING THE SAME PREMISES WHICH ATLANTIC RICHFIELD COMPANY, BY DEED DATED AUGUST 28, 1987 AND RECORDED ON OCTOBER 5, 1987 IN THE BEAVER COUNTY RECORDER OF DEEDS OFFICE IN DEED BOOK VOLUME 1316, PAGE 298, GRANTED AND CONVEYED UNTO ARCO CHEMICAL COMPANY, SAID 435.879 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

ALL THAT CERTAIN PIECE OF PARCEL OF LAND WITH THE BUILDINGS AND IMPROVEMENTS THEREON ERECTED SITUATE IN POTTER TOWNSHIP, BEAVER COUNTY, PENNSYLVANIA BOUNDED AND DESCRIBED IN ACCORDANCE WITH A LAND TITLE SURVEY OF THE 435.879 ACRE TRACT OF ATLANTIC RICHFIELD COMPANY DATED JULY 22, 1987 (THE "SURVEY"), AS PREPARED-BY MICHAEL BAKER, JR., INC., CONSULTING ENGINEERS, BEAVER, PENNSYLVANIA AS FOLLOWS:

BEGINNING AT A POINT RR SPIKE (SET) IN 'THE INTERSECTION OF PENNSYLVANIA STATE HIGHWAY ROUTE 18 AND LEGISLATIVE ROUTE 04101;

THENCE WITH THE CENTERLINE OF L.R.04101, SOUTH 73° 55' 00" EAST, A DISTANCE OF 267.63 FEET TO APOINT, RR SPIKE (SET);

THENCE, SOUTH 88° 51' 30" EAST, A DISTANCE OF 90.18 FEET TO A POINT, RR SPIKE (SET);

THENCE, NORTH 74°56' 30" EAST, A DISTANCE OF 152.67 FEET TO A POINT, RR SPIKE (SET);

THENCE, NORTH 88° 27' 30" EAST, A DISTANCE OF 126.26 FEET TO A POINT, RR SPIKE(SET), SAID-POINT BEING A COMMON CORNER TO LANDS NOW OR FORMERLY OF ST. JOE MINERALS CORPORATION ("ST. JOE");

THENCE, LEAVING SAID CENTERLINE AND WITH SAID LANDS OF ST. JOE, AND RUNNING THROUGH FOUR IRON PINS (FOUND), SOUTH 18° 05' 00" WEST, A DISTANCE OF 1,660.98 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME AND RUNNING THROUGH THREE IRON PINS (FOUND). NORTH 64° 04' '30" WEST, A DISTANCE OF 540.24 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH SAID LANDS OF ST. JOE, NORTH 85° 41' 00" WEST, A DISTANCE OF 157.10 FEET TO A POINT, IRON PIN (SET);

THENCE, NORTH 89° 02' 00" WEST, A DISTANCE OF 195.50 FEET TO A POINT, IRON PIN (SET);

THENCE, NORTH 85° 56' .00" WEST, A DISTANCE OF 869.81 FEET TO A POINT, IRON PIN (SET);

THENCE, SOUTH 67° 58' 00" WEST, A DISTANCE OF 421.74 FEET TO A POINT, IRON PIN (SET);

THENCE, SOUTH 67° 43' 00" WEST, A DISTANCE OF 168.35 FEET TO A POINT, IRON PIN (SET);

THENCE, SOUTH 74° 28' 00" WEST, A DISTANCE OF 714.45 FEET TO A POINT, IRON PIN (SET), SAID POINT BEING A COMMON CORNER TO LANDS NOW OR FORMERLY OF DRAVO CORPORATION ("DRAVO");

THENCE, WITH SAID LANDS OF DRAVO, NORTH 17° 56' 00" WEST, A DISTANCE OF 635.18 FEET TO A POINT, RR SPIKE (SET) IN THE CENTERLINE OF SAID ROUTE 18.;

THENCE, WITH THE SAME AND RUNNING THROUGH AN IRON PIN (SET) AT A DISTANCE OF 1,500.00 FEET NORTH 17° 56' 00" WEST, A TOTAL DISTANCE OF 1,852.00 FEET, TO A POINT AT THE LOW WATER MARK AS DETERMINED AND SHOWN ON PLAT OF SURVEY BY THE U.S. CORPS OF ENGINEERS, DATED MARCH 27. 1941;

THENCE, WITH SAID LOW WATER MARK, NORTH 52° 00' 00" EAST, A DISTANCE OF 2,405.06 FEET TO A POINT; THENCE, WITH THE SAME, NORTH 340 00' 00" EAST, A DISTANCE OF 2,193.36 FEET TO A POINT;

THENCE, WITH SAID LOW WATER MARK, NORTH 29° 19' 30" EAST, A DISTANCE OF 662.53 FEET TO A POINT;

THENCE, LEAVING SAID LOW WATER MARK, SOUTH 45° 51.' 4!" EAST, A DISTANCE OF 588.42 FEET TO A POINT;

THENCE, NORTH 43° 44' 15" EAST, A DISTANCE OF 402.31 FEET TO A POINT, SAID POINT BEING A CORNER TO LANDS NOW OR FORMERLY OF ST. JOE;

THENCE WITH SAID LANDS OF ST. JOE, SOUTH 46° 15' 45" EAST, A DISTANCE OF 198.56 FEET TO A POINT, IRON PIN (FOUND) SAID POINT BEING A COMMON CORNER TO SAID LANDS OF ST. JOE;

THENCE, WITH SAID LANDS OF ST. JOE, SOUTH 88° 46' 15" EAST, A DISTANCE OF 526.94 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME, SOUTH 85° 54' 00" EAST, A DISTANCE OF 774.16 FEET TO A POINT, IRON PIN (FOUND);

THENCE, SOUTH 84° 02' 30" EAST, A DISTANCE OF 303.12 FEET TO A POINT IRON PIN (SET);

THENCE, NORTH 87° 26' 30" EAST, A DISTANCE OF 369.94 FEET TO A POINT, IRON PIN (FOUND);

THENCE, SOUTH 74° 54' 37" EAST, A DISTANCE OF 425.69 FEET TO A POINT, IRON PIN (FOUND) ON THE NORTHERLY RIGHT-OF-WAY LINE NOW OR FORMERLY OF THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY;

THENCE, WITH SAID RIGHT-OF-WAY, SOUTH 43° 00' 30" WEST, A DISTANCE OF 933.82 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH SAID RIGHT-OF-WAY, SOUTH 38° 05' 39" WEST, A DISTANCE OF 995.61 FEET TO A POINT, IRON PIN (SET);

THENCE, SOUTH 45° 51' 45" EAST, A DISTANCE OF 3.97 FEET TO A POINT, IRON PIN (SET), SAID POINT BEING A COMMON CORNER TO LANDS NEW OR FORMERLY OF THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY;

THENCE, WITH LANDS OF SAID RAILROAD, SOUTH 43° 00' 00" WEST, A DISTANCE OF 290.50 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME, BY A CURVE TO THE RIGHT HAVING A RADIUS OF 508.34 FEET, AN ARC LENGTH OF 249.44 FEET AND A CHORD OF SOUTH 28° 56' 49.3" WEST, A DISTANCE OF 246.94 FEET TO A POINT, IRON PIN. (SET);

THENCE, WITH THE SAME, SOUTH 46° 59' 45" EAST, A DISTANCE OF 39.56 FEET TO A POINT, RR SPIKE (SET) IN THE CENTERLINE OF SAID ROUTE 18;

THENCE, WITH SAID CENTERLINE OF ROUTE 18 SOUTH 43° 30' 00" WEST, A DISTANCE OF 1,062.86 FEET TO A POINT, PLC NAIL (SET);

THENCE, WITH SAID CENTERLINE OF ROUTE 18 SOUTH 43° 31' 00" WEST, A DISTANCE OF 390.50 FEET TO A POINT, PLC NAIL (SET);

THENCE, WITH SAID CENTERLINE OF ROUTE 18, SOUTH 35° 46' 44" WEST, A DISTANCE OF 136.30 FEET TO A POINT, RR SPIKE (SET);

THENCE, WITH THE SAME, SOUTH 28° 39' 30" WEST, A DISTANCE OF 184.17 FEET TO A POINT, RR SPIKE (SET);

THENCE, WITH THE SAME, SOUTH 22° 48' 40" WEST, A DISTANCE OF 718.37 FEET TO A POINT, X-CUT IN CONCRETE;

THENCE, WITH THE SAME, SOUTH 26° 58' 30" WEST, 189.46 FEET TO THE POINT OR PLACE OF BEGINNING.

BEING, AS TO PART, THE SAME PREMISES WHICH SINCLAIR-KOPPERS COMPANY, BY DEED DATED JANUARY 1, 1974 AND RECORDED IN THE BEAVER COUNTY RECORDER OF DEEDS OFFICE IN DEED BOOK 1020, PAGE 719, GRANTED AND CONVEYED UNTO ARCO POLYMERS, INC.

AND BEING, AS TO THE REMAINDER, THE SAME PREMISES WHICH THE PENN CENTRAL CORPORATION, BY DEED DATED MAY 27, 1980 AND RECORDED IN THE BEAVER COUNTY RECORDER OF DEEDS OFFICE IN DEED BOOK 1147, PAGE 874, GRANTED AND CONVEYED UNTO ARCO POLYMERS, INC. AND THE SAID ARCO POLYMERS, INC. MERGED INTO ATLANTIC RICHFIELD COMPANY, A DELAWARE CORPORATION, PURSUANT TO A PLAN OF MERGER EFFECTIVE JUNE 30, 1981, SUCH MERGER BEING EFFECTIVE JUNE 30, 1981, SUCH MERGER BEING EVIDENCED BY A CERTIFICATE OF MERGER FILED IN THE DEPARTMENT OF STATE OF THE COMMONWEALTH OF PENNSYLVANIA ON JUNE 1, 1981 AND EFFECTIVE ON JUNE 30, 1981, AND THE SAID ATLANTIC RICHFIELD CORPORATION WAS THE SURVIVING CORPORATION OF SUCH MERGER.

EXCEPTING THEREOUT AND THEREFROM ALL THAT CERTAIN 225 SQUARE FEET PIECE OR PARCEL OF LAND WHICH THE COUNTY OF BEAVER, BY DEED DATED JANUARY 2, 1964 AND RECORDED IN THE BEAVER COUNTY RECORDER OF DEEDS OFFICE IN DEED BOOK 848, PAGE 415, GRANTED AND CONVEYED UNTO ST. JOSEPH LEAD COMPANY, A NEW YORK CORPORATION, AS MORE FULLY DESCRIBED THEREIN AS TRACT 9 ON PAGE 418 THEREOF.

ALSO EXCEPTING THEREOUT AND THEREFROM ALL THAT CERTAIN PIECE OR PARCEL OF LAND WHICH ARCO POLYMERS, INC., BY DEED DATED JUNE 17, 1980 AND RECORDED IN THE BEAVER COUNTY RECORDER OF DEEDS OFFICE IN DEED BOOK 1147, PAGE 880, GRANTED AND CONVEYED UNTO POLYSAR INCORPORATED, AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE CENTERLINE OF MONACA ROAD (PA. T. R. 18)
WHERE THE SAME IS INTERSECTED BY THE EASTERLY LINE OF LANDS N/F OF ARCO
POLYMERS, INC.;

THENCE BY SAID EASTERLY LINE N 45° 51' 45" W, 241.00' TO A POINT, SAID POINT
BEING THE TRUE POINT OF BEGINNING FOR THE PARCEL HEREIN DESCRIBED;

THENCE ALONG LANDS N/F OF ARCO POLYMERS, INC., S 43° 13' 31" W, 174.47' TO A
POINT CUT THE WESTERLY LINE OF A RIGHT-OF-WAY N/F PENDEL CORPORATION;

THENCE BY SAID RIGHT OF WAY IN A SOUTHWEST DIRECTION, BY A CURVE TO THE
RIGHT, HAVING A RADIUS OF 468.34' AND AN ARC LENGTH OF 407.95';

THENCE CONTINUING BY SAID RIGHT OF WAY, S 43° 00' 15" W, 188.58' TO A POINT;

THENCE ALONG LANDS N/F OF ARCO POLYMERS, INC., THE FOLLOWING FOUR (4)
COURSES AND DISTANCES:

N 46° 43' 37" W, 733.78';

N 16° 04' 03" E, 575.32';

N 44° 08' 15" E, 221.32';

S 45° 51' 45" E, 824.13' TO THE PLACE OF BEGINNING.

SAID PARCEL CONTAINING AN AREA OF 607,322.83 SQUARE FEET, OR 13.94 ACRES,
AS SHOWN ON MICHAEL BAKER, JR., INC., DRAWING NUMBER 2-10-4736-A DATED
FEBRUARY 22, 1980.

AND ALSO EXCEPTING THEREOUT AND THEREFROM ALL THAT CERTAIN REAL
PROPERTY WHICH ATLANTIC RICHFIELD COMPANY, BY DEED DATED SEPTEMBER 17,
1985 END RECORDED IN THE BEAVER COUNTY RECORDER OF DEEDS OFFICE IN
DEED BOOK 1251, PAGE 744, GRANTED AND CONVEYED UNTO BV PARTNERS, A
PENNSYLVANIA GENERAL PARTNERSHIP.

CONTAINING A NET AREA OF 435.879 ACRES, MORE OR LESS.

EXCEPTING THEREOUT AND THEREFROM SAID 435.879 ACRE TRACT OF LAND
ALL THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING 296.110 ACRES, MORE
OR LESS, WHICH ARCO CHEMICAL COMPANY, BY DEED DATED NOVEMBER 21, 1997
AND RECORDED IN THE BEAVER COUNTY RECORDER OF DEEDS OFFICE IN DEED
BOOK 1797, PAGE 492 GRANTED AND CONVEYED UNTO NOVA CHEMICALS, INC., SAID
296.110 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES
AND BOUNDS AS FOLLOWS:

ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN POTTER TOWNSHIP, BEAVER COUNTY, PENNSYLVANIA, AND BEING THE COMBINED AREA OF LOTS KNOWN AS NO. 1A AND NO. 1B AS SHOWN ON THE LAND TIDE SURVEY FOR THE PROPERTY OF ARCO CHEMICAL COMPANY DATED SEPTEMBER 20, 1996 (M. B. JR. 2-10-5251) AS PREPARED BY MICHAEL BAKER JR., INC., CONSULTING ENGINEERS. BEAVER, PENNSYLVANIA, AND BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT, CONCRETE MONUMENT (FOUND) AT THE SOUTHWESTERLY CORNER OF LOT NO. 1A AS SHOWN ON SAID TITLE SURVEY, SAID POINT ALSO BEING THE SOUTHWESTERLY CORNER OF THE LANDS HEREIN DESCRIBED AND ALSO BEING A COMMON CORNER OF THE LANDS, NOW OR FORMERLY, OF HORSEHEAD INDUSTRIES, INC. AND OF DRAVO BASIC MATERIALS COMPANY, INC.;

THENCE, WITH THE EASTERLY LINE OF LAND OF SAID DRAVO AND LANDS, NOW OR FORMERLY, OF CONRAIL, NORTH $17^{\circ} 56' 53''$ WEST, 1,078.18 FEET TO A POINT, IRON PIN (SET), SAID POINT BEING THE NORTHWESTERLY CORNER OF LOT NO. 1B AND THE SOUTHWESTERLY CORNER OF LOT NO. 3B AS SHOWN ON SAID TITLE SURVEY;

THENCE, WITH THE DIVIDING LINE BETWEEN SAID LOT NO. 1B AND 3B, NORTH $76^{\circ} 29' 47''$ EAST, 185.28 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME, NORTH $74^{\circ} 46' 19''$ EAST, 163.53 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME, NORTH $76^{\circ} 31' 27''$ EAST, 407.34 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME, NORTH $43^{\circ} 57' 30''$ EAST, 19.04 FEET TO A POINT, IRON PIN (SET), SAID POINT BEING ON THE SOUTHERLY LINE OF LOT NO. 2A AS SHOWN ON THE SAID TITLE SURVEY;

THENCE, WITH THE SOUTHERLY LINE OF SAID LOT NO. 2A, NORTH $43^{\circ} 57' 30''$ EAST, 390.91 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE EASTERLY LINE OF SAID LOT NO. 2A, BY A CURVE TO THE RIGHT HAVING A RADIUS OF 286'.22 FEET, AN ARC LENGTH OF 140.11 FEET AND A CHORD OF NORTH $60^{\circ} 26' 42''$ WEST, 138.71 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE NORTHERLY LINE OF SAID LOT NO. 2A, SOUTH $87^{\circ} 46' 59''$ WEST, 788.92 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME, NORTH 33° 53' 26" WEST, 98.49 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE SAME, SOUTH 56° 06' 34" WEST, 245.11 FEET TO A POINT, IRON PIN (SET);

THENCE, WITH THE WESTERLY LINE OF SAID LOT NO. 1A AND THE EASTERLY LINE OF OTHER LANDS, NOW OR FORMERLY, OF ARCO CHEMICAL COMPANY; NORTH 17° 56' 53" WEST, 924.92 FEET TO A POINT AT THE LOW WATER MARK AS DETERMINED AND SHOWN ON PLAT OF SURVEY BY THE U.S. CORPS OF ENGINEERS, DATED MARCH 27, 1941; THENCE, WITH SAID LOW WATER MARK, NORTH 52° 00' 00" EAST, 2,405.18 FEET TO A POINT;

THENCE, WITH THE SAME, NORTH 40° 00' 00" EAST, 2,193.36 FEET TO A POINT, SAID POINT BEING THE NORTHEASTERLY CORNER OF SAID LOT NO. 1A AND THE NORTHWESTERLY CORNER OF LOT NO. 3A AS SHOWN ON SAID TITLE SURVEY;

THENCE, LEAVING SAID LOW WATER MARK, SOUTH 26° 54' 02" EAST, 944.86 FEET TO A POINT AT THE WEST EDGE OF RACCOON CREEK;

THENCE, WITH SAID WEST EDGE THE FOLLOWING COURSES AND DISTANCES:

SOUTH 16° 32' 58" EAST. 271.10 FEET TO A POINT;

SOUTH 14° 50' 40" EAST. 231.62 FEET TO A POINT;

SOUTH 11° 03' 10" EAST, 313.91 FEET TO A POINT;

SOUTH 10° 14' 19" EAST, 271.84 FEET TO A POINT;

SOUTH 08° 39' 22" EAST, 266.80 FEET TO A POINT;

SOUTH 00° 08' 09" EAST, 242.17 FEET TO A POINT:

SOUTH 06° 16' 24" WEST, 298.86 FEET TO A POINT:

SOUTH 22° 10' 24" WEST. 121.98 FEET TO A POINT:

SOUTH 23° 14' 33" WEST, 76.73 FEET TO A POINT:

SOUTH 32° 28' 59" WEC. 189.98 FEET TO A PALM:

SOUTH 28° 10' 33" WEST, 285.52 FEET TO A POINT:

SOUTH 2° 15' 58" WEST, 170.61 FEET TO A POINT;

SOUTH 02° 50' 17" WEST, 83.29 FEET TO A POINT;

SOUTH 27° 36' 31" EAST, 131.28 FEET TO A POINT:

SOUTH 51° 25' 30" EAST. 107.28 FEET TO A POINT;

SOUTH 70° 06' 08" EAST 141.96 FEET TO A POINT;

SOUTH 70° 06' 08" EAST, 52.27 FEET TO A POINT IN THE CENTERLINE OF
PENNSYLVANIA STATE HIGHWAY ROUTE 18:

THENCE, WITH SAID CENTERLINE, SOUTH 22° 48' 40" WEST, 27.35 FEET TO A POINT,
X-CUT IN CONCRETE (FOUND);

THENCE, WITH THE SAME. SOUTH 26° 58' 30" WEST, 189.46 FEET TO A POINT, P.K.
NAIL (FOUND) IN THE CENTERLINE INTERSECTION OF SAID ROUTE 18 AND SR 3019;

THENCE, WITH THE CENTERLINE OF SAID SR 3019, SOUTH 73° 55' 00" EAST, 267.63
FEET TO A POINT. R. R. SPIKE (FOUND);

THENCE, WITH THE SAME, SOUTH 88° 51' 30" EAST. 90.18 FEET TO A POINT. R. R.
SPIKE (FOUND);

THENCE, WITH THE SAME. NORTH 74° 56' 30" EAST, 152.67 FEET TO A POINT, R. R.
SPIKE (FOUND);

THENCE, WITH THE SAME, NORTH 88° 27' 30" EAST. 126.26 FEET TO A POINT, R. R.
SPIKE (FOUND), SAID POINT BEING ON THE EASTERLY LINE OF LOT NO. 1A AS
SHOWN ON SAID TITLE SURVEY:

THENCE, LEAVING SAID CENTERLINE OF SR 3019 AND WITH THE LANDS, NOW OR
FORMERLY, OF HORSEHEAD INDUSTRIES, INC., SOUTH 18° 07' 41" WEST, 1,659.94
FEET TO A POINT. IRON PIN (FOUND);

THENCE, WITH THE NORTHERLY LINE OF LANDS OF SAID HORSEHEAD, NORTH 64°
04' 17" WEST, 539.38 FEET TO A POINT, CONCRETE MONUMENT (FOUND);

THENCE, WITH THE SAME, NORTH 85° 15' 4" WEST, 157.46 FEET TO A POINT,
CONCRETE MONUMENT (FOUND);

THENCE, WITH THE SAME. NORTH 89° 02' 01" WEST. 195.48 FEET TO A POINT, IRON
PIN (SET);

THENCE, WITH THE SAME. NORTH 85° 56' 06" WEST. 869.79 FEET TO A POINT,
CONCRETE MONUMENT (FOUND):

THENCE WITH THE SAME, SOUTH 67° 55' 18" WEST, 421.71 FEET TO A POINT,
CONCRETE MONUMENT (FOUND);

THENCE, WITH THE SAME. SOUTH 67° 41' 03" WEST, 168.32 FEET TO A POINT,
CONCRETE MONUMENT (FOUND);

THENCE, WITH THE SAME, SOUTH 74° 25' 46" WEST, 714.34 FEET TO A POINT OR
PLACE OF BEGINNING.

SAID PARCEL CONTAINING AN AREA OF 296.110 ACRES, MORE OR LESS.

Bully Hill, Rising Star, and Excelsior Mines Transferred Real Properties:

SHASTA COUNTY, CA

LEGAL DESCRIPTION

PARCEL 1 (BULLY HILL MINE - APN 026-120-034):

ALL OF THE RIGHT TITLE AND INTEREST IN THE PROPERTY IDENTIFIED AS SHASTA COUNTY **ASSESSOR'S PARCEL NO. 026-120-034**, INCLUDING, BUT NOT LIMITED TO CERTAIN PROPERTY INTERESTS ASSOCIATED WITH THE BULLY HILL MINE OPERATIONS LOCATED IN PORTIONS OF SECTIONS 15, 16 AND 22, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M., SAID ASSESSOR'S PARCEL BEING COMPRISED OF THE FOLLOWING PATENTED MINING CLAIMS:

A) THAT PATENTED PLACER MINING CLAIM KNOWN AS THE POPEJOY, DESCRIBED IN THE PATENT RECORDED OCTOBER 13, 1892 IN BOOK 4 OF PATENTS AT PAGE 352, DESIGNATED BY THE SURVEYOR GENERAL AS LOT NO. 45 BEING A PORTION OF SECTIONS 15, 16 AND 22, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M. ACCORDING TO THE OFFICIAL PLAT THEREOF;

EXCEPTING THEREFROM ANY VEINS OR LODES OF QUARTZ, OR OTHER ROCK IN PLACE BEARING GOLD, SILVER, CINNABAR, LEAD, TIN, COPPER OR OTHER VALUABLE DEPOSITS WITHIN THE LAND ABOVE DESCRIBED, WHICH MAY HAVE DISCOVERED OR KNOWN TO EXIST ON OR PRIOR TO THE 21ST DAY OF FEBRUARY, 1887.

ALSO EXCEPTING THEREFROM ALL SURFACE RIGHTS AT OR BELOW THE 1070 FOOT CONTOUR ABOVE MEAN SEA LEVEL AS CONVEYED TO THE UNITED STATES OF AMERICA BY JUDGMENT DATED DECEMBER 16, 1948 AND RECORDED MAY 8, 1975 IN BOOK 1272, PAGE 265 OFFICIAL RECORDS.

PARCEL 2 (RISING STAR MINE – APN 026-110-008):

ALL OF THE RIGHT TITLE AND INTEREST IN THE PROPERTY IDENTIFIED AS SHASTA COUNTY **ASSESSOR'S PARCEL NUMBER 026-110-008**, INCLUDING, BUT NOT LIMITED TO ALL OF THE PROPERTY INTERESTS ASSOCIATED WITH THE RISING STAR MINE OPERATIONS AND A PORTION OF THE PROPERTY INTERESTS ASSOCIATED WITH THE BULLY HILL MINE OPERATIONS, ALL LOCATED IN PORTIONS OF SECTIONS 15, 16 AND 21, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M., SAID ASSESSOR'S PARCEL BEING COMPRISED OF THE FOLLOWING PATENTED MINING CLAIMS:

A) THAT PATENTED LODE MINING CLAIM KNOWN AS THE NORTHERN LIGHT, DESCRIBED IN THE PATENT RECORDED NOVEMBER 17, 1896 IN BOOK 5 OF PATENTS AT PAGE 295, DESIGNATED BY THE SURVEYOR GENERAL AS LOT NO. 46, SURVEY NO. 3226, BEING A PORTION OF SECTIONS 15 AND 16, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M. ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

B) THAT PATENTED LODE MINING CLAIM KNOWN AS THE REDDING CONSOLIDATED CONSISTING OF THE REDDING, SHASTA AND KESWICK DESCRIBED IN THE PATENT RECORDED SEPTEMBER 27, 1904 IN BOOK 7 OF PATENTS AT PAGE 354, DESIGNATED BY THE SURVEYOR GENERAL AS SURVEY NO. 3729, BEING A PORTION OF SECTIONS 15, 16 AND 21, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M. ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

C) THAT PATENTED LODE MINING CLAIM KNOWN AS THE AQUEOUS, DESCRIBED IN THE PATENT RECORDED DECEMBER 31, 1904 IN BOOK 9 OF PATENTS AT PAGE 30, DESIGNATED BY THE SURVEYOR GENERAL AS SURVEY NO. 3910, BEING A PORTION OF SECTIONS 15 AND 16, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M., ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

D) THAT PATENTED LODE MINING CLAIM KNOWN AS THE POTTER QUARTZ CONSISTING OF THE POPEJOY, BULLY HILL AND JENNIE JUNE QUARTZ LOCATIONS, DESCRIBED IN THE PATENT RECORDED NOVEMBER 12, 1895 IN BOOK 5 OF PATENTS AT PAGE 264, DESIGNATED BY THE SURVEYOR GENERAL AS LOT NOS. 42, 43 AND 44, SURVEY NO. 2518, BEING A PORTION OF SECTIONS 16 AND 21, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M., ACCORDING TO THE OFFICIAL PLAT THEREOF,

EXCEPTING THEREFROM THAT PORTION OF THE JENNIE JUNE DESCRIBED IN THE DEED TO H.C. MCCLURE RECORDED FEBRUARY 13, 1902 IN BOOK 69 OF DEEDS AT PAGE 316; AND

E) THAT PATENTED LODE MINING CLAIM KNOWN AS THE RISING STAR AND HILLSIDE DESCRIBED IN THE PATENT RECORDED APRIL 29, 1907 IN BOOK 11 OF PATENTS AT PAGE 124, DESIGNATED BY THE SURVEYOR GENERAL AS SURVEY NO. 3727, BEING A PORTION OF SECTION 21, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M. ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

F) THAT PATENTED LODE MINING CLAIM KNOWN AS THE HOWARD, SANDERS AND DIAMOND FRACTION, DESCRIBED IN THE PATENT RECORDED JULY 8, 1930 IN BOOK 58, PAGE 218, OFFICIAL RECORDS, DESIGNATED BY THE SURVEYOR GENERAL AS SURVEY NO. 5975, BEING A PORTION OF SECTION 21, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M. ACCORDING TO THE OFFICIAL PLAT THEREOF;

EXCEPTING FROM SAID HOWARD AND SANDERS CLAIMS ALL SURFACE RIGHTS AT OR BELOW THE 1070 FOOT CONTOUR ABOVE MEAN SEA LEVEL AS CONVEYED TO THE UNITED STATES OF AMERICA BY JUDGMENT DATED DECEMBER 16, 1948 AND RECORDED MAY 8, 1975 IN BOOK 1272, PAGE 265, OFFICIAL RECORDS.

G) THAT PATENTED LODE MINING CLAIM KNOWN AS THE BROWN, DESCRIBED IN THE PATENT RECORDED OCTOBER 1, 1904 IN BOOK 7 OF PATENTS AT PAGE 361, DESIGNATED BY THE SURVEYOR GENERAL AS SURVEY NO. 3909, BEING A PORTION OF SECTION 21, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M., ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL SURFACE RIGHTS AT OR BELOW THE 1070 FOOT CONTOUR ABOVE MEAN SEA LEVEL AS CONVEYED TO THE UNITED STATES OF AMERICA BY JUDGMENT DATED DECEMBER 16, 1948 AND RECORDED MAY 8, 1975 IN BOOK 1272 PAGE 265, OFFICIAL RECORDS.

PARCEL 3 (EXCELSIOR MINE – APN 026-110-017)

ALL OF THE RIGHT TITLE AND INTEREST IN THE PROPERTY IDENTIFIED AS SHASTA COUNTY **ASSESSOR'S PARCEL NUMBER 026-110-017**, INCLUDING, BUT NOT LIMITED TO ALL OF THE PROPERTY INTERESTS ASSOCIATED WITH THE EXCELSIOR MINE OPERATIONS LOCATED IN PORTIONS OF SECTIONS 21 AND 28, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M., SAID ASSESSOR'S PARCEL BEING COMPRISED OF THE FOLLOWING PATENTED MINING CLAIMS:

A) THAT PATENTED LODE MINING CLAIM KNOWN AS THE EXCELSIOR MINE DESCRIBED IN THE PATENT RECORDED JANUARY 20, 1950 IN BOOK 16 OF PATENTS AT PAGE 277, DESIGNATED BY THE SURVEYOR GENERAL AS LOT NO. 39A, BEING A PORTION OF SECTION 21, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M. ACCORDING TO THE OFFICIAL PLAT THEREOF; AND

B) THAT PATENTED LODE MINING CLAIM KNOWN AS THE BAXTER, DESCRIBED IN THE PATENT RECORDED JULY 13, 1899 IN BOOK 7 OF PATENTS AT PAGE 21, DESIGNATED BY THE SURVEYOR GENERAL AS LOT NO. 47, SURVEY NO. 3425, BEING A PORTION OF SECTIONS 21 AND 28, TOWNSHIP 34 NORTH, RANGE 3 WEST, M.D.M. ACCORDING TO THE OFFICIAL PLAT THEREOF;

EXCEPTING THEREFROM ALL SURFACE RIGHTS AT OR BELOW THE 1070 FOOT CONTOUR ABOVE MEAN SEA LEVEL AS CONVEYED TO THE UNITED STATES OF AMERICA BY JUDGMENT DATED, DECEMBER 16, 1948 AND RECORDED MAY 8, 1975 IN BOOK 1272, PAGE 265, OFFICIAL RECORDS.

Charlotte Transferred Real Property:

MECKLENBERG COUNTY, NC

LEGAL DESCRIPTION

BEGINNING AT AN IRON PIN IN THE NORTHEASTERLY CORNER OF PROPERTY NOW OR FORMERLY OWNED BY FRED LYONS, AND BEING A CORNER OF PROPERTY CONVEYED TO PIEDMONT AND NORTHERN RAILWAY COMPANY BY THE TRUSTEE OF REALTY INVESTMENT AND SECURITIES COMPANY, SAID POINT ALSO BEING THE BEGINNING POINT OF THAT DEED RECORDED IN BOOK 1809, PAGE 125 OF THE MECKLENBURG PUBLIC REGISTRY;

AND FROM SAID BEGINNING POINT RUNNING THENCE S. 73-08 W. 377.61 FEET TO A STAKE IN THE EASTERLY MARGIN OF GLENWOOD DRIVE, SAID STAKE BEING 30 FEET FROM THE CENTER LINE OF SAID ROAD, MEASURED AT RIGHT ANGLES;

THENCE RUNNING WITH THE EASTERLY MARGIN OF GLENWOOD DRIVE N. 12-25-15 W. 490.38 FEET TO A STAKE;

THENCE N. 77-34-45 E. 1074.20 FEET TO A STAKE IN THE LINE OF THE P & N REALTY COMPANY PROPERTY AS SHOWN ON THAT SURVEY OF R. B. PHARR AND ASSOCIATES DATED MARCH 23, 1971;

RUNNING THENCE WITH THE LINE OF SAID P & N REALTY COMPANY PROPERTY S. 10-36-45 E. 536.71 FEET TO A POINT;

THENCE RUNNING S. 0-45 W. 324.76 FEET TO A MANHOLE;

THENCE RUNNING S. 62-34 W. 187.65 FEET TO A MANHOLE;

THENCE RUNNING S. 53-38-30 W 209.05 FEET TO A POINT;

THENCE RUNNING N. 43-15 W. 162.77 FEET TO A POINT;

THENCE RUNNING S. 47-15 W. 11.49 FEET TO A POINT;

THENCE RUNNING N. 32-16 W. 415.70 FEET TO THE POINT AND PLACE OF BEGINNING.

Gypsum Pile Transferred Real Property:

MORRIS, GRUNDY COUNTY, IL

LEGAL DESCRIPTION

THAT PART OF SECTION 28 AND THAT PART OF SECTION 33, BOTH IN TOWNSHIP 34 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 28;

THENCE SOUTH 01° 16' 52" EAST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28 FOR A DISTANCE OF 205.76 FEET (205.41 FEET DEED) TO THE SOUTH LINE OF A 100 FOOT WIDE PARCEL OF LAND AS DESCRIBED IN WARRANTY DEED RECORDED MAY 7, 1962 IN BOOK 251 PAGE 692 SAID POINT ALSO BEING THE POINT OF BEGINNING;

THENCE SOUTH 01° 16' 52" EAST ALONG THE EAST LINE OF SAID NORTHEAST QUARTER FOR A DISTANCE OF 2439.86 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 28;

THENCE SOUTH 00° 49' 15" EAST ALONG THE EAST LINE OF THE SOUTHEAST FRACTIONAL QUARTER OF SAID SECTION 28 FOR A DISTANCE OF 1240 FEET MORE OR LESS TO THE CENTER THREAD OF THE ILLINOIS RIVER;

THENCE SOUTHWESTERLY ALONG THE CENTER THREAD OF THE ILLINOIS RIVER TO THE INTERSECTION OF SAID CENTER THREAD WITH THE SOUTHERLY EXTENSION OF A LINE PARALLEL WITH AND 2849.57 FEET WEST OF THE EAST LINE OF THE SOUTHEAST FRACTIONAL QUARTER (AS MEASURED ALONG THE EAST-WEST HALF SECTION LINE) OF SAID SECTION 28;

THENCE NORTH 00° 49' 15" WEST ALONG SAID LINE PARALLEL WITH AND 2849.57 FEET WEST OF THE EAST LINE OF THE SOUTHEAST FRACTIONAL QUARTER SECTION (AS MEASURED ALONG THE EAST-WEST HALF SECTION LINE) OF SAID SECTION 28 FOR A DISTANCE OF 326 FEET MORE OR LESS TO THE NORTH BANK OF THE ILLINOIS RIVER;

THENCE SOUTHWESTERLY ALONG THE NORTH BANK OF THE ILLINOIS RIVER TO THE INTERSECTION OF SAID NORTH BANK WITH THE SOUTHERLY EXTENSION OF A LINE PARALLEL WITH AND 3349.57 FEET WEST OF THE EAST LINE OF THE SOUTHEAST FRACTIONAL QUARTER (AS MEASURED ALONG THE EAST-WEST HALF SECTION LINE) OF SAID SECTION 28;

THENCE NORTH 00° 49' 15" WEST ALONG A LINE PARALLEL WITH AND 3349.57 FEET WEST OF THE EAST LINE OF THE SOUTHEAST FRACTIONAL QUARTER (AS MEASURED ALONG THE EAST-WEST HALF SECTION LINE) OF SAID SECTION 28 FOR A DISTANCE OF 2817 FEET MORE OR LESS TO THE EAST-WEST HALF SECTION LINE OF SAID SECTION 28;

THENCE NORTH 01° 16' 52" WEST ALONG A LINE PARALLEL WITH AND 3349.57 FEET WEST OF THE EAST LINE OF THE NORTHEAST QUARTER (AS MEASURED ALONG THE EAST-WEST HALF SECTION LINE) OF SAID SECTION 28 FOR A DISTANCE OF 861.90 FEET;

THENCE NORTH 84° 54' 24" EAST, 148.97 FEET;

THENCE NORTH 87° 28' 50" EAST, 292.10 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF A TANGENT CURVE CONCAVE TO THE NORTH WITH A CHORD BEARING AND DISTANCE OF NORTH 77° 45' 33" EAST, 194.19 FEET, HAVING A RADIUS OF 575.00 FEET FOR AN ARC DISTANCE OF 195.12 FEET;

THENCE NORTH 68° 02' 16" EAST, 171.34 FEET;

THENCE NORTH 19° 00' 41" WEST, 142.06 FEET TO THE SOUTH LINE OF A 100 FOOT WIDE PARCEL OF LAND AS DESCRIBED IN WARRANTY DEED RECORDED MAY 7, 1962 IN BOOK 251 PAGE 692;

THENCE NORTH 70° 59' 10" EAST, 554.01 FEET MEASURED (NORTH 72° 57' 20" EAST DEED) ALONG THE SOUTH LINE OF SAID 100 FOOT WIDE PARCEL OF LAND AS DESCRIBED IN SAID WARRANTY DEED;

THENCE NORTH 69° 11' 40" EAST, 157.56 FEET MEASURED (NORTH 71° 03' 20" EAST, 157.79 FEET DEED) ALONG THE SOUTH LINE OF SAID 100 FOOT WIDE PARCEL OF LAND AS DESCRIBED IN SAID WARRANTY DEED;

THENCE NORTH 65° 40' 35" EAST, 180.70 FEET MEASURED (NORTH 67° 25' 30" EAST, 180.81 FEET DEED) ALONG THE SOUTH LINE OF SAID 100 FOOT WIDE PARCEL OF LAND AS DESCRIBED IN SAID WARRANTY DEED;

THENCE NORTH 61° 39' 07" EAST, 266.54 FEET MEASURED (NORTH 63° 27' 15" EAST, 265.91 FEET DEED) ALONG THE SOUTH LINE OF SAID 100 FOOT WIDE PARCEL OF LAND AS DESCRIBED IN SAID WARRANTY DEED;

THENCE NORTH 58° 09' 51" EAST, 1766.67 FEET MEASURED (NORTH 60° 13' 30" EAST, 1764.03 FEET DEED) ALONG THE SOUTH LINE OF SAID 100 FOOT WIDE PARCEL OF LAND AS DESCRIBED IN SAID WARRANTY DEED TO THE POINT OF

BEGINNING, CONTAINING 265.643 ACRES, MORE OR LESS ALL SITUATED IN GRUNDY
COUNTY, ILLINOIS.

Saint Helena Transferred Real Property:

ST. HELENA PLANT, 2701 BROENING HIGHWAY

BALTIMORE, BALTIMORE COUNTY, MD

LEGAL DESCRIPTION

ALL THOSE LOTS OF GROUND SITUATE IN BALTIMORE CITY, STATE OF MARYLAND, AND DESCRIBED AS FOLLOWS, THAT IS TO SAY: ALL THOSE LOTS OR PARCELS OF LAND MORE PARTICULARLY SET FORTH IN THE FOLLOWING CONVEYANCES, THE DESCRIPTIONS THEREIN BEING INCORPORATED HEREIN BY REFERENCE THERETO, LESS ANY PORTIONS HERETOFORE CONVEYED:

1. DEED FROM MAYOR AND CITY COUNCIL OF BALTIMORE TO THE GLIDDEN COMPANY DATED APRIL 24, 1950, AND RECORDED AMONG THE LAND RECORDS O1 BALTIMORE CITY IN LIBER M.L.P. NO. 8100, PAGE 578.
2. DEED FROM PERRY T. DARBY, ET. AL., TO THE GLIDDEN COMPANY DATED AUGUST 17, 1945, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER M.L.P. NO. 6785, PAGE 61.
3. DEED FROM AMERICAN ZIRCONIUM CORPORATION TO THE GLIDDEN COMPANY DATED July 19, 1944, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER M.L.P. NO. 6653, PAGE 369.
4. DEED OF RELEASE FROM RAYMOND CONCRETE PILE COMPANY TO THE GLIDDEN COMPANY DATED JUNE 23, 1937, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 5741, PAGE 409.
5. DEED FROM VIRGINIA C. COX, WIDOW, TO THE GLIDDEN COMPANY DATED MAY 29, 1930, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 5124, PAGE 106.
6. DEED FROM AGNES MARKOE DUGAN, ET. AL., TO THE GLIDDEN COMPANY DATED MAY 17, 1937, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 5725, PAGE 10.
7. DEED FROM VIRGINIA C. MC GINLEY, ET. VIR., TO THE GLIDDEN COMPANY DATED MAY 26, 1937, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 5725, PAGE 408.

8. DEED FROM T. BAYARD WILLIAMS, ET. UX., TO THE GLIDDEN COMPANY DATED MAY 1, 1929, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 4997, PAGE 343.
9. DEED FROM T. MATHANEY, ET VIR, TO THE GLIDDEN COMPANY DATED DECEMBER 31, 1928, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 4961, PAGE 190.
10. DEED FROM MILTON SHORT, ET. UX., TO THE GLIDDEN COMPANY DATED AUGUST 17, 1925, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 4442, PAGE 18.
11. DEED FROM ELLA K. PERRIN, WIDOW, TO THE GLIDDEN COMPANY DATED DECEMBER 19, 1923, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 4163, PAGE 289.
12. DEED FROM THE CHEMICAL PIGMENTS CORPORATION TO THE GLIDDEN COMPANY DATED AUGUST 10, 1920, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 3657, PAGE 364.
13. DEED FROM THE CHEMICAL PIGMENTS CORPORATION TO THE GLIDDEN COMPANY DATED JULY 1, 1920, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.C.L. NO. 3612, PAGE 425.
14. DEED FROM MAYOR AND CITY COUNMCIL OF BALTIMORE TO SCM CORPORATION DATED FEBRUARY 13, 1969, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER R.H.B. NO. 2486, PAGE 89.

BEING ALL THAT PROPERTY DESCRIBED IN DEED FROM THE SCM CORORATION TO ABC CHEMICALS, INC. DATED SEPTEMBER 19, 1985, AND RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY IN LIBER S.E.B. NO. 0667, PAGE 318. AND FURTHER BEING THE SAME TRACTS OR PARCELS OF LAND CONVEYED FROM SCM CHEMICALS, INC., A DELAWARE CORPORATION (FORMERLY ABC CHEMICALS, INC.) TO SCM GLIDCO ORGANICS CORP., A DELAWARE CORPORATION BY DEED DATED MAY 29, 1987, RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY, MARYLAND, IN LIBER S.E.B. NO. 1376, FOLIO 224, AND BEING THE SAME PROPERTY KNOWN AS "THE ST. HELENA PLANT, BEING KNOWN AS 2701 BROENING HIGHWAY" AS RATIFIED AND CONFIRMED BY CONFIRMATORY DEED DATED NOVEMBER 12, 1987 FROM SCM CHEMICALS, INC., A DELAWARE CORPORATION (FORMERLY ABC CHEMICALS, INC.) TO SCM GLIDCO ORGANICS CORP., A DELAWARE CORPORATION, RECORDED AMONG THE LAND RECORDS OF BALTIMORE CITY, MARYLAND, IN LIBER S.E.B. NO. 1520, FOLIO 078.

Turtle Bayou Transferred Real Property:

TURTLE BAYOU TRACTS, LIBERTY COUNTY, TX

LEGAL DESCRIPTION

PARCEL 1 (GARZA)

ALL THAT CERTAIN TRACT OR PARCEL OF LAND BEING 7.6099 ACRES, MORE OR LESS, IN THE B. M. SPINKS SURVEY, A-108, LIBERTY COUNTY, TEXAS, SAID LANDS BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

FIELD NOTES OF A 7.6099 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS AND BEING OUT OF THAT CERTAIN "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.06 1 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD R. LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID 7.6099 ACRES IS THAT SAME TRACT "CALLED" 7.58 ACRES CONVEYED BY WALLIS WILSON SMITH TO R. L. GARZA, ET AX, BY DEED DATED MAY 5, 1980 AND RECORDED IN VOLUME 878 AT PAGE 801 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 7.6099 ACRE TRACT IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W. SMITH TRACT AS SURVEYED BY J. O. BELCHER, RPLS NO. 1491, IN 1990; SAID LINE HAVING A CONTROL BEARING OF NORTH 01°11'40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAD W. W. SMITH TRACT BEING THAT SAME TRACT (296.061 ACRE) REFERRED TO ABOVE.

BEGINNING AT A 5/8 INCH IRON ROD, WITH CAP, FOUND IN THE NORTH RIGHT-OF-WAY LINE OF FRONTIER PARK ROAD (COUNTY ROAD 126-60 FEET WIDE RIGHT-OF-WAY) IN THE WEST LINE OF SAID W. W. SMITH 296.061 ACRE TRACT AND THE EAST LINE OF THAT CERTAIN RESIDUE OF A 3.00 ACRE TRACT OF LAND (PARCEL "C") CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID POINT BEING THE SOUTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT;

THENCE: NORTH 00°56'40" WEST ALONG THE WEST LINE OF THIS TRACT, THE EAST LINE OF SAID RESIDUE OF 3.00 ACRES, THE EAST LINE OF THAT CERTAIN 4.00 ACRE TRACT CONVEYED BY ATHEM P. DAGGETT TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED DECEMBER 21, 1964, AND RECORDED IN VOLUME 582 AT PAGE 521 OF THE

DEED RECORDS OF LIBERTY COUNTY, TEXAS; THE EAST LINE OF THAT CERTAIN 2.00 ACRE TRACT DESCRIBED IN DEED DATED MARCH 26, 1986 FROM METHODIST HOSPITAL TO METHODIST HOSPITAL SYSTEM AND RECORDED IN VOLUME 1120 AT PAGE 679 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS; THE EAST LINE OF THAT CERTAIN 1.00 ACRE TRACT SET ASIDE TO RICHARD N. PICKETT IN PARTITION DEED DATED JANUARY 1, 1992 AND RECORDED IN VOLUME 1442 AT PAGE 265 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS; THE EAST LINE OF THAT CERTAIN 1.00 ACRE TRACT (PARCEL "B") CONVEYED BY FUSON TO MAXFELD IN THE HERETOFORE MENTIONED DEED; AND THE EAST LINE OF THAT CERTAIN 2.00 ACRE TRACT OF LAND CONVEYED BY ALICE B. MORRIS, ET AL, TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED OCTOBER 1, 1969 AND RECORDED IN VOLUME 652 AT PAGE 434 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS, FOR A DISTANCE OF 689.95 FEET (CALLED NORTH 687.80 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE NORTH LINE OF THE SPINKS LEAGUE, THE SOUTH LINE OF THE SILAS SMITH SURVEY, ABSTRACT 341, AND THE SOUTH LINE OF THAT CERTAIN 300.1647 ACRE TRACT OF LAND DESCRIBED IN DEED DATE JULY 9, 1997 FROM MARY RICH BIRD, ET AL, TO 770, INC. AND, RECORDED IN VOLUME 1678 AT PAGE 467 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, FOR THE NORTHEAST CORNER OF SAID 2.00 ACRES LAST MENTIONED ABOVE, THE NORTHWEST CORNER OF SAID W. W. SMITH TRACT AND THE NORTHWEST CORNER OF THIS TRACT;

THENCE: NORTH 89°05'18" EAST ALONG THE NORTH LINE OF THIS TRACT, THE NORTH LINE OF SAID SPINKS LEAGUE, THE NORTH LINE OF SAID W. W. SMITH TRACT, THE SOUTH LINE OF SAID 300.1657 ACRES AND THE WESTERNMOST SOUTH LINE OF SAID SILAS SMITH SURVEY, FOR A DISTANCE OF 596.80 FEET (CALLED EAST 597.55 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE NORTHEAST CORNER OF THIS TRACT AND THE NORTHWEST CORNER OF THAT CERTAIN 6.86 ACRE TRACT OF LAND CONVEYED BY WALLIS WILSON SMITH TO CURTIS B. HUCKABY, ET UX, BY DEED DATED APRIL 15, 1981 AND RECORDED IN VOLUME 1592 AT PAGE 320 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 11°35'40" EAST ALONG THE EAST LINE OF THIS TRACT AND THE WEST LINE OF SAID 6.86 ACRES FOR A DISTANCE OF 367.36 FEET (CALLED SOUTH 10039 EAST 364.99 FEET) TO A 1/2 INCH IRON ROD FOUND IN THE NORTH RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF SAID 6.86 ACRES;

THENCE: SOUTH 88°48'56" WEST ALONG THE SOUTH LINE OF THIS TRACT AND THE NORTH RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD FOR A DISTANCE OF 33.95 FEET (CALLED SOUTH 89°44'WEST) TO A 1/2 INCH IRON ROD FOUND FOR AN ANGLE POINT IN SAID LINE;

THENCE: SOUTH $61^{\circ}32'56''$ WEST ALONG THE SOUTH LINE OF THIS TRACT AND THE NORTH RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD FOR A DISTANCE OF 711.12 FEET (CALLED SOUTH $62^{\circ}28'$ WEST 711.60 FEET) TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 7.6099 ACRES OF LAND.

PARCEL 2 (HUCKABY)

DESCRIPTION OF A 0.2821 ACRES (12,286 SQUARE FEET) OF LAND BEING OUT OF A 6.86 ACRE TRACT IN THE B.M. SPINKS SURVEY, ABSTRACT NO. 108, IN LIBERTY COUNTY, TEXAS, SAID 6.86 ACRE TRACT BEING DESCRIBED IN DEED CONVEYED TO CURTIS B. HUCKABY AND WIFE, CAROL L. HUCKABY RECORDED IN VOL. 1592, PG. 320 OF THE LIBERTY COUNTY DEED RECORDS, AND BEING KNOWN AS TRACT #2 OF A 296.061 ACRE TRACT (CALLED 300 AC.) DESCRIBED IN DEED CONVEYED TO DEMPSIE HENLEY RECORDED IN VOL 642, PG. 548 OF THE LIBERTY COUNTY DEED RECORDS, SAID 0.2821 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS (WITH BEARINGS REFERENCED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD27 AND BASED ON NGS TRIANGULATION STATION WATTS 1951):

COMMENCING AT A 5/8—INCH IRON ROD FOUND IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF FRONTIER PARK ROAD (COUNTY ROAD NO.126, 60.00 FEET RO.W.), BEING THE SOUTHWEST CORNER OF A 7.6099 ACRE TRACT CONVEYED TO LYONDELL CHEMICAL CO. RECORDED IN FILE NO. 4028249 OF THE LIBERTY COUNTY DEED RECORDS, SAID 7.6099 ACRE TRACT BEING KNOWN AS TRACT #1 (ALSO CALLED 7.58 ACRE TRACT DESCRIBED IN DEED TO R.L. GARZA & WIFE, OLGA L. GARZA RECORDED IN VOL 878, PG. 801 OF THE LIBERTY COUNTY DEED RECORDS) OF THE SAID 300 ACRE TRACT;

THENCE, NORTH 59°23'12" EAST, ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD, A DISTANCE OF 711.65 FEET (CALLED NORTH 62°28'00" EAST, 711.60 FEET) TO A 1/2-INCH IRON ROD FOUND FOR A CORNER OF THE AFOREMENTIONED 7.6099 ACRE TRACT;

THENCE, NORTH 86°39'12" EAST, ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD, A DISTANCE OF 33.95 FEET (CALLED NORTH 89°44'00" EAST, 33.95 FEET) TO A 5/8"-INCH IRON ROD SET WITH CAP FOR THE SOUTHEAST CORNER OF THE AFOREMENTIONED 7.6099 ACRE TRACT, AND ALSO BEING THE SOUTHWEST CORNER OF THE ABOVEMENTIONED 6.86 ACRE TRACT, FROM WHICH, A FOUND 1/2-INCH IRON ROD BEARS SOUTH 38°13'04" WEST, 1.20 FEET, AND SAID 5/8"-INCH IRON ROD WITH CAP BEING THE PLACE OF BEGINNING AND SOUTHERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 13°43'48" WEST, DEPARTING THE NORTHERLY RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD, AND ALONG THE COMMON LINE OF SAID 7.6099 AND 6.86 ACRE TRACTS, A DISTANCE OF 364.99 FEET (CALLED NORTH 10°39'00" WEST, 364.99 FEET) TO A 5/8"-INCH IRON ROD SET WITH CAP AS THE COMMON CORNER OF THE SAID 7.6099 AND 6.86 ACRE TRACTS, FROM WHICH A FOUND 1/2-INCH IRON ROD WITH CAP, BEARS SOUTH 38°13'04" WEST, 1.20 FEET, AND SAID

5/8-INCH IRON ROD WITH CAP BEING THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH $86^{\circ}55'11''$ EAST, ALONG THE NORTH LINE OF AFOREMENTIONED 6.86 ACRE TRACT, A DISTANCE OF 68.50 FEET TO A 5/8"-INCH IRON ROD SET WITH CAP FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH $02^{\circ}54'44''$ EAST, CROSSING THE AFOREMENTIONED 6.86 ACRE TRACT, A DISTANCE OF 358.70 FEET TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 0.2821 ACRES (12,286 SQUARE FEET) OF LAND.

THE CALLED BEARING AND DISTANCE ARE REFERRED TO THE DEED OF AFOREMENTIONED 7.58 ACRE TRACT

PARCEL 3 (MAXFIELD)

FIELD NOTES OF A 15.0000 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, AND BEING THAT SAME LAND "CALLED" 15.00 ACRES (PARCEL A) IN DEED DATED JANUARY 24, 1963 FROM MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 15.000 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W. SMITH TRACT AS SURVEYED BY J. O. BELCHER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL BEARING OF NORTH 01°11'40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W. SMITH TRACT BEING THAT SAME TRACT "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.061 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD IT LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS.

BEGINNING AT A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH LINE OF THE SILAS SMITH SURVEY, ABSTRACT 341, THE SOUTH LINE OF THAT CERTAIN 300.1647 ACRE TRACT OF LAND CONVEYED BY MARY RICH BIRD, ET AL, TO 770, INC. (UNDIVIDED INTEREST) BY DEED DATED JULY 9, 1997 AND RECORDED IN VOLUME 1678 AT PAGE 467 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, AND THE NORTH LINE OF THE B. M. SPINKS LEAGUE, AT THE NORTHWEST CORNER OF THAT CERTAIN "CALLED" 13 ACRE TRACT OF LAND OUT OF THE WHITE 104.4 ACRE TRACT DEEDED TO F. B. FUSON BY C. A. MILES ON AUGUST 22, 1921 BY DEED RECORDED IN VOLUME 106 AT PAGE 595 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID POINT BEING THE NORTHWEST CORNER OF THAT CERTAIN 1.9995 ACRES (TRACT 4) SURVEYED THIS DATE AND THE NORTHEAST CORNER AND POINT OF BEGINNING OF THIS TRACT; FROM WHICH A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE NORTHEAST CORNER OF SAID 1.9995 ACRES AND THE NORTHEAST CORNER OF SAID 13 ACRES BEARS NORTH 89°05'18" EAST 637.50 FEET. SAID 1.9995 ACRES BEING THAT SAME LAND "CALLED" 2.00 ACRES CONVEYED BY ALICE B. MERRIS, ET AL, TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED OCTOBER 1, 1969 AND RECORDED IN VOLUME 652 AT PAGE 434 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 00°50'51" EAST ALONG THE EAST LINE OF THIS TRACT AND THE WEST LINE OF SAID 13 ACRES FOR A DISTANCE OF 886.87 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE NORTH RIGHT- OF-WAY LINE OF FRONTIER PARK ROAD (COUNTY ROAD 126-60 FEET WIDE RIGHT-OF-WAY) FOR THE SOUTHWEST CORNER

OF SAID 13 ACRES AND THE SOUTHEAST CORNER OF THIS TRACT; FROM WHICH A 5/8 INCH IRON ROD, WITH CAP, (FOUND) BEARS SOUTH 00°50'51" EAST 1.55 FEET SAID 1/2 INCH IRON ROD ALSO BEING THE SOUTHWEST CORNER OF THAT CERTAIN 3.0039 ACRES (TRACT 3) SURVEYED THIS DATE. SAID 3.0039 ACRES BEING THAT SAME LAND "CALLED" 3.00 ACRES (PARCEL C) CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 88°30'41" WEST ALONG THE SOUTH LINE OF THIS TRACT AND THE NORTH RIGHT-OF- WAY LINE OF SAID FRONTIER PARK ROAD FOR A DISTANCE OF 736.71 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHEAST CORNER OF THAT CERTAIN "CALLED" 16.9 ACRE TRACT OF LAND CONVEYED BY THE CONSERVATION FUND TO DONNIE SMITH BY DEED DATED AUGUST 18, 1997 AND RECORDED IN VOLUME 1683 AT PAGE 785 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS AND THE SOUTHWEST CORNER OF THIS TRACT;

THENCE: NORTH 00°39'02" WEST ALONG THE WEST LINE OF THIS TRACT AND THE EAST LINE OF SAID "CALLED" 16.9 ACRES FOR A DISTANCE OF 889.38 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE NORTH LINE OF SAID SPINKS LEAGUE, THE SOUTH LINE OF THE T. D. YOACUM SURVEY, ABSTRACT 125, AND THE SOUTH LINE OF THAT CERTAIN TRACT OF LAND CONVEYED BY DAVID MACON MIDDLETON IRREVOCABLE MANAGEMENT TRUST AND DAVID MACON MIDDLETON TO LEGACY TRUST CO., ET AL, BY DEED DATED DECEMBER 3, 1998, EFFECTIVE OCTOBER 15, 1998, AND RECORDED IN VOLUME 1753 AT PAGE 23 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, FOR THE NORTHWEST CORNER OF THIS TRACT AND THE NORTHEAST CORNER OF SAID "CALLED" 16.9 ACRES;

THENCE: NORTH 88°31'22" EAST ALONG THE NORTH LINE OF THIS TRACT, THE NORTH LINE OF SAID SPINKS LEAGUE, THE SOUTH LINE OF SAID YOACUM SURVEY AND THE SOUTH LINE OF SAID LEGACY TRUST CO. TRACT FOR A DISTANCE OF 62.80 FEET TO A 2-1/2 INCH IRON PIPE FOUND FOR AN ANGLE POINT IN SAID LINE.

THENCE: NORTH 88°33'20" EAST ALONG THE NORTH LINE OF THIS TRACT, THE NORTH LINE OF SAID SPINKS LEAGUE, THE SOUTH LINE OF SAID LEGACY TRUST CO. TRACT AND THE SOUTH LINE OF SAID YOACUM SURVEY FOR A DISTANCE OF 462.00 FEET TO A 2 INCH IRON PIPE FOUND FOR THE SOUTHEAST CORNER OF SAID YOACUM SURVEY, THE SOUTHEAST CORNER OF SAID LEGACY TRUST CO. TRACT, THE SOUTHWEST CORNER OF SAID SMITH SURVEY AND THE SOUTHWEST CORNER OF SAID 300.1647 ACRES. SAID POINT BEING AN ANGLE POINT IN THE NORTH LINE OF THIS TRACT.

THENCE: NORTH 89°05'18" EAST ALONG THE NORTH LINE OF THIS TRACT, THE NORTH LINE OF SAID SPINKS LEAGUE, THE SOUTH LINE OF SAID SMITH SURVEY AND THE SOUTH LINE OF SAID 300.1647 ACRES FOR A DISTANCE OF 208.84 FEET TO

THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 15.0000 ACRES OF LAND.

TRACT 2:

FIELD NOTES OF A 0.9967 OF AN ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, OUT OF AND A PART OF THAT CERTAIN "CALLED" 13 ACRE TRACT OF LAND OUT OF THE WHITE 104.4 ACRE TRACT DEEDED TO F. B. FUSON BY C. A. MILES ON AUGUST 22, 1921 BY DEED RECORDED IN VOLUME 106 AT PAGE 595 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS; AND BEING THAT SAME LAND "CALLED" 1.00 ACRES (PARCEL B) IN DEED DATED JANUARY 24, 1963 FROM MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 0.9967 OF AN ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W. SMITH TRACT AS SURVEYED BY S. O. BELCHER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL BEARING OF NORTH 01°11'40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W. SMITH TRACT BEING THAT SAME TRACT "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.061 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD IT LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS.

COMMENCING AT A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH LINE OF THE SILAS SMITH SURVEY, ABSTRACT 341, THE SOUTH LINE OF THAT CERTAIN 300.1647 ACRE TRACT OF LAND CONVEYED BY MARY RICH BIRD, ET AL, TO 770, INC. (UNDIVIDED INTEREST) BY DEED DATED JULY 9, 1997 AND RECORDED IN VOLUME 1678 AT PAGE 467 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, AND THE NORTH LINE OF THE B. M. SPINKS LEAGUE, AT THE NORTHWEST CORNER OF THAT CERTAIN "CALLED" 13 ACRE TRACT OF LAND OUT OF THE WHITE 104.4 ACRE TRACT DEEDED TO F. B. FUSON BY C. A. MILES ON AUGUST 22, 1921 BY DEED RECORDED IN VOLUME 106 AT PAGE 595 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID POINT BEING THE NORTHWEST CORNER OF THAT CERTAIN 1.9995 ACRES (TRACT 4) SURVEYED THIS DATE AND THE NORTHEAST CORNER OF THAT CERTAIN 15.0000 ACRES (TRACT 1) SURVEYED THIS DATE. SAID 15.0000 ACRES BEING THAT SAME LAND (PARCEL A) CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET AX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE SOUTH 00°50'51" EAST ALONG THE EAST LINE OF SAID 13 ACRES, THE EAST LINE OF SAID 15.0000 ACRES AND THE WEST LINE OF SAID 1.9995 ACRES FOR A DISTANCE OF 136.60 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHWEST CORNER OF SAID 1.9995 ACRES AND THE NORTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT;

THENCE NORTH 89°05'18" EAST ALONG THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF SAID 1.9995 ACRES FOR A DISTANCE OF 637.73 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE EAST LINE OF SAID 13 ACRES, THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND THE WEST LINE OF THAT CERTAIN "CALLED" 7.58 ACRE TRACT CONVEYED BY WALLIS WILSON SMITH TO R. L. GARZA, ET AX, BY DEED DATED MAY 5, 1980 AND RECORDED IN VOLUME 878 AT PAGE 801 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE SOUTH 00°56'40" EAST ALONG THE EAST LINE OF THIS TRACT, THE WEST LINE OF SAID "CALLED" 7.58 ACRES, THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND THE EAST LINE OF SAID 13 ACRES FOR A DISTANCE OF 68.30 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE NORTHEAST CORNER OF THAT CERTAIN "CALLED" 1.00 ACRE TRACT OF LAND AS SET ASIDE TO RICHARD N. PICKETT IN PARTITION DEED DATED JANUARY 1, 1992 AND RECORDED IN VOLUME 1442 AT PAGE 265 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE SOUTH 89°05'18" WEST ALONG THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF SAID "CALLED" 1.00 ACRES FOR A DISTANCE OF 637.85 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR THE NORTHWEST CORNER OF SAID "CALLED" 1.00 ACRES AND THE SOUTHWEST CORNER OF THIS TRACT;

THENCE NORTH 00°50'51" WEST ALONG THE WEST LINE OF THIS TRACT, THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR A DISTANCE OF 68.30 FEET TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 0.9967 OF AN ACRE OF LAND.

TRACT 3:

FIELD NOTES OF A 3.0039 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, OUT OF AND A PART OF THAT CERTAIN "CALLED" 13 ACRE TRACT OF LAND OUT OF THE WHITE 104.4 ACRE TRACT DEEDED TO F. B. FUSON BY C. A. MILES ON AUGUST 22, 1921 BY DEED RECORDED IN VOLUME 106 AT PAGE 595 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS; AND BEING THAT SAME LAND "CALLED" 3.00 ACRES (PARCEL C) IN DEED DATED JANUARY 24, 1963 FROM MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY

COUNTY, TEXAS. THIS 3.0039 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W. SMITH TRACT AS SURVEYED BY J. O. BELCHER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL BEARING OF NORTH 01°11'40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W. SMITH TRACT BEING THAT SAME TRACT "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.061 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD R. LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS.

COMMENCING AT A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH LINE OF THE SILAS SMITH SURVEY, ABSTRACT 341, THE SOUTH LINE OF THAT CERTAIN 300.1647 ACRE TRACT OF LAND CONVEYED BY MARY RICH BIRD, ET AL, TO 770, INC. (UNDIVIDED INTEREST) BY DEED DATED JULY 9, 1997 AND RECORDED IN VOLUME 1678 AT PAGE 467 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, AND THE NORTH LINE OF THE B. M. SPINKS LEAGUE, AT THE NORTHWEST CORNER OF SAID "CALLED" 13 ACRES. SAID POINT BEING THE NORTHWEST CORNER OF THAT CERTAIN 1.9995 ACRES (TRACT 4) SURVEYED THIS DATE AND THE NORTHEAST CORNER OF THAT CERTAIN 15.0000 ACRES (TRACT 1) SURVEYED THIS DATE. SAID 15.0000 ACRES BEING THAT SAME LAND (PARCEL A) CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID 1.9995 ACRES BEING THAT SAME LAND "CALLED" 2.00 ACRES CONVEYED BY ALICE B. MERRIS, ET AL, TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED OCTOBER 1, 1969 AND RECORDED IN VOLUME 652 AT PAGE 434 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 00°50'51" EAST ALONG THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR A DISTANCE OF 681.95 FEET TO A POINT FOR THE SOUTHWEST CORNER OF THAT CERTAIN 3.9416 ACRES (TRACTS) SURVEYED THIS DATE AND THE NORTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT. SAID 3.9416 ACRES BEING THAT SAME LAND "CALLED" 4.00 ACRES AS CONVEYED BY ATHERN P. DAGGETT TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED DECEMBER 21, 1964 AND RECORDED IN VOLUME 582 AT PAGE 521 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: NORTH 88°30'41" EAST ALONG THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF SAID 3.9416 ACRES FOR A DISTANCE OF 638.68 FEET TO A 5/8 INCH IRON ROD, WITH CAP, FOUND IN THE EAST LINE OF SAID 13 ACRES, THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND THE WEST LINE OF THAT

CERTAIN "CALLED" 7.58 ACRE TRACT CONVEYED BY WALLIS WILSON SMITH TO IT L. GARZA, ET UX, BY DEED DATED MAY 5, 1980 AND RECORDED IN VOLUME 878 AT PAGE 801 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS FOR THE SOUTHEAST CORNER OF SAID 3.9416 ACRES AND THE NORTHEAST CORNER OF THIS TRACT;

THENCE: SOUTH 00°56'40" EAST ALONG THE EAST LINE OF THIS TRACT, THE WEST LINE OF SAID "CALLED" 7.58 ACRES, THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND THE EAST LINE OF SAID 13 ACRES FOR A DISTANCE OF 14.28 FEET TO A 5/8 INCH IRON ROD FOUND IN THE NORTH RIGHT-OF- WAY LINE OF FRONTIER PARK ROAD (COUNTY ROAD 126-60 FEET WIDE RIGHT-OF-WAY) FOR THE SOUTHWEST CORNER OF SAID "CALLED" 7.58 ACRES AND AN ANGLE POINT IN THE EAST LINE OF THIS TRACT;

THENCE: SOUTH 00°47'15" EAST ALONG THE EAST LINE OF THIS TRACT, THE EAST LINE OF SAID 13 ACRES AND THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND AT 67.75 FEET PASS A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD AT THE WESTERNMOST NORTHWEST CORNER OF THAT CERTAIN "CALLED" 5.00 ACRE TRACT CONVEYED BY DOUGLAS K. TRAYLOR TO LIMESTONE LAND CONSERVANCY, INC. BY DEED DATED AUGUST 24, 2001 AND RECORDED IN VOLUME 1915 AT PAGE 101 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS; AT 139.53 FEET PASS A 1/2 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID "CALLED" 5.00 ACRES, THE WESTERNMOST SOUTHWEST CORNER OF SAID 296.061 ACRES AND THE NORTHWEST CORNER OF THAT CERTAIN "CALLED" 40 ACRES CONVEYED BY W. C. LEE, JR., RECEIVER, TO JOSEPH SINKOVICS BY DEED DATED DECEMBER 6, 2000 AND RECORDED IN VOLUME 1870 AT PAGE 112 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS; IN ALL, A TOTAL DISTANCE OF 190.49 FEET TO A 1/2 INCH IRON PIPE FOUND FOR THE NORTHEAST CORNER OF THAT CERTAIN "CALLED" 30 ACRES (TRACT 1) CONVEYED BY R. L. CARTER, ET IN, TO LIMESTONE LAND CONSERVANCY, INC. BY DEED DATED FEBRUARY 3, 2002 AND RECORDED IN VOLUME 1947 AT PAGE 514 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, THE SOUTHEAST CORNER OF SAID 13 ACRES AND THE SOUTHEAST CORNER OF THIS TRACT;

THENCE: SOUTH 88°30'41" WEST ALONG THE SOUTH LINE OF THIS TRACT, THE SOUTH LINE OF SAID 13 ACRES AND THE NORTH LINE OF SAID "CALLED" 30 ACRES AND AT 119.07 FEET PASS A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD, AT 207.76 FEET PASS A 3/4 INCH IRON ROD FOUND IN THE NORTH RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD, IN ALL, A TOTAL DISTANCE OF 638.51 FEET (CALLED WEST 637.5 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHWEST CORNER OF THIS TRACT, THE SOUTHWEST CORNER OF SAID 13 ACRES AND THE SOUTHEAST CORNER OF SAID 15.0000 ACRES; FROM WHICH A 5/8 INCH IRON ROD (FOUND) BEARS SOUTH 00°50'51" EAST 1.55 FEET;

THENCE: NORTH 00°50'51" WEST ALONG THE WEST LINE OF THIS TRACT, THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR A DISTANCE OF 204.91 FEET TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 3.0039 ACRES OF LAND.

TRACT 4:

FIELD NOTES OF A 1.9995 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, OUT OF AND A PART OF THAT CERTAIN "CALLED" 13 ACRE TRACT OF LAND OUT OF THE WHITE 104.4 ACRE TRACT DEEDED TO F. B. FUSON BY C. A. MILES ON AUGUST 22, 1921 BY DEED RECORDED IN VOLUME 106 AT PAGE 595 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS; AND BEING THAT SAME LAND "CALLED" 2.00 ACRES CONVEYED BY ALICE B. MERRIS, ET AL, TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED OCTOBER 1, 1969 AND RECORDED IN VOLUME 652 AT PAGE 434 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 1.9995 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W. SMITH TRACT AS SURVEYED BY L O. BELCHER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL BEARING OF NORTH 01°11'40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W. SMITH TRACT BEING THAT SAME TRACT "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.061 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD R. LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS.

BEGINNING AT A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH LINE OF THE SILAS SMITH SURVEY, ABSTRACT 341, THE SOUTH LINE OF THAT CERTAIN 300.1647 ACRE TRACT OF LAND CONVEYED BY MARY RICH BIRD, ET AL, TO 770, INC. (UNDIVIDED INTEREST) BY DEED DATED JULY 9, 1997 AND RECORDED IN VOLUME 1678 AT PAGE 467 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, AND THE NORTH LINE OF THE B. M. SPINKS LEAGUE, AT THE NORTHWEST CORNER OF SAID "CALLED" 13 ACRES. SAID POINT BEING THE NORTHEAST CORNER OF THAT CERTAIN 15.0000 ACRES (TRACT 1) SURVEYED THIS DATE. SAID 15.0000 ACRES BEING THAT SAME LAND (PARCEL A) CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS AND THE NORTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT;

THENCE: NORTH 89°05'18" EAST ALONG THE NORTH LINE OF THIS TRACT, THE NORTH LINE OF SAID 13 ACRES, THE NORTH LINE OF SAID SPINKS LEAGUE, THE SOUTH LINE OF SAID SMITH SURVEY AND THE SOUTH LINE OF SAID 300.1647 ACRES FOR A DISTANCE OF 637.50 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE NORTHEAST CORNER OF THIS TRACT, THE NORTHEAST CORNER OF SAID 13 ACRES, THE NORTHERNMOST NORTHWEST CORNER OF SAID 296.061 ACRES AND THE NORTHWEST CORNER OF THAT CERTAIN "CALLED" 7.58 ACRES CONVEYED BY WALLIS WILSON SMITH TO U. L. GARZA, ET UX, BY DEED DATED MAY 5, 1980 AND RECORDED IN VOLUME 878 AT PAGE 801 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 00°56'40" EAST ALONG THE EAST LINE OF THIS TRACT, THE WEST LINE OF SAID "CALLED" 7.58 ACRES, THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND THE EAST LINE OF SAID 13 ACRES FOR A DISTANCE OF 136.60 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE NORTHEAST CORNER OF THAT CERTAIN 0.9967 OF AN ACRE (TRACT 2) SURVEYED THIS DATE, SAID 0.9967 OF AN ACRE OF LAND BEING THAT SAME LAND "CALLED" 1.00 ACRES (PARCEL B) CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 88°30'41" WEST ALONG THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF SAID 0.9967 OF AN ACRE FOR A DISTANCE OF 637.73 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR THE SOUTHWEST CORNER OF THIS TRACT AND THE NORTHWEST CORNER OF SAID 0.9967 OF AN ACRE;

THENCE: NORTH 00°50'51" WEST ALONG THE WEST LINE OF THIS TRACT, THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR A DISTANCE OF 136.60 FEET TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 1.9995 ACRES OF LAND.

TRACT 5:

FIELD NOTES OF A 3.9416 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, OUT OF AND A PART OF THAT CERTAIN "CALLED" 13 ACRE TRACT OF LAND OUT OF THE WHITE 104.4 ACRE TRACT DEEDED TO F. B. FUSON BY C. A. MILES ON AUGUST 22, 1921 BY DEED RECORDED IN VOLUME 106 AT PAGE 595 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS; AND BEING THAT SAME LAND "CALLED" 4.00 ACRES CONVEYED BY ARTHUR P. DAGGETT TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED DECEMBER 21, 1964 AND RECORDED IN VOLUME 582 AT PAGE 521 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 3.9416 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF TILE W. W. SMITH TRACT AS SURVEYED BY J. O. BELCIER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL BEARING OF NORTH 01°11'40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W. SMITH TRACT BEING THAT SAME TRACT "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.061 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD U. LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS.

COMMENCING AT A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH LINE OF THE SILAS SMITH SURVEY, ABSTRACT 341, THE SOUTH LINE OF THAT CERTAIN 300.1647 ACRE TRACT OF LAND CONVEYED BY MARY RICH BIRD, ET AL, TO 770, INC. (UNDIVIDED INTEREST) BY DEED DATED JULY 9, 1997 AND RECORDED IN VOLUME 1678 AT PAGE 467 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, AND THE NORTH LINE OF THE B. M. SPINKS LEAGUE, AT THE NORTHWEST CORNER OF SAID "CALLED" 13 ACRES. SAID POINT BEING THE NORTHWEST CORNER OF THAT CERTAIN 1.9995 ACRES (TRACT 4) SURVEYED THIS DATE AND THE NORTHEAST CORNER OF THAT CERTAIN 15.0000 ACRES (TRACT 1) SURVEYED THIS DATE. SAID 15.0000 ACRES BEING THAT SAME LAND (PARCEL A) CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID 1.9995 ACRES BEING THAT SAME LAND "CALLED" 2.00 ACRES CONVEYED BY ALICE B. MERRIS, ET AL, TO ORVILLE E. MAXILELD, ET UX, BY DEED DATED OCTOBER 1, 1969 AND RECORDED IN VOLUME 652 AT PAGE 434 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 00°50'51" EAST ALONG THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR A DISTANCE OF 409.80 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHWEST CORNER OF THAT CERTAIN "CALLED" 2.00 ACRE TRACT OF LAND CONVEYED BY METHODIST HOSPITAL TO METHODIST HOSPITAL SYSTEM BY DEED DATED MARCH 26, 1986 AND RECORDED IN VOLUME 1120 AT PAGE 679 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, SAID POINT BEING THE NORTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT;

THENCE: NORTH 89°05'15" EAST ALONG THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF SAID "CALLED" 2.00 ACRES FOR A DISTANCE OF 638.19 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE EAST LINE OF SAID 13 ACRES, THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND THE WEST LINE OF THAT CERTAIN "CALLED" 7.58 ACRE TRACT CONVEYED BY WALLIS WILSON SMITH TO R. L. GARZA, ET UX, BY DEED DATED MAY 5, 1980 AND RECORDED IN VOLUME 878 AT

PAGE 801 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS FOR THE SOUTHEAST CORNER OF SAID "CALLED" 2.00 ACRES AND THE NORTHEAST CORNER OF THIS TRACT;

THENCE: SOUTH 00°56'40" EAST ALONG THE EAST LINE OF THIS TRACT, THE WEST LINE OF SAID "CALLED" 7.58 ACRES, THE NORTHERNMOST WEST LINE OF SAID 296.061 ACRES AND THE EAST LINE OF SAID 13 ACRES FOR A DISTANCE OF 265.72 FEET TO A 5/8 INCH IRON ROD, WITH CAP, FOUND FOR THE NORTHEAST CORNER OF THAT CERTAIN 3.0039 ACRES (TRACT 3) SURVEYED THIS DATE AND THE SOUTHEAST CORNER OF THIS TRACT, SAID 3.0039 ACRES BEING THAT SAME LAND "CALLED" 3.00 ACRES (PARCEL C) CONVEYED BY MARY FUSON TO ORVILLE E. MAXFIELD, ET UX, BY DEED DATED JANUARY 24, 1963 AND RECORDED IN VOLUME 560 AT PAGE 196 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 88°30'41" WEST ALONG THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF SAID 3.0039 ACRES FOR A DISTANCE OF 638.68 FEET TO A POINT IN THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR THE NORTHWEST CORNER OF SAID 3.0039 ACRES AND THE SOUTHWEST CORNER OF THIS TRACT;

THENCE: NORTH 00°50'51" WEST ALONG THE WEST LINE OF THIS TRACT, THE WEST LINE OF SAID 13 ACRES AND THE EAST LINE OF SAID 15.0000 ACRES FOR A DISTANCE OF 272.15 FEET TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 3.9416 ACRES OF LAND.

PARCEL 4 (SINKOVICS)

TRACT 1:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND LOCATED IN THE B.M. SPINKS SURVEY, ABSTRACT 108, LIBERTY COUNTY, TEXAS, AND BEING A PART OF THAT CERTAIN 70 ACRE TRACT DESCRIBED IN DEED DATE DECEMBER 11, 1924, FROM C.A. MILES TO M.P. DANIEL RECORDED IN VOLUME 123, PAGE 417 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT THE NORTHEAST CORNER OF SAID 70 ACRE TRACT; THENCE SOUTH ALONG AND WITH THE EAST LINE OF SAID 70 ACRE TRACT 340.27 VARAS;

THENCE WEST ALONG THE NORTH LINE OF THE MILES 360 ACRE SUBDIVISION 331.818 VARAS CORNER;

THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID 70 ACRE TRACT 340.27 VARAS TO THE NORTH LINE OF SAID 70 ACRE TRACT CORNER;

THENCE EAST ALONG AND WITH THE NORTH LINE OF SAID 70 ACRE TRACT 331.818 VARAS TO THE PLACE OF BEGINNING CONTAINING TWENTY ACRES OF LAND MORE OR LESS.

TRACT 2:

TEN ACRES MORE OR LESS LOCATED IN THE B.M. SPINKS LEAGUE, LIBERTY COUNTY, TEXAS, PART OF WHAT IS COMMONLY KNOWN AS THE AMERICAN LAND AND OIL COMPANY 740 ACRE TRACT AND BEING THE WEST TEN ACRES OF THE MOST EASTERN THIRTY ACRES OF THAT CERTAIN 70 ACRES, WHICH WAS CONVEYED BY C.A. MILES TO M.P. DANIEL ON DECEMBER 11, 1924, AS RECORDED IN VOL. 123, PAGE 417 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS, SAID 10 ACRES OF LAND MORE OR LESS BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THAT CERTAIN 20 ACRES OF LAND, A PART OF SAID 70 ACRE TRACT, WHICH WAS CONVEYED BY M.P. DANIEL TO N.E. LAIDACKER ON MAY 31, 1926, WHICH BEGINNING POINT IS 331.818 VARAS WEST OF THE NORTHEAST CORNER AND ON THE NORTH LINE OF SAID 70 ACRE TRACT;

THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID 70 ACRE TRACT, 340.27 VARAS, CORNER ON THE SOUTH LINE OF SAID 70 ACRE TRACT, 340.27 VARAS, CORNER ON THE SOUTH LINE OF SAID 70 ACRE TRACT;

THENCE WEST ALONG AND WITH THE SOUTH LINE OF SAID 70 ACRE TRACT 165.909
VARAS, CORNER;

THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID 70 ACRE TRACT 340.27
VARAS TO THE NORTH LINE OF SAID 70 ACRE TRACT;

THENCE EAST ALONG AND WITH THE NORTH LINE OF SAID 70 ACRE TRACT 165.909
VARAS TO THE PLACE OF BEGINNING AND CONTAINING TEN ACRES OF LAND MORE
OR LESS.

TRACT 3:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN B.M. SPINKS LEAGUE,
ABSTRACT 108 SITUATED IN LIBERTY COUNTY, TEXAS, MORE PARTICULARLY
DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTH 380 ACRES OF THE
AMERICAN LAND & OIL COMPANY TRACT OF 740 ACRES;

THENCE WITH THE NORTH LINE OF THE C.A. MILES SUBDIVISION OF THE SOUTH
360 ACRES OF SAID 740 ACRE TRACT, EAST TO A POINT ON SAME FROM WHICH A
LINE RUNNING NORTH TO THE NORTH LINE OF SAID 740 ACRE TRACT AND
PARALLEL WITH THE WEST LINE OF SAID 740 ACRE TRACT WOULD MAKE AND
COMPRISE THE EAST LINE OF THE WEST SIXTY ACRES OF SAID NORTH 380 ACRES
OF SAID 740 ACRE TRACT;

THENCE NORTH PARALLEL WITH THE WEST LINE OF SAID 740 ACRE TRACT TO A
POINT FROM WHICH A LINE RUNNING WEST PARALLEL WITH THE NORTH LINE OF
SAID C.A. MILES 360 ACRE SUBDIVISION TO THE WEST LINE OF SAID 740 ACRE
TRACT TO THE PLACE OF BEGINNING, WILL INCLUDE TEN ACRES OF LAND, MORE OR
LESS, SAID TEN ACRES BEING THE SOUTH TEN ACRES OF THE WEST SIXTY ACRES OF
THE NORTH 380 ACRES OF THE 740 ACRE TRACT COMMONLY KNOWN AS THE
AMERICAN LAND AND OIL COMPANY TRACT OF THE B.B. SPINKS LEAGUE. THIS TEN
ACRES HAVING BEEN DEEDED TO BILL DANIEL BY T.S. BEES IN DEED DATED
FEBRUARY 15, 1949 AND RECORDED IN VOL.313, PAGE 242 OF DEED RECORDS OF
LIBERTY COUNTY, TEXAS.

TRACT 4:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND IN THE B.M. SPINKS SURVEY,
ABSTRACT NO. 108, LIBERTY COUNTY, TEXAS, CONTAINING TWO ACRES, MORE OR
LESS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE NORTHEAST CORNER OF THE 7.18 ACRE TRACT CONVEYED BY DEED FROM WALLIS WILSON SMITH TO ROOSEVELT BOULLION AND WIFE, MARGARET O. BOULLION, RECORDED IN VOL. 780, PAGE 274 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS, AND BEING THE NORTHWEST CORNER OF THE 60 FOOT RIGHT OF WAY RECORDED AS PERMANENT EASEMENT IN SAID DEED;

THENCE NORTH 91 DEG 14' WEST ALONG THE NORTH LINE OF THE SAID 7.18 ACRE TRACT FOR A DISTANCE OF 207 FEET TO CORNER;

THENCE SOUTH 0 DEG 34' WEST A DISTANCE OF 420.56 FEET TO CORNER;

THENCE NORTH 89 DEG 14' EAST FOR A DISTANCE OF 205.63 FEET TO THE WEST LINE OF SAID 60 FOOT EASEMENT AND BEING THE SOUTH LINE OF THE 2 ACRE TRACT HEREIN DESCRIBED;

THENCE NORTH 0 DEG 34' EAST FOR A DISTANCE OF 422.61 FEET ALONG THE WEST LINE OF SAID 60 FOOT PERMANENT EASEMENT TO THE POINT OF BEGINNING, CONTAINING 2 ACRES OF LAND, MORE OR LESS.

TRACT 5:

THE WEST FORTY (40) ACRES OF THAT CERTAIN SEVENTY (70) ACRES, A PART OF THE AMERICAN LAND AND OIL COMPANY 740 ACRE TRACT WHICH WAS CONVEYED TO M.P. DANIEL BY C.A. MILES ON DECEMBER 11, 1924 AS RECORDED IN VOLUME 123, PAGE 417 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS.

PARCEL 5 (WOOLEY)

TRACT 1

FIELD NOTES OF A 1.9913 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, AND BEING OUT OF THAT CERTAIN "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.061 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD R. LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID 1.9913 ACRES BEING THAT SAME LAND "CALLED" 1.99 ACRES KNOWN AS TRACT #18-A OF SAID 296.061 ACRES AND BEING THE SAME LAND CONVEYED BY W. W. SMITH TO DON WOOLEY, ET UX, BY DEED DATED JULY 21, 1981 AND RECORDED IN VOLUME 958 AT PAGE 164 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 1.9913 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W. SMITH TRACT AS SURVEYED BY 3.O. BELCHER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL BEARING OF NORTH 01011 '40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W. SMITH TRACT BEING THAT SAME TRACT (296.061 ACRES) REFERRED TO ABOVE.

COMMENCING AT A VZ INCH IRON ROD FOUND FOR THE WESTERNMOST SOUTHWEST CORNER OF SAID 296.061 ACRES AND THE NORTHWEST CORNER OF THAT CERTAIN 40 ACRE TRACT OF LAND CONVEYED BY W. C. LEE, JR. RECEIVER, TO JOSEPH SINKOVICS BY DEED DATED DECEMBER 6, 2000 AND RECORDED IN VOLUME 1870 AT PAGE 112 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS.

THENCE: NORTH 89°03'23" EAST ALONG THE WESTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID 40 ACRES AND AT 800.03 FEET PASS A 5/8 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THAT CERTAIN 4.975 ACRE TRACT 1 CONVEYED BY WALLIS W. SMITH TO LIMESTONE LAND CONSERVANCY, INC. BY DEED DATED MAY 1, 2002 AND RECORDED IN VOLUME 1968 AT PAGE 146 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, IN ALL, A TOTAL DISTANCE OF 1329.97 FEET (CALLED EAST 1331.50 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHEAST CORNER OF SAID 4.975 ACRES AND THE SOUTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT; FROM WHICH A 5/8 INCH IRON ROD (FOUND) BEARS SOUTH 00°56'21" EAST 1.5 FEET;

THENCE: NORTH 00°56'21" WEST ALONG THE WEST LINE OF THIS TRACT AND THE EAST LINE OF SAID 4.975 ACRES FOR A DISTANCE OF 410.74 FEET (CALLED NORTH

411.16 FEET) TO A ½ INCH IRON ROD, WITH CAP, SET IN THE SOUTH RIGHT-OF-WAY LINE OF FRONTIER PARK ROAD (60 FEET WIDE RIGHT- OF-WAY) FOR THE NORTHEAST CORNER OF SAID 4.975 ACRES AND THE NORTHWEST CORNER OF THIS TRACT; FROM WHICH A 5/8 INCH IRON ROD (FOUND) BEARS SOUTH 00°56'21" EAST 0.46 FEET;

THENCE: NORTH 88°48'56" EAST ALONG THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT-OF- WAY LINE OF SAID FRONTIER PARK ROAD FOR A DISTANCE OF 210.65 FEET (CALLED NORTH 89°44' EAST 210.83 FEET) TO A 5/8 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF THIS TRACT AND THE NORTHWEST CORNER OF THAT CERTAIN 2.0004 ACRE TRACT (CALLED 2.00 ACRES) SURVEYED THIS DATE. SAID CALLED 2.00 ACRE TRACT BEING THAT SAME LAND KNOWN AS TRACT #18-B OUT OF SAID 296.061 ACRES.

THENCE: SOUTH 0L°01'25" EAST ALONG THE EAST LINE OF THIS TRACT AND THE WEST LINE OF SAID 2.0004 ACRES SURVEYED THIS DATE FOR A DISTANCE OF 411.63 FEET (CALLED SOUTH 412.17 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE WESTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID 40 ACRES FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF SAID 2.0004 ACRES SURVEYED THIS DATE; FROM WHICH A 5/8 INCH IRON ROD (FOUND) BEARS SOUTH 0L°01 '25" EAST 3.10 FEET;

THENCE: SOUTH 89°03'23" WEST ALONG THE SOUTH LINE OF THIS TRACT, THE WESTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID 40 ACRES FOR A DISTANCE OF 211.26 FEET (CALLED WEST 210.83 FEET) TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 1.9913 ACRES OF LAND.

TRACT 2

FIELD NOTES OF A 2.0004 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, AND BEING OUT OF THAT CERTAIN "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.061 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD R. LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID 1.9913 ACRES BEING THAT SAME LAND "CALLED" 2.00 ACRES KNOWN AS TRACT #18-B OF SAID 296.061 ACRES AND BEING THE SAME LAND CONVEYED BY W. W. SMITH TO DON WOOLEY, ET UX, BY DEED DATED JULY 21, 1981 AND RECORDED IN VOLUME 958 AT PAGE 164 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 2.0004 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W. SMITH TRACT AS SURVEYED BY J. O. BELCHER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL

BEARING OF NORTH 01 °L1 '40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W. SMITH TRACT BEING THAT SAME TRACT (296.061 ACRES) REFERRED TO ABOVE.

COMMENCING AT A 1/2 INCH IRON ROD FOUND FOR THE WESTERNMOST SOUTHWEST CORNER OF SAID 296.061 ACRES AND THE NORTHWEST CORNER OF THAT CERTAIN 40 ACRE TRACT OF LAND CONVEYED BY W. C. LEE, JR. RECEIVER, TO JOSEPH SINKOVICS BY DEED DATED DECEMBER 6, 2000 AND RECORDED IN VOLUME 1870 AT PAGE 112 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: NORTH 89°03'23" EAST ALONG THE WESTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID 40 ACRES AND AT 800.03 FEET PASS A 5/8 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THAT CERTAIN 4.975 ACRE TRACT 1 CONVEYED BY WALLIS W. SMITH TO LIMESTONE LAND CONSERVANCY, INC. BY DEED DATED MAY 1, 2002 AND RECORDED IN VOLUME 1968 AT PAGE 146 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, AT 1329.97 FEET (CALLED EAST 1331.50 FEET) PASS A 1/ 2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHEAST CORNER OF SAID 4.975 ACRES AND THE SOUTHWEST CORNER OF THAT CERTAIN 1.9913 ACRE TRACT SURVEYED THIS DATE (BEING THAT SAME LAND "CALLED" 1.99 ACRES CONVEYED BY W. W. SMITH TO DON WOOLEY, ET UX, BY DEED DATED JULY 21, 1981 AND RECORDED IN VOLUME 958 AT PAGE 164 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS); IN ALL, A TOTAL DISTANCE OF 1541.23 FEET TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHEAST CORNER OF SAID 1.99 13 ACRES SURVEYED THIS DATE. SAID POINT BEING THE SOUTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT; FROM WHICH A 5/8 INCH IRON ROD (FOUND) BEARS SOUTH 01°01 '25" EAST 3.10 FEET.

THENCE: NORTH 01°01'25" WEST ALONG THE WEST LINE OF THIS TRACT AND THE EAST LINE OF SAID 1.9913 ACRES SURVEYED THIS DATE FOR A DISTANCE OF 411.63 FEET (CALLED NORTH 412.17 FEET) TO A 5/8 INCH IRON ROD FOUND IN THE SOUTH RIGHT-OF-WAY LINE OF FRONTIER PARK ROAD (60 FEET WIDE RIGHT-OF-WAY) FOR THE NORTHEAST CORNER OF SAID 1.9913 ACRES SURVEYED THIS DATE AND THE NORTHWEST CORNER OF THIS TRACT;

THENCE: NORTH 88°48'56" EAST ALONG THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT-OF- WAY LINE OF SAID FRONTIER PARK ROAD FOR A DISTANCE OF 210.97 FEET (CALLED NORTH 89°44' EAST 210.83 FEET) TO A 5/8 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF THIS TRACT AND THE NORTHWEST CORNER OF THAT CERTAIN CALLED 2.00 ACRE TRACT BEING THAT SAME LAND KNOWN AS TRACT #18-C OUT OF SAID 296.061 ACRES. SAID 2.00 ACRES (TRACT #18-C) BEING THAT SAME LAND CONVEYED BY DON WOOLEY, ET UX, TO CLEVELAND M. FAIRCHILD BY DEED DATED NOVEMBER 3, 1997 AND RECORDED IN VOLUME 1693 AT PAGE 831 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS;

THENCE: SOUTH 01°09'43" EAST ALONG THE EAST LINE OF THIS TRACT AND THE WEST LINE OF SAID 2.00 ACRES CONVEYED TO FAIRCHILD FOR A DISTANCE OF 412.52 FEET (CALLED SOUTH 413.18 FEET) TO A 1/2 INCH IRON ROD FOUND IN THE WESTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID 40 ACRE TRACT FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF SAID 2.00 ACRES CONVEYED TO FAIRCHILD;

THENCE: SOUTH 89°03'23" WEST ALONG THE SOUTH LINE OF THIS TRACT, THE WESTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID 40 ACRES FOR A DISTANCE OF 211.96 FEET (CALLED WEST 210.83 FEET) TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 2.0004 ACRES OF LAND.

TRACT 3

FIELD NOTES OF A 10.0049 ACRE TRACT OF LAND SITUATED IN THE B. M. SPINKS LEAGUE, ABSTRACT 108, LIBERTY COUNTY, TEXAS, AND BEING OUT OF THAT CERTAIN "CALLED" 300 ACRE TRACT (SURVEYED TO BE 296.06 1 ACRES) DESCRIBED AS TRACT II CONVEYED BY DONALD R. LANG TO WALLIS WILSON SMITH BY DEED DATED JULY 1, 1976 AND RECORDED IN VOLUME 779 AT PAGE 872 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID 10.0049 ACRES BEING THAT SAME LAND "CALLED" 10.00 ACRES KNOWN AS TRACT #18-C OF SAID 296.061 ACRES AND BEING THE SAME LAND CONVEYED BY W'. W. SMITH TO DON WOOLEY, ET UX, BY DEED DATED JULY 21, 1981 AND RECORDED IN VOLUME 958 AT PAGE 173 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. THIS 10,0049 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY THE FOLLOWING METES AND BOUNDS, TO-WIT:

NOTE: BEARINGS ARE BASED ON FOUND MONUMENTS IN THE EAST LINE OF THE C. A. MILES SUBDIVISION AND THE EAST LINE OF THE W. W, SMITH TRACT AS SURVEYED BY .1. O. BELCHER, R.P.L.S NO. 1941, IN 1990; SAID LINE HAVE A CONTROL BEARING OF NORTH 01011 '40" WEST. MAP OF SAID MILES SUBDIVISION BEING OF RECORD IN VOLUME 106 AT PAGE 22 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS. SAID W. W, SMITH TRACT BEING THAT SAME TRACT (296.061 ACRES) REFERRED TO ABOVE.

COMMENCING AT A 5/8 INCH IRON ROD FOUND IN THE NORTH LINE OF THE C. A. MILES SUBDIVISION AT THE SOUTHERNMOST SOUTHWEST CORNER OF SAID 296.061 ACRES AND THE SOUTHWEST CORNER OF THAT CERTAIN, CALLED 10.00 ACRES CONVEYED BY EARL A. BARKER, ET MC, TO LIMESTONE LAND CONSERVANCY, INC. BY DEED DATED APRIL 3, 2002 AND RECORDED IN VOLUME 1960 AT PAGE 820 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS; FROM WHICH A 3/4 INCH SUCKER ROD FOUND FOR THE NORTHWEST CORNER OF LOT 29 OF SAID MILES SUBDIVISION BEARS SOUTH 89°01'20" WEST 81.87 FEET;

THENCE: NORTH 89°01'20" EAST ALONG THE EASTERNMOST SOUTH LINE OF SAID 296.061 ACRES, THE NORTH LINE OF SAID MILES SUBDIVISION, THE SOUTH LINE OF SAID LIMESTONE LAND 10.00 ACRES AND THE SOUTH LINE OF THAT CERTAIN CALLED 10.00 ACRE TRACT CONVOYED BY RAY CAVENDER, ET UX. TO FORREST PURVIS BY DEED DATED JULY 26, 2001 AND RECORDED IN VOLUME 1909 AT PAGE 262 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, FOR A DISTANCE OF 816.35 FEET (CALLED EAST 816.64 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE SOUTHEAST CORNER OF SAID PURVIS 10.00 ACRES AND THE SOUTHWEST CORNER AND POINT OF BEGINNING OF THIS TRACT.

THENCE: NORTH 00°55'04" WEST ALONG THE WEST LINE OF THIS TRACT AND THE EAST LINE OF SAID PURVIS 10.00 ACRES FOR A DISTANCE OF 965.64 FEET (CALLED NORTH 964.94 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE SOUTH

RIGHT-OF-WAY LINE OF FRONTIER PARK ROAD (60 FEET WIDE RIGHT-OF-WAY) FOR THE NORTHEAST CORNER OF SAID PURVIS 10.00 ACRES AND THE NORTHWEST CORNER OF THIS TRACT;

THENCE: NORTH $88^{\circ}31'56''$ EAST ALONG THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT-OF-WAY LINE OF SAID FRONTIER PARK ROAD FOR A DISTANCE OF 450.44 FEET (CALLED NORTH $89^{\circ}27'$ EAST 450.44 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET FOR THE NORTHWEST CORNER OF THAT CERTAIN CALLED 10.00 ACRES CONVEYED BY W. W. SMITH TO DONALD RAY & BILLIE LANNOM BY DEED DATED JUNE 3, 1980 AND RECORDED IN VOLUME 858 AT PAGE 922 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS, SAID POINT BEING THE NORTHEAST CORNER OF THS TRACT;

THENCE: SOUTH $00^{\circ}55'04''$ EAST ALONG THE EAST LINE OF THIS TRACT AND THE WEST LINE OF SAID LANNOM TRACT FOR A DISTANCE OF 969.50 FEET (CALLED SOUTH 969.27 FEET) TO A 1/2 INCH IRON ROD, WITH CAP, SET IN THE EASTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID MILES SUBDIVISION FOR THE SOUTHWEST CORNER OF SAID LANNOM TRACT AND THE SOUTHEAST CORNER OF THIS TRACT;

THENCE: SOUTH $89^{\circ}01'20''$ WEST ALONG THE SOUTH LINE OF THIS TRACT, THE EASTERNMOST SOUTH LINE OF SAID 296.061 ACRES AND THE NORTH LINE OF SAID MILES SUBDIVISION FOR A DISTANCE OF 450.42 FEET (CALLED WEST 450.42 FEET) TO THE PLACE OF BEGINNING AND CONTAINING WITHIN THESE BOUNDARIES 10.0049 ACRES OF LAND.

PARCEL 6 (LIMESTONE LAND CONSERVANCY, INC.)

TRACT 1

A PART OF THE 296.061 ACRE TRACT (CALLED 300 ACRES) OUT OF THE B M SPINKS SURVEY, LIBERTY COUNTY, TEXAS, BEING THAT TRACT DESENBED IN DEED FROM WLLLIARN ZALE WOODWARD AND EMMETT CLAYTON TO DEMPSIE HENLEY, DATED OCTOBER 7, 1968 AND RECORDED IN VOLUME 642, PAGE 548 OF THE LIBERTY COUNTY DEED RECORDS, DEED FROM J F BISHOP TO LEW BEARDEN AS RECORDED IN VOLUME 648, PAGE 418 OF THE LIBERTY COUNTY DEED RECORDS, DEED FROM DEMPSIE HENLEY TO LEW BEARDEN RECORDED IN LIBERTY COUNTY DEED RECORDS AND TWO (2) DEEDS FROM LEW BEARDEN TO DONALD R LANG, ONE FOR 5/6THS INTEREST DATED MAY 29, 1969, RECORDED IN LIBERTY COUNTY DEED RECORDS AND ONE FOR 1/6TH INTEREST DATED JULY 8, 1969, RECORDED IN VOLUME 648, PAGE 421 OF LIBERTY COUNTY DEED RECORDS, SAID BEING THAT SAME LAND "CALLED" 1000 ACRES OF LAND CONVEYED BY EARL A BARKER, ET UX, TO LIMESTONE LAND CONSERVANCY, INC BY DEED DATED APRIL 3, 2002 AND RECORDED IN VOLUME 1960 AT PAGE 821 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, THE PORTION HERENOW GRANTED, SOLD AND CONVEYED BEING KNOWN AS TRACT NO TWENTY-ONE (21) OF SAID 296.061 ACRE TRACT NOW SUBDIVIDED AND IS DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN IRON STAKE SET FOR MOST SOUTHERLY SOUTHWEST CORNER OF THE SAID 296.061 ACRE TRACT OF LAND, SAME BEING THE SOUTHWEST CORNER THIS TRACT DESCRIBED AND PLACE OF BEGINNING;

THENCE NORTH A DISTANCE OF 945 20 FEET TO AN IRON ROD SET FOR CORNER THIS TRACT DESCRIBED (ALSO IN THE SOUTHERN BOUNDARY LINE OF SAID 296.061 ACRES TRACT);

THENCE NORTH 1 DEG 59 MIN WEST A DISTANCE OF 432 84 FEET TO AN IRON ROD SET IN THE SOUTH MARGIN OF A 60 FOOT ROAD FOR THE NORTHWEST CORNER THIS TRACT DESCRIBED;

THENCE SOUTH 45 DEG 24 MIN EAST 533 55 FEET ALONG THE SOUTH MARGIN OF SAID 60 FOOT ROAD TO POINT FOR NORTHEAST CORNER THIS TRACT DESCRIBED;

THENCE SOUTH A DISTANCE OF 1,003 15 FEET TO AN IRON ROD FOR SOUTHEAST CORNER THIS TRACT DESCRIBED IN THE SOUTHERN BOUNDARY LINE OF SAID 296.061 ACRE TRACT;

THENCE WEST 365 21 FEET ALONG THE SOUTHERN BOUNDARY LINE OF SAID 296.061 ACRE TRACT TO THE PLACE OF BEGINNING, CONTAINING 10.0 ACRES, MORE OR LESS

TRACT 2:

EASEMENT DESCRIPTION

A 60.0 FOOT ROAD EASEMENT OUT OF SAID ABOVE-DESCRIBED 296.061 ACRE TRACT;
BEGINNING AT A POINT, AN IRON ROD, SET SOUTH 687.80 FEET FROM THE NORTHWEST CORNER OF SAID 296.061 ACRE TRACT, SAID IRON ROD SET IN THE NORTH MARGIN OF THE ROAD EASEMENT HERENOW DESCRIBED AND BEGINNING POINT;

THENCE NORTH 62 DEG 28 MIN EAST A DISTANCE OF 711.60 FEET ALONG THE NORTH MARGIN THIS ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 44 MIN EAST A DISTANCE OF 1,829.80 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 14MIN EAST A DISTANCE OF 1,235.15 FEET ALONG THE NORTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE SOUTH 45 DEG 24 MIN EAST A DISTANCE OF 593.85 FEET ALONG THE NORTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 27 MIN EAST A DISTANCE OF 2,891.85 FEET ALONG THE NORTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 46 MIN EAST A DISTANCE OF 264.38 FEET ALONG THE NORTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 36 MIN EAST A DISTANCE OF 41.45 FEET TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 37 MIN EAST A DISTANCE OF 1,922.90 FEET ALONG THE NORTH MARGIN OF SAID ROAD TO AN IRON ROD SET FOR NORTHEAST CORNER OF THIS ROAD EASEMENT;

THENCE SOUTH 0 DEG 13 MIN EAST A DISTANCE OF 600 FEET ALONG THE EASTERN BOUNDARY LINE OF SAID 296.061 ACRE TRACT TO POINT FOR SOUTHEAST CORNER THIS ROAD EASEMENT;

THENCE SOUTH 89 DEG 37 MIN WEST A DISTANCE OF 1,900.60 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE SOUTH 88 DEG 27 MIN WEST A DISTANCE OF 51.80 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 46 MIN WEST A DISTANCE OF 276.30 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 27 MIN WEST A DISTANCE OF 2,196.12 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE NORTH 45 DEG 24 MIN WEST A DISTANCE OF 593.55 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 14 MIN WEST A DISTANCE OF 1,210.20 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 44 MIN WEST A DISTANCE OF 1,815.70 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER;

THENCE SOUTH 62 DEG 28 MIN WEST A DISTANCE OF 728.10 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT ON THE 296.061 ACRE TRACT;

THENCE NORTH A DISTANCE OF 67.73 FEET ALONG THE WEST LINE OF SAID 296.061 ACRE TRACT (CALLED 300 ACRE TRACT) TO THE PLACE OF BEGINNING.

PARCEL 7 (LIMESTONE LAND CONSERVANCY, INC.)

TRACT 1: SURFACE ONLY

A PART OF THE 296.061 ACRE TRACT (CALLED 300 ACRES) OUT OF THE B M SPINKS SURVEY, LIBERTY COUNTY, TEXAS, BEING THAT TRACT DESCRIBED IN DEED FROM WILLIAM ZANE WOODWARD AND EMMETT CLAYTON TO DEMPSIE HENLEY, DATED OCTOBER 7TH, 1968 AND RECORDED IN VOLUME 642, PAGE 548 OF THE LIBERTY COUNTY DEED RECORDS, DEED FROM J E BISHOP TO LEW BEARDEN AS RECORDED IN VOLUME 648, PAGE 418 OF LIBERTY COUNTY DEED RECORDS, DEED FROM DEMPSIE HENLEY TO LEW BEARDEN RECORDED IN DEED RECORDS OF LIBERTY COUNTY, TEXAS, AND TWO (2) DEEDS FROM LEW BEARDEN TO DONALD R LANG, ONE FOR 5/8THS, INTEREST DATED MAY 29, 1969 RECORDED IN THE DEED RECORDS OF LIBERTY COUNTY, TEXAS, AND ONE DATED JULY 8TH, 1969 FOR A 1/6TH INTEREST RECORDED IN VOLUME 648, PAGE 421 OF THE LIBERTY COUNTY DEED RECORDS, SAID BEING THAT SAME LAND CONVEYED BY MILLARD EDWARD MLXON, ET UX, TO LIMESTONE LAND CONSERVANCY, INC BY DEED DATED MARCH 26, 2002 AND RECORDED IN VOLUME 1960, PAGE 818 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, THE PORTION HERENOW BEING GRANTED, SOLD AND CONVEYED BEING A TRACT OF LAND KNOWN AS TRACT NO TWENTY (20) OF A PLAT PREPARED BY WARD 3 BENOIT, REGISTERED SURVEYOR, JUNE 28, 1976, AND DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN IRON ROD SET IN THE SOUTH LINE OF SAID 296.061 ACRE TRACT (CALLED 300 ACRES), ALSO EAST A DISTANCE OF 2,980.73 FEET FROM THE MOST WESTERLY SOUTHWEST CORNER OF THE SAID 296.061 ACRE TRACT, SAID IRON ROD BEING THE SOUTHWEST CORNER THIS TRACT DESCRIBED AND PLACE OF BEGINNING;

THENCE NORTH 0 DEG 34 MIN EAST A DISTANCE OF 422.70 FEET TO AN IRON PIPE FOR THE NORTHWEST CORNER THIS TRACT DESCRIBED IN THE SBL OF A 60 FOOT DIRT ROAD;

THENCE NORTH 89 DEG 14 MIN EAST A DISTANCE OF 686.54 FEET ALONG THE SBL OF SAID 60 FOOT DIRT ROAD TO AN IRON ROD FOR THE NORTHEAST CORNER THIS TRACT DESCRIBED;

THENCE SOUTH 1 DEG 59 MIN EAST A DISTANCE OF 432.84 FEET TO AN IRON ROD FOR THE SOUTHEAST CORNER OF THIS TRACT DESCRIBED;

THENCE WEST A DISTANCE OF 706.20 FEET ALONG THE SOUTH LINE OF SAID 296.061 ACRE TRACT TO THE PLACE OF BEGINNING, AND CONTAINING 6.82 ACRES OF LAND, MORE OR LESS

PERMANENT ACCESS TO SAID PROPERTY IS GRANTED IN DEED DATED JULY 1, 1976 AND RECORDED IN DEED RECORDS OF LIBERTY COUNTY, TEXAS, AND THE PERMANENT ROAD EASEMENT IS FOR PERMANENT USE OF OWNERS OF PROPERTY IN SAID 296.061 ACRE TRACT, THEIR HEIRS, ASSIGNS, AGENTS AND LEGAL REPRESENTATIVES FOR INGRESS AND EGRESS.

TRACT 2:

EASEMENT DESCRIPTION

A 60.0 FOOT ROAD EASEMENT OUT OF SAID ABOVE-DESCRIBED 296.061 ACRE TRACT.

BEGINNING AT A POINT, AN IRON ROD, SET SOUTH 687.80 FEET FROM THE NORTHWEST CORNER OF SAID 296.061 ACRE TRACT, SAID IRON ROD SET IN THE NORTH MARGIN OF THE ROAD EASEMENT HERENOW DESCRIBED AND BEGINNING POINT;

THENCE NORTH 62 DEG 28MIN EAST A DISTANCE OF 711.60 FEET ALONG THE NORTH MARGIN THIS ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 44 MIN EAST A DISTANCE OF 1,829.80 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 14 MIN EAST A DISTANCE OF 1,235.15 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 45 DEG 24 MIN EAST A DISTANCE OF 593.85 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 27MIN EAST A DISTANCE OF 2,891.85 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 46 MIN EAST A DISTANCE OF 264.38 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 36 MIN EAST A DISTANCE OF 41.45 FEET TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 37 MIN EAST A DISTANCE OF 1,922.90 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO AN IRON ROD SET FOR NORTHEAST CORNER OF THIS ROAD EASEMENT;

THENCE SOUTH 0 DEG 13 MIN EAST A DISTANCE OF 60.0 FEET ALONG THE EASTERN BOUNDARY LINE OF SAID 296.061 ACRE TRACT TO POINT FOR SOUTHEAST CORNER THIS ROAD EASEMENT;

THENCE SOUTH 89 DEG 37 MIN WEST A DISTANCE OF 1,900.60 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 88 DEG 27MIN WEST A DISTANCE OF 51.80 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 46 MIN WEST A DISTANCE OF 276.30 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 27 MIN WEST A DISTANCE OF 2,196.12 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 45 DEG 24 MIN WEST A DISTANCE OF 593.55 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 14 MIN WEST A DISTANCE OF 1,210.20 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 44 MIN WEST A DISTANCE OF 1,815.70 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 62 DEG 28 MIN WEST A DISTANCE OF 728.10 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF THIS ROAD EASEMENT ON THE 296.061 ACRE TRACT;

THENCE NORTH A DISTANCE OF 67.73 FEET ALONG THE WEST LINE OF SAID 296.061 ACRE TRACT (CALLED 300 ACRE TRACT) TO THE PLACE OF BEGINNING.

ALL PARTIES OWNING THIS ROAD EASEMENT AGREE TO CONVEY OR CAUSE TO BE CONVEYED THIS ROAD EASEMENT TO COUNTY OF LIBERTY OR STATE OF TEXAS FOR ROAD PURPOSES AT ANY TIME LIBERTY COUNTY OR THE STATE OF TEXAS MAY WISH TO ACQUIRE SAME.

PARCEL 8 (LIMESTONE LAND CONSERVANCY, INC)

TRACT 1: SURFACE ONLY

A PART OF THE 296.061 ACRE TRACT (CALLED 300 AC) OUT OF THE B M SPINKS SURVEY, LIBERTY COUNTY, TEXAS, BEING THAT TRACT DESCRIBED IN DEED FROM WILLIAM ZANE WOODWARD AND EMMETT CLAYTON TO DEMPSIE HENLEY DATED OCTOBER 7TH, 1968 AND RECORDED IN VOL 642, PAGE 548 OF THE LIBERTY COUNTY DEED RECORDS, DEED FROM S B BISHOP TO LEW BEARDEN AS RECORDED IN VOL 648, PAGE 418 OF LIBERTY COUNTY DEED RECORDS, DEED FROM DEMPSIE HENLEY TO LEW BEARDEN RECORDED IN DEED RECORDS OF LIBERTY COUNTY, TEXAS, AND TWO (2) DEEDS FROM LEW BEARDEN TO DONALD R LANG, ONE FOR 5/6THS INTEREST DATED MAY 29TH, 1959 RECORDED IN DEED RECORDS OF LIBERTY COUNTY, TEXAS AND ONE DATED JULY 8TH, 1969 FOR 1/6TH INTEREST RECORDED IN VOL 648, PAGE 421 OF LIBERTY COUNTY DEED RECORDS, SAID BEING THAT SAME LAND "CALLED" 5 0 ACRES OF LAND CONVEYED BY DOUGLAS K TRAYLOR TO LIMESTONE LAND CONSERVANCY, INC BY DEED DATED AUGUST 24, 2001 AND RECORDED IN VOLUME 1915, PAGE 101 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, THE PORTION HERENOW BEING SOLD AND CONVEYED BEING KNOWN AS A PART OF TRACT NO 17 OF SURVEYED PLAT BY WARD BENOIT, NO 1123, DATED JUNE 28TH, 1976, BUT IDENTIFIED BY THE LIBERTY COUNTY APPRAISAL DISTRICT AS TRACT NO 12, NOT 17, AND DESCRIBED MORE PARTICULARLY BY METES AND BOUNDS AS FOLLOWS BEGINNING AT MOST NORTHLY SOUTHWEST CORNER OF THE SAID 296.061 ACRE TRACT, SAID POINT BEING THE SOUTHWEST CORNER OF THE FIVE (5 0) ACRE TRACT HERENOW DESCRIBED;

THENCE NORTH 71.50 FT TO POINT IN WBL OF SAID 296.061 AC TRACT, SAID POINT BEING IN THE SBL OF 60 FT PERPETUAL ROAD EASEMENT HEREINAFTER DESCRIBED;

THENCE N 62° 28' E ALONG SBL SAID ROAD EASEMENT A DISTANCE OF 718.10 FT TO POINT IN THE SBL SAID ROAD EASEMENT;

THENCE N 89° 44' E ALONG SBL SAID ROAD EASEMENT A DISTANCE OF 156.37 FT TO POINT FOR NORTHEAST CORNER THIS TRACT DESCRIBED;

THENCE SOUTH A DISTANCE OF 411.16 FT, MORE OR LESS, BUT IN ANY EVENT TO THE SBL OF SAID 296.061 AC TRACT;

THENCE 802.0 FT WEST ALONG THE SOUTH BOUNDARY LINE OF SAID 296.061 AC TRACT TO THE PLACE OF BEGINNING, AND CONTAINING FIVE (5 0 AC) ACRES OF LAND. PERMANENT ACCESS TO SAID PROPERTY IS GRANTED TO SELLER IN DEED DATED JULY 1, 1976 AND RECORDED IN LIBERTY COUNTY DEED RECORDS AND THE PERMANENT ROAD EASEMENT IS GRANTED FOR THE PERMANENT USE OF OWNERS

OF PROPERTY IN SAID 296.061 ACRE TRACT, THEIR HEIRS, ASSIGNS, AGENTS AND
LEGAL REPRESENTATIVES FOR INGRESS AND EGRESS.

TRACT 2:

EASEMENT DESCRIPTION

A 60.0 FOOT ROAD EASEMENT OUT OF SAID ABOVE-DESCRIBED 296.061 ACRE TRACT.

BEGINNING AT A POINT, AN IRON ROD, SET SOUTH 687.80 FEET FROM THE NORTHWEST CORNER OF SAID 296.061 ACRE TRACT, SAID IRON ROD SET IN THE NORTH MARGIN OF THE ROAD EASEMENT HERENOW DESCRIBED AND BEGINNING POINT;

THENCE NORTH 62 DEG 28MIN EAST A DISTANCE OF 711.60 FEET ALONG THE NORTH MARGIN THIS ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 44 MIN EAST A DISTANCE OF 1,829.80 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 14 MIN EAST A DISTANCE OF 1,235.15 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 45 DEG 24 MIN EAST A DISTANCE OF 593.85 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 27MIN EAST A DISTANCE OF 2,891.85 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 46 MIN EAST A DISTANCE OF 264.38 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 36 MIN EAST A DISTANCE OF 41.45 FEET TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 37 MIN EAST A DISTANCE OF 1,922.90 FEET ALONG THE NORTH MARGIN OF SAID ROAD EASEMENT TO AN IRON ROD SET FOR NORTHEAST CORNER OF THIS ROAD EASEMENT;

THENCE SOUTH 0 DEG 13 MIN EAST A DISTANCE OF 60.0 FEET ALONG THE EASTERN BOUNDARY LINE OF SAID 296.061 ACRE TRACT TO POINT FOR SOUTHEAST CORNER THIS ROAD EASEMENT;

THENCE SOUTH 89 DEG 37 MIN WEST A DISTANCE OF 1,900.60 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 88 DEG 27MIN WEST A DISTANCE OF 51.80 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 89 DEG 46 MIN WEST A DISTANCE OF 276.30 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 27 MIN WEST A DISTANCE OF 2,196.12 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE NORTH 45 DEG 24 MIN WEST A DISTANCE OF 593.55 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 14 MIN WEST A DISTANCE OF 1,210.20 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 89 DEG 44 MIN WEST A DISTANCE OF 1,815.70 FEET ALONG THE SOUTH MARGIN OF SAID ROAD EASEMENT TO IRON ROD FOR CORNER;

THENCE SOUTH 62 DEG 28 MIN WEST A DISTANCE OF 728.10 FEET ALONG THE SOUTH MARGIN OF SAID ROAD TO IRON ROD FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF THIS ROAD EASEMENT ON THE 296.061 ACRE TRACT;

THENCE NORTH A DISTANCE OF 67.73 FEET ALONG THE WEST LINE OF SAID 296.061 ACRE TRACT (CALLED 300 ACRE TRACT) TO THE PLACE OF BEGINNING.

ALL PARTIES OWNING THIS ROAD EASEMENT AGREE TO CONVEY OR CAUSE TO BE CONVEYED THIS ROAD EASEMENT TO COUNTY OF LIBERTY OR STATE OF TEXAS FOR ROAD PURPOSES AT ANY TIME LIBERTY COUNTY OR THE STATE OF TEXAS MAY WISH TO ACQUIRE SAME.

PARCEL 9 (LIMESTONE LAND CONSERVANCY, INC.)

TRACT 1:

ALL AND SINGULAR A CERTAIN LOT, TRACT OR PARCEL OF LAND, AND BEING THE EAST THIRTY (E 30) ACRES OF THAT CERTAIN 34 2/3 ACRE TRACT OF LAND DESCRIBED AS FOLLOWS, TO WIT:

LYING AND BEING SITUATED IN THE COUNTY OF LIBERTY, AND STATE OF TEXAS, KNOWN AND DESIGNATED AS A PART OF THE B M SPINKS LEAGUE, ABSTRACT NO 108 AND BEING THE MOST SOUTHERN 34 2/3 ACRES OF THE FOLLOWING DESCRIBED 104.1 ACRE TRACT, SET ASIDE TO C A MILES BY DECREE OF THE DISTRICT COURT OF LIBERTY COUNTY, TEXAS, ON THE 3RD DAY OF MARCH, 1921, AS SHOWN OF RECORD IN VOLUME I, PAGE 176, OF THE MINUTES OF THE DISTRICT COURT OF SAID COUNTY, THE TRACT OF LAND OF WHICH THE 34 2/3 ACRES IS THE MOST SOUTHERN PART, SAID BEING THAT SAME LAND "CALLED" 300 ACRES OF LAND CONVEYED BY R U CARTER, ET UX, TO LIMESTONE LAND CONSERVANCY, INC BY DEED DATED FEBRUARY 3, 2002 AND RECORDED IN VOLUME 1947, PAGE 514 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, THE PORTION HERENOW GRANTED, SOLD AND CONVEYED BEING DESCRIBED MORE PARTICULARLY BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A POINT ON THE SOUTH LINE OF THE J A WORTHY TRACT, 30 FEET EAST OF THE LIBERTY AND WALLISVILLE ROAD, AN IRON STAKE FOR CORNER, FROM WHICH A 14 INCH BLACK GUM MARKED X BEARS SOUTHWEST 27 VARAS;

THENCE NORTH 88 1/2 DEGREES WEST WITH SAID LINE 1058 VARAS TO A CYPRESS STAKE FOR CORNER IN THE WEST LINE OF A TRACT KNOWN AS THE AMERICAN LAND & OIL COMPANY'S 756-ACRE TRACT IN THE SAID SPINKS LEAGUE;

THENCE NORTH 1 1/2 DEGREES WEST WITH SAID LINE 501-4/10 VARAS TO AN IRON STAKE IN THE NORTH LINE OF SAID SPINKS LEAGUE;

THENCE SOUTH 88 1/2 DEGREES WEST WITH SAID LINE AT 307-7/10 VARAS PASS AN IRON PIPE FOR THE SOUTHEAST CORNER OF THE YOACUM SURVEY, AT 1222-7/10 VARAS AN IRON BAR FOR CORNER, 30 FEET FROM CENTER OF ROAD, FROM WHICH A RED OAK MARKED X BEARS NORTH 52 DEGREES WEST 8 VARAS;

THENCE WITH THE EAST MARGIN OF SAID ROAD AS FOLLOWS SOUTH 19 DEGREES EAST

200 VARAS, SOUTH 9-3/4 DEGREES EAST 182 VARAS, SOUTH 5-3/4 DEGREES EAST 141

VARAS, CONTAINING 104.1 ACRES OF LAND, AS SURVEYED BY H O COMPTON ON NOVEMBER 18TH, 1920

TRACT 2:

THE EAST FIVE (5) ACRES OF THAT CERTAIN TWENTY THREE (23) ACRES OUT OF THE B M SPINKS LEAGUE PURCHASED BY R G PARTLOW FROM ORLANDO HYLTON, AND BEING THE EAST ONE-HALF(E -1/2) OF THE ORLANDO HYLTON FORTY-SIX (46) ACRE TRACT, AND ALSO BEING A PART OF THE JOHNS SIX HUNDRED FORTY (640) ACRE TRACT OUT OF SAID B M SPINKS LEAGUE, AND BEING THE SAME LAND DESCRIBED IN AND CONVEYED BY DEED DATED JULY 29, 1952, FROM R G PARTLOW TO CARR DEVELOPMENT COMPANY, RECORDED IN VOLUME 373, PAGE 557, OF THE DEED RECORDS OF LIBERTY COUNTY. TEXAS, SAID BEING THE SAME LAND "CALLED" 5 0 ACRES OF LAND CONVEYED FROM R L CARTER, ET UK, TO LIMESTONE LAND CONSERVANCY, INC BY DEED DATED FEBRUARY 3, 2002 AND RECORDED IN VOLUME 1947, PAGE 514 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY TEXAS, TO WHICH DEED AND THE RECORD THEREOF REFERENCE IS HERE MADE.

PARCEL 10 (LIMESTONE LAND CONSERVANCY, INC.)

TRACT 1:

FIELD NOTE DESCRIPTION OF A 4.975 ACRE TRACT SITUATED IN THE B M SPINKS SURVEY, ABSTRACT NO 108, LIBERTY COUNTY, TEXAS BEING THE RESIDUE OF A CALLED 10 ACRE TRACT (TRACT NO 17) AS SHOWN ON SURVEY PLAT BY WARD J BENOIT, R P L S NO 1123, DATED JUNE 28, 1976 AND BEING A MAP SHOWING THE PARTITION OF A 296.061 ACRE TRACT (CALLED 300 ACRES) SAID 296.061 ACRE TRACT BEING THE SAME TRACT AS DESCRIBED IN VOLUME 779, PAGE 872 OF THE LIBERTY COUNTY DEED RECORDS, SAID BEING THAT SAME LAND "CALLED" 4.975 ACRES OF LAND CONVEYED BY WALLIS W SMITH TO LIMESTONE LAND CONSERVANCY, INC BY DEED DATED MAY 1, 2002 AND RECORDED IN VOLUME 1968, PAGE 146 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, THE PORTION HERENOW BEING GRANTED, SOLD AND CONVEYED BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2-INCH IRON ROD FOUND AT THE SOUTHWEST CORNER OF A CALLED 5 ACRE TRACT AS DESCRIBED IN VOLUME 811, PAGE 713 AND THE MOST NORTHERLY SOUTHWEST CORNER OF SAID 296.061 ACRE TRACT, BEING ON THE NORTHWESTERLY CORNER OF A 40 ACRE TRACT AS DESCRIBED IN VOLUME 1348, PAGE 178 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS, AND BEING ON THE EASTERLY LINE OF A 3 ACRE TRACT DESCRIBED AS PARCEL "C" IN VOLUME 553, PAGE 1 OF THE LIBERTY COUNTY DEED RECORDS;

THENCE, NORTH 86° 55' 56" EAST, ALONG THE SOUTHERLY LINE OF SAID 296.061 ACRE TRACT SAME BEING THE NORTHERLY LINE OF SAID 40 ACRE TRACT FOR A DISTANCE OF 800.19 FEET (CALLED 802 00 FEET) TO A 1" IRON PIPE FOUND FOR THE SOUTHEAST CORNER OF SAID 5 ACRE TRACT AND BEING THE SOUTHWEST CORNER AND THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT, FROM WHICH A FOUND 5/8" IRON ROD BEARS SOUTH 15° 28' 00" EAST, 2 14 FEET;

THENCE, NORTH 03° 04' 04" WEST, LEAVING SAID SOUTHERLY LINE OF SAID 296.061 ACRE TRACT, ALONG THE EASTERLY LINE OF SAID 5 ACRE TRACT FOR A DISTANCE OF 407.62 FEET (CALLED 408 80 FEET) TO A 5/8" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 5 ACRE TRACT AND THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT, SAID POINT LIES IN THE SOUTHERLY LINE OF A 60 FOOT PERMANENT ACCESS EASEMENT AS DESCRIBED IN VOLUME 779, PAGE 872 OF THE LIBERTY COUNTY DEED RECORDS;

THENCE, NORTH 86° 39' 56" EAST, ALONG THE SOUTHERLY LINE OF SAID 60 FOOT PERMANENT ACCESS EASEMENT FOR A DISTANCE OF 530.02 FEET (CALLED 529 50 FEET) TO A 5/8" IRON ROD FOUND FOR THE COMMON NORTHERLY CORNER OF SAID

10 ACRE AND A CALLED 1.99 ACRE TRACT AS SHOWN ON THE SURVEY PLAT BY
WARD J BENOIT, R P L S NO 1123, DATED JUNE 28, 1976;

THENCE, SOUTH 03° 04' 04" EAST, LEAVING THE SOUTHERLY LINE OF SAID 60 FOOT
PERMANENT ACCESS EASEMENT, FOR A DISTANCE OF 410.09 (CALLED 411.16) FEET
TO A POINT FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, SAID
POINT LIES IN THE SOUTHERLY LINE OF SAID 296.061 ACRE TRACT SAME BEING THE
NORTHERLY LINE OF SAID 40 ACRE TRACT;

THENCE, SOUTH 86° 55' 56" WEST, ALONG SAID SOUTHERLY LINE, FOR A DISTANCE
OF 530.01 FEET TO THE POINT OF BEGINNING, CONTAINING WITHIN THESE METES
AND BOUNDS A COMPUTED AREA OF 4.975 ACRES (216,700 SQUARE FEET) OF LAND.

TRACT 2:

BEING A TRACT OF LAND 80 FEET IN WIDTH AND CONTAINING 0.7176 ACRES OF
LAND SITUATED IN THE B M SPINKS SURVEY, ABSTRACT NO 108, LIBERTY COUNTY,
TEXAS, AND BEING ALL OF TRACT ONE AS DESCRIBED IN VOLUME 779, PAGE 872 OF
THE LIBERTY COUNTY DEED RECORDS SAID 0.7176 ACRE TRACT BEING MORE
PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD FOUND AT THE INTERSECTION OF THE EAST
RIGHT-OF-WAY LINE OFF FM 563 (120 FOOT RIGHT-OF-WAY) AND THE NORTH
RIGHT-OF-WAY LINE OF COUNTY ROAD 126 DESCRIBED AS TRACT THREE BEING A 60
FOOT WIDE PERMANENT ROAD EASEMENT AS DESCRIBED IN VOLUME 779, PAGE 872
OF THE LIBERTY COUNTY DEED RECORDS SAID POINT ALSO BEING THE SOUTHWEST
CORNER OF A CALLED 16.07 ACRE TRACT AS DESCRIBED IN VOLUME 1651, PAGE 169
OF THE LIBERTY COUNTY DEED RECORDS;

THENCE, NORTH 86 DEGREES 31 MINUTES 03 SECONDS EAST ALONG THE COMMON
LINE OF SAID 16.07 ACRE TRACT AND THE NORTHERLY RIGHT-OF-WAY LINE OF
COUNTY ROAD 126 FOR A DISTANCE OF 395.62 FEET TO A 5/8-INCH IRON ROD WITH
CAP STAMPED "CLARK GEOGRAM" SET FOR CORNER BEING THE NORTHWEST
CORNER OF A CALLED 30 ACRE TRACT AS DESCRIBED IN VOLUME 584, PAGE 221 OF
THE LIBERTY COUNTY DEED RECORDS;

THENCE, SOUTH 03 DEGREES 28 MINUTES 57 SECONDS EAST ALONG THE WESTERLY
LINE OF SAID 30 ACRE TRACT FOR A DISTANCE OF 80.00 FEET TO A 1/2-INCH IRON
ROD FOUND THE NORTHEAST CORNER OF A CALLED 3.6188 ACRE TRACT AS
DESCRIBED IN VOLUME 1708, PAGE 908 OF THE LIBERTY COUNTY DEED RECORDS;

THENCE, SOUTH 86 DEGREES 31 MINUTES 03 SECONDS WEST ALONG THE
NORTHERLY LINE OF SAID 3.6188 ACRE TRACT FOR A DISTANCE OF 385.83 FEET TO
A 5/8-INCH IRON ROD WITH CAP STAMPED "CLARK GEOGRAM" SET FOR CORNER

BEING THE NORTHWEST CORNER OF SAID 3.6188 ACRE TRACT, SAID POINT LIES IN THE EAST RIGHT-OF-WAY LINE OF FM 563 (120 FOOT RIGHT-OF-WAY);

THENCE, NORTH 10 DEGREES 27 MINUTES 20 SECONDS WEST ALONG THE EAST RIGHT-OF-WAY LINE OF FM 563 (120 FOOT RIGHT-OF-WAY) FOR A DISTANCE OF 80.60 FEET TO THE POINT OF BEGINNING CONTAINING WITHIN THESE METES AND BOUNDS A COMPUTED AREA OF 0.7176 ACRES (31,259 SQUARE FEET) OF LAND.

EXECUTED effective as of the _____ day of _____,
20__.

GRANTOR:

By: _____
Name:
Title:

By: _____
Name:
Title:

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on ___, 20__, by
_____, the _____ of _____, a _____, the
_____ of _____, a _____, on behalf of said _____.

NOTARY PUBLIC

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on ___, 20__, by
_____, the _____ of _____, a _____, the
_____ of _____, a _____, on behalf of said _____.

NOTARY PUBLIC

EXHIBIT D

List of Transferred Contracts

NO.	SITE	CONTRACT WITH	CONTRACT/LEASE DESCRIPTION
1.	Beaver Valley	ARCO Chemical Company, Beazer East, Inc., and the United States	Settlement Agreement dated March 12, 1997
2.	Gypsum Pile	Grundy Green LLC	Agreement of Purchase and Sale dated March 4, 2010
3.	Gypsum Pile	Grundy Green LLC	First Amendment to Agreement of Purchase and Sale dated March 30, 2010

Exhibit C, Item 1
DTSC Additional NPL Sites

Site	Street Address	City	State	Postal Code
Casmalia Disposal	RD 539	Casmalia	CA	
Lorentz Barrel	Alma Ave. & 10th Street	San Francisco	CA	94117
Omega Chemical	12504 and 12512 E. Whittier Boulevard	Whittier	CA	90602
San Fernando Valley	3000 San Fernando Street 2820 Ontario Street	Burbank	CA	91505
Stringfellow	Glen Avon	Riverside County	CA	

Exhibit C, Item 2
DTSC Additional Other Sites

Site	Street Address	City	State	Postal Code
Bay Area Drum Company aka Peak Oil	1212 Thomas Avenue	San Francisco	CA	
San Francisco Site	450 East Grand Ave.	San Francisco	CA	

Exhibit C, Item 3
LA Regional Board Additional Sites

Site	Street Address	City	State	Postal Code
801 East 61st Street Site	801 East 61st Street	Los Angeles	CA	90001
Bandini Boulevard Site	Bandini Boulevard	Los Angeles	CA	
Phillips Ranch	86 Rio Ranch Road	Pomona	CA	91765
Sunset Light Commerce		Commerce City	CA	

Exhibit C, Item 4
U.S. Additional CERCLIS/NPL Sites

Site	Street Address	City	State	Postal Code
2nd and Gratiot St Site	2nd & Gratiot Streets	St. Louis	MO	63102
A and F Material Reclaiming	West Cumberland	Greenup	IL	62428
A Gross & Company	625 Doremus Ave.	Newark	NJ	07105
Acme Rockford Site	1915 20th Avenue	Rockford	IL	61104
Afterthought Mine	Highway 299 E	Redding	CA	96008
AlSCO Anaconda	County Road 39	Gnadenhutten	OH	44629
American Desk MRE	U.S. 83 and Farm Road 604	Ovalo	TX	79541
American Recovery	1901 Birch St.	Baltimore	MD	21226
Anaheim Plant (National Distil & Chem.)	1045 Kemp Street	Anaheim	CA	92801
Aqua Tech	Robinson Rd./Hwy 290	Greer, Spartanburg County	SC	29652
Army Creek Landfill	New Castle County	New Castle	DE	19720
Barker Chem Grandview	I-35 & Hwy 81	Grandview	TX	76050
Bay Drum	S.R. 574	Tampa	FL	33619
Bayonne Barrel	150-154 Raymond Blvd.	Newark, Essex County	NJ	07105
Bayou Sorrell	Pat Bayou & Upr Grand River - Section 40-43, Township 10-2, Range-East	Bayou Sorrel	LA	70764
BEI Terminal a/k/a/ Urbana Trailers	707 South Edgewood Ave	Urbana	OH	43078
Berks Associates a/k/a Douglassville Disposal	Route 724	Union Township - Douglasville	PA	19518

Blackberry Valley Landfill	1525 South Buncombe Rd	Greenville	SC	29602
Blosenski Landfill	Route 340	West Caln Township	PA	19376
Bohaty Drum	4271 Pearl Rd.	Medina	OH	44252
Breslube Penn Site	84 Montour Road	Coraopolis	PA	15108
Bridgeport Indianapolis (a/k/a) Reilly Tar and Chemical Corp. Superfund	Minnesota Street	Indianapolis	IN	46241
Bridgeport Norwalk	391 & 395 Connecticut Avenue	Norwalk	CT	06856
Brio Refining	2501 Dixie Farm Rd.	Friendswood, Harris County	TX	77089
Brockman Landfill	3 miles southwest of Ottawa	Ottawa	IL	61350
Bryon Salvage Yard	Dirk Farms, Ogle County	Rockford	IL	
Buzby Landfill	Centennial Blvd. & Old Mill Rd.	Voorhees Township, Camden County	NJ	08043
Calcaseiu Estuary	4205 Ryan Street	Lake Charles	LA	70609
Caldwell Systems	Mt. Herman Rd.	Lenoir	NC	28645
Cam Or Site	State Road 2 and Highway 421	Westville	IN	46391
Carrollton Manufacturing a/k/a Glidden Coatings and Resin	1900 Josey Ln.	Carrollton	TX	75006
Casmalia Disposal	RD 539	Casmalia	CA	93429
Central Steel Drum Co.	704 Doremus Avenue	Newark	NJ	07105
Chem Dyne	500 Ford Boulevard	Hamilton	OH	45011
Chem Minerals Reclaim	421 & 601 Stone Levee Rd. 3418 Crescent Ave.	Cleveland	OH	44102
Chemical Control Corporation	23 Front Street	Elizabeth	NJ	07202
Chemsol Piscataway	Fleming St.	Piscataway	NJ	08854

Cherokee Resources Inc	1201 Berryhill Rd. 925 South Summit Ave.	Charlotte	NC	28208
Collinsville Site		Collinsville	IL	62234
Colorado School of Mines	5920 McIntyre St.	Golden	CO	80403
Commencement Bay		Tacoma	WA	98402
Commercial Oil	3600 Cedar Point Road	Oregon	OH	43616
Cox Road Dump Site (a/k/a Liberty Waste Disposal Landfill)	County Road 491	Dayton	TX	77535
Cross Brothers Pail	County Road 14500 E.	Pembroke Township	IL	60944
Davis Liquid Waste	Tarkiln Road	Smithfield	RI	02828
Delaware Sand and Gravel		New Castle	DE	
Delta Quarries	Sand Bank Rd.	Altoona	PA	16601
Des Moines Barrel		Des Moines	IA	50317
Dickerson Landfill a/k/a Middletown Dump Site	Middleton Road	Annapolis	MD	21409
Dixie Oil	2505 Choate Road	Friendswood	TX	77546
Doeboy Landfill	45th and Doeboy Street	Jacksonville	FL	32208
Drum Service Zellwood aka Zellwood Ground Water Contamination	803 Jones Ave.	Zellwood	FL	32798
Dura Convertible Adrian	1365 East Beecher Street	Adrian	MI	49221
East Bethel Demolition Landfill	Hwy 65 at 22 1st Ave.	East Bethel Twsp.	MN	55011
Electro-Extracts	Off Hwy 544	Wylie	TX	75098
Emery Mauldin Kellett	230 E. Standing Springs Rd.	Simpsonville	SC	29681
Erie Coatings and Chemicals, Inc.	6828 South Dixie Hwy	Erie	MI	48133
Fields Brook MPI	No Specific Address - Brook/River	Ashtabula	OH	44004
Florence Landfill	Cedar Lane Ext.	Florence	NJ	08518

Fort Wayne Reduction Dump	5225 Old Maumee Rd.	Fort Wayne	IN	46803
FR and S #3 Site	Red Lane Rd. and Rt. 422	Reading	PA	19603
GAESS Environmental Service	253 River Drive	Passaic	NJ	07055
GE Railcar Site	Zeitler and Hope Lanes	Elkton	MD	21922
Goff Landfill (a/k/a Union Carbide Goff Mountain Landfill)	Goff Mtn Rd. & Rte 25	Kanawha	WV	25112
Gold Coast Superfund	2835 SW 71 Avenue	Miami	FL	33155
Grows Landfill	Louderbock Rd.	Tullytown	PA	19007
Hansen Container Site	500 Block of Lawrence	Grand Junction	CO	81505
Hardage Ind Waste Landfill aka Hardage/Criner	3/4 Mile West of Town on Highway 122	Criner	OK	73080
Harris County Landfill 1	Gulf Pump Rd.	Crosby	TX	77532
Hazardous Waste Disposal	11A Picone Blvd	Farmingdale	NY	11735
Helen Kramer Landfill	Jessup Mill Rd.	Mantua Township, Gloucester County	NJ	08051
HH Waste Disposal	10 Miles N Rte 33	Farrington	VA	23192
Hillsdale Drum	Rt 1 Box 87 (3/4 Mile South of Hillsdale)	Amite	LA	70422
Huth Oil Service	2891 East 83rd Street	Cleveland	OH	44104
Ind Solvents and Chem	210 Stevens Road	York Haven	PA	17370
J C Pennco Waste Oil	4927 Higdon Rd.	San Antonio	TX	78201
Jacks Creek	Sitkin Smelting Superfund Site (105 acres)	Village of Maitland	PA	17044
Jackson Township Pit	Lakehurst Ave.	Jackson Township	NJ	08527
Janesville Old Landfill	Blackbridge Rd.	Janesville	WI	53545
Jim's Liquid Waste	.4 miles south of Virginia Route 706	Culpeper	VA	22701
John Smith Waste Site	John Smith Road	Hollister	CA	95203

Kaiser Cement Lucerne Valley	Off Rte 18	Lucerne Valley	CA	92356
Kaiser Cement Montana City	Hwy 518	Helena	MT	59601
Kaiser Cement Permanente	Stevens Corner Blvd.	Permanente	CA	95014
Kaiser Cement San Antonio	10440 Perrin Beitel Rd.	San Antonio	TX	78217
Kane and Lombard	Kane & Lombard Streets	Baltimore	MD	21224
Keystone Lamp	Route 4, Box 11 (R.D. #4, Rte. 873)	Slatington, Lehigh County	PA	18080
Kinsley's Landfill, Inc.	Rt 41 Hurville Rd.	Deptford	NJ	08096
Knickerbocker Landfill	Rt 29 & Swedesford Rd.	Malvern	PA	19355
Krejci Dump Northwest	814 W Hines Hill Rd./ North of Intersection between Hines Road and I271	Boston Heights	OH	44264
Landfill & Resource Recovery, Inc. (L&RR)	Oxford Road	North Smithfield	RI	02876
Laurel Park	Hunters Mountain Road	Naugatuck	CT	06770
Lipari Landfill	Rt. 322	Pitman	NJ	08071
Liquid Disposal Inc	3901 Hamlin Rd.	Utica, Shelby Township	MI	48317
Lone Pine Landfill	Burke Rd.	Freehold Township	NJ	07728
Lorentz Barrel		San Jose	CA	95112
LWD Incineration MPI	2475 Industrial Boulevard	Calvert City	KY	42029
LWD, Inc.	2475 Industrial Boulevard	Calvert City	KY	42029
Martha Rose Chem Holden	500 West McKissock	Holden	MO	64040
Mattiace	Garvies Point Rd.	Glen Cove	NY	11542
Metamora Landfill	1636 Dryden Road	Metamora	MI	48455
Metcoa	Route 551 and Metallurgical Way	Pulaski	PA	16143
Metro Container	2nd and Price Streets	Trainer	PA	19013
Mobile Tank Car Services	3610 Brookside Park Drive	Cleveland	OH	44109

Motco Site	Jct. Highways 3 6 & 75	La Marque	TX	77590
Ninth Avenue Abandoned Drum Site	9th Ave and Cline	Gary	IN	46406
Novak Sanitary Landfill	1001 8th Ave.	Bethlehem	PA	18018
Oil Recovery Company, Inc.	PO Box 345, 800 Cenco Blvd	Clayton	NJ	08312
Old Southington Landfill	Old Turnpike Rd. & Rejean Rd.	Southington	CT	06487
Oswald Landfill a/k/a Dorney Road	Dorney Road	Upper Mascungie Township, Longswamp Township	PA	19539
Painesville a/k/a Lubrizol Corp.	155 Freedom Rd	Painesville	OH	44077
Pasco Sanitary Landfill	Kahlotus Road & Highway 12	Pasco	WA	99301
PCB Treatment Site	45 Ewing Street, 2100 Wyandotte St. (2 sites)	Kansas City	KS, MO	64101
Peak Oil Superfund a/k/a Bay Drum	S.R. 574	Tampa	FL	33619
Pensacola Tar	I-10 & Scenic Highway 90 (Section 9, Township 1, Range 290 West)	Pensacola	FL	32504
Peter Cooper Landfill	Palmer St.	Gowanda, Cattaraugus County	NY	14070
Pfister Chemical	Linden Avenue off Route 46 East	Ridgefield	NJ	07657
Phillip Services Site aka Petrochem	2324 Vernsdale Road	Rock Hill	SC	29730
Phillips Ranch	86 Rio Rancho Road	Pomona	CA	91766
Pickettville Road Landfill	5150 Pickettville Rd.	Jacksonville	FL	32205
Pickettville Road Landfill	5150 Pickettville Rd.	Jacksonville	FL	32205
Pigs Eye Landfill	1 Mile East of Warner Rd.	St. Paul	MN	55106
PJP Landfill	400 Sip Avenue	Jersey City	NJ	07306

Pollution Abatement Serv	55 Seneca St	Oswego	NY	13126
Pristine Waste Site	410 Cavett Avenue	Reading	OH	45215
Rasmussen's Dump	9040 Spicer Road	Brighton	MI	48116
Reichold Polymers Division	103 Park Street	Austell	GA	30001
Renora, Inc.	83 South Main St.	Edison	NJ	08837
Rose Township Dump	1065 Demode Rd.	Detroit	MI	48654
Rouse Steel Drum	612 E 12th St.	Jacksonville	FL	32206
Sand, Gravel and Stone	Route 40	Elkton	MD	21921
Sargent New Haven		New Haven	CT	06509
Sauer Dump Site	4225 Lynhurst Road	Dundalk	MD	21222
Sayreville Landfill	Jernees Mill Rd.	Sayreville	NJ	08872
Scientific aka Kin-Buc Landfill	Meadow Road	Edison	NJ	08817
Scientific Chemical Processing (SCP Carlstadt)	216 Patterson Plank Road	Carlstadt	NJ	07072
Seven Out Tank Site	901 Francis Street	Waycross	GA	31501
Seven Valleys Landfill a/k/a Old City of York Landfill	South Road	Seven Valleys, York County	PA	17360
Sheridan Disposal LCC	Clark Bottom Rd.	Hempstead	TX	77445
Sheridan Disposal MPI	Clark Bottom Rd.	Hempstead	TX	77445
Sikes Site	US Highway 90	Crosby	TX	77532
Silresim Site	86 Tanner St.	Lowell	MA	01853
Sims Bayou	Petrotex Terminal Road	Houston	TX	
Skinner Landfill	8750 Cincinnati Dayton Hwy.	West Chester	OH	45069
Southern Ocean Landfill, Inc.	Route 532 at Brookville Road	Waretown, Ocean County	NJ	08758
Spectron, Inc.	111 Providence Road	Elkton	MD	21921
Stickney Tyler	3900 Stickney Ave.	Toledo	OH	43612

Strasburg Landfill	Strasburg Road	Newlin	PA	19320
Stringfellow		Glen Avon, Riverside County, Southern	CA	92501
Sunrise Landfill	Gregoryville Road and 132 2nd Avenue	Wayland	MI	49080
Superlite Tempe		Tempe	AZ	
Tacoma Tar Pits	Portland Avenue & River Street	Tacoma	WA	98402
Taunton Silversmiths Ltd.	344, 348, 354, 356, 381 Winthrop St. property between Oak St. and Woodbine St. 398 Cape Highway	Taunton	MA	02780
Tex Tin	Intersection of Hwy 146 & FM519	Texas City	TX	77590
Thermo Chem		Muskeegen / Egelston Township	MI	
Tippecanoe Sanitary Landfill Inc.	2801 North 9th Rd, 1/2 Mile North of US 52	Lafayette	IN	47905
Tomlinson Drums	14511 Garrett	Houston	TX	77044
Tonoli Corporation	Route 54	Nesquehoning	PA	18240
Tybouts Corner Landfill	US Route 13 & DE Route 71	New Castle	DE	19720
Union Chemical Site	Route 17	South Hope	ME	04862
US Scrap	123rd & Cottage Grove	Chicago	IL	60628
Voda Petroleum Site	211 Duncan Road	Clarksville City	TX	75693
Volvo GM Oakland	750 50th Ave 5050, 5051, 5200 Coliseum Way	Oakland	CA	94601
William Dick Lagoons	Telegraph Road	West Cain Township	PA	19376
Wonder Chemical Corp	113 Main Street	Tullytown	PA	19007
Woodlawn Landfill	Fire Tower & Waibel Roads	Colora	MD	21917
Wylie Municipal Landfill	Martie Lane	Wylie	TX	75098

Xerox Blauvelt Site	State Rt 303 and Bradley Hill Rd	Blauvelt	NY	10913
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Exhibit C, Item 5 U.S. Additional Other Sites				
Site	Street Address	City	State	Postal Code
801 East 61st Site	801 East 61st	Los Angeles	CA	90001
A and S Bldg Caryville	State Route 116 3.3 Miles south of Caryville, TN Highway 25 West	Caryville	TN	37714
Acme Burgess	White Boulevard/US Rt. 45 and Peterson Road	Libertyville	IL	60048
Alburn American Incin	2200 American Incin	Chicago	IL	60628
Alliance Chemical				
Almo				
Andover Waste		Andover, Anoka County	MN	55303
Ashtabula River MPI	None identified	Ashtabula	OH	44004
AT Plastics Peachtree	101 Sierra Drive	Peachtree City	GA	30269
Axelson Andrews				
Axelson Bakersfield				
Axelson Big Spring				
Axelson Caldwell				
Axelson Chafin				
Axelson Coalinga				

Axelson Corpus Christi				
Axelson Crane				
Axelson Cut Bank				
Axelson Denver City				
Axelson Dilley				
Axelson Drayton Valley				
Axelson Edmonton				
Axelson Eldorado				
Axelson Estevan				
Axelson Fairfield				
Axelson Farmington				
Axelson Fort Lupton				
Axelson Garden City				
Axelson Gillette				
Axelson Glendive				
Axelson Harvey				
Axelson Houma				
Axelson Houston				
Axelson Jasper				
Axelson Kalkaska				
Axelson Kermi				
Axelson Kilgore				
Axelson Lafayette				
Axelson LaMesa				
Axelson Long Beach				
Axelson Loreal				
Axelson Magnolia				

Axelson Odessa				
Axelson Oil City				
Axelson Oklahoma City				
Axelson Orcutt*				
Axelson Palestine				
Axelson Pampa				
Axelson Perrytown				
Axelson Plainville				
Axelson Powell				
Axelson Ranger				
Axelson Ratliff City				
Axelson Rock Springs				
Axelson Seminole				
Axelson Sidney				
Axelson Snyder				
Axelson Spivey				
Axelson Sundown				
Axelson Taft				
Axelson Tioga				
Axelson Tusculusa				
Axelson Ventura				
Axelson Wichita Falls				
Bandini Boulevard Site	Bandini Boulevard	Los Angeles	CA	90040
Barsteel Detroit		Detroit	MI	
Bay Area Drum Company a/k/a Peak Oil	1212 Thomas Avenue	San Francisco	CA	94124
Big Dutchman		New Holland	PA	17557
Big Hill				

Bio Ecology Site	4100 E. Jefferson Blvd	Grand Prairie	TX	
Birmingham Terminal	2530 Atwood Ferry Road	Mulga	AL	35118
Blackwood Oil Reclamation				
Blossom Hill Winery		San Jose	CA	
Bonnie Austin				
Bridgeport Bridgeport CT		Bridgeport	CT	
Bridgeport Seymour		Seymour	CT	06478
Bright Star Clifton	Frontier Chemical Superfund Site, 4626 Royal Avenue	Clifton	NJ	
Burlington Env Mgmt	Big Hill & Old Forge Rd.	Camden	NJ	08102
Carrollton Sanitary Landfill		Carrollton	TX	
ChemClear				
Chemical Recycling Dallas		Dallas	TX	
Cincinnati Research Facility	1275 Section Rd	Cincinnati	OH	45237
Cinnamin Landfill				
Circle Steel	2040 West Spresser St. Rt. 48 West	Taylorville	IL	62568
Clearing 1		Chicago	IL	
Clearing 2		Chicago	IL	
Clearing Inc Chicago		Chicago	IL	
Commodores Point	301 Bryan Street	Jacksonville	FL	32202
Craig Systems Facility	10 Industrial Way	Amesbury	MA	01913
Darengo	Cass County Road 3993	Bloomburg	TX	75556
Derewel Chemical				
Douglas Randall		Pawcatuck	CT	06379
Federal Iron and Metals Site	4000 Agnes Street	Corpus Christi	TX	78405

Fenwal Wake Forest		Wake Forest	NC	27587
Four County Landfill	CR 525	Delong	IN	46922
Frigid Newark		Newark	NJ	19603
Garden State Guilford		Chambersburg	PA	17201
Gibraltar Site				
Gulf Metals Site	6712 Telean Street	Houston	TX	77075
Hachik Bleach				
Hazelton Oil				
Heberts Edgeboro				
Holtz Pond			WV	
Horton Sales Development	744 Quarry Road	Liberty	SC	29657
IMWA Facility Jersey City	100 Water Street	Jersey City	NJ	07304
Inwood Mills Clifton	485 - 489 Getty Avenue	Clifton	NJ	07011
Jade Elk Grove		Elk Grove	IL	
Jade Skippack		Skippack	PA	19474
Jersey Environmental Mgt				
Josephine Street Site		Culpeper	VA	22701
Jotun	3200 Biddle Street	Baltimore	MD	21213
Kidde Kenilworth Site		Kenilworth, Union County	NJ	07033
Kidde Site Paris KY		Paris	KY	40361
Kidde Taylorville		Taylorville	IL	62528
Kingsburg Winery		Kingsburg	CA	93631
Lexington NC		Lexington, Davidson County	NC	
Liberty Site				
Libertyville IL		Libertyville	IL	60048
Lockhard Sand and Gravel				
Macco Adhesive		Wickliffe	OH	44092
Madison Avenue Site	11001 Madison Ave.	Cleveland	OH	44102

Masterview Phoenix	3065 South 43rd Avenue	Phoenix	AZ	85009
McDonald Dorsa Cupertino		Cupertino	CA	95014
McGinnis Site				
Minneapolis Site	1901 E. Hennepin Ave.	Minneapolis	MN	55413
Moreco Site	1700 19th Street	Springfield	IL	62702
Mr Surplus	421 Almonesson Rd.	Gloucester City	NJ	08030
Municipal Landfill				
MW Manufacturers		Rocky Mount	VA	24151
National Park Land Site				
New Lyme Landfill	State Route 11 and Dodgeville Rd.	Ashtabula	OH	44004
Nubelar Paint		Anoka County	MN	
Nucor Phoenix	3450 W. Osborn Rd.	Phoenix	AZ	85017
NW 31st Avenue Site		Portland	OR	
Oak Grove Landfill		Anoka County	MN	55303
Oakland Pigments				
Ohrin Landfill		Northampton County	PA	18067
Old Forge Landfill		Lackawanna County	PA	18435
Old Mill Landfill		Wickliffe	OH	44092
Penn Chemicals	3324 Chelsea Ave	Memphis	TN	38108
Performance Paper Mill		Kalamazoo	MI	
Pincus Phoenix		Phoenix	AZ	
Polyols Plant WV	437 Maccorkle Ave.	South Charleston	WV	25303
Process Systems Inc				
Progress Lighting		Philadelphia	PA	
Reichold Chem Pensacola	425 S Pace Blvd.	Pensacola	FL	32501
Rexair Troy		Troy	MI	

Rhodia Chemical				
Riverside Terminal	664 Riverside Drive Rear	Johnson City	NY	13790
RKD Oil Company				
Rolling Purle				
Salt Lake Drums				
San Francisco Site	450 East Grand Ave.	San Francisco	CA	94080
SCM Metals Hammond	1717 Summer St.	Hammond	IN	46320
Seventh St Prop Berkeley		Berkeley	CA	
Shade Allied Belleville	1402 East Hacienda Road	Belleville	TX	77418
Shade Allied Columbus		Columbus	OH	
Shade Allied Denison	Highway 75A North	Denison	TX	75020
Shade Allied Leipsic	68 Vine Street	Leipsic	OH	45856
Shade Allied Petersburg		Petersburg	WV	26847
Sinton Landfill Site				
Somerset Tar				
Somerville Site	40 Haynes Street	Somerville	NJ	08876
Southern Mill Allied	205 Industrial Road	Jackson	AL	36545
Staley				
Strongsville Site		Strongsville (Cuyahoga County)	OH	44136
Sunset Light Commerce		Commerce City	CA	
Toups Pig Farm		Sour Lake	TX	77659
Valley Forge Eng				
Warner Cement Block				
Weld County Drums	12903 Weld County Road #2	Brighton	CO	

Wyatt Environmental	6200 Kansas St.	Houston	TX	77001
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Exhibit C, Item 6 Reserved Additional Sites				
Site	Street Address	City	State	Postal Code
Bottlehouse	401-451 North Front Street	Allentown	PA	18102
Bridge Products	205 Frazier Road	Alta Vista	VA	24517-1020
Clariant Gainesville	5002 N.E. 54th Place	Gainesville	FL	32609
Huron	305 Sprowl Road	Huron	OH	44839
MRE Ovalo	1/4 mile north of FM 604 1/2 mile east of U.S. 83	Ovalo	TX	79541
My Sister's Place	Pliny Street	Hartford	CT	06120
Presto Lock	100 Outwater Lane	Garfield	NJ	07026
Seaboard Chemical	5899 Riverdale Drive	Jamestown	NC	27282
Sonics International	3 miles west of Ranger on FM Rd. 101	Ranger	TX	76470

Exhibit D Orders, Decrees, and Permits – Transferred Real Properties		
Site	Document	Docket Number/Date
Allied Paper Mill (MI)	Administrative Order of Consent	<u>In re Allied Paper/Portage Creek/Kalamazoo River Superfund Site</u> , EPA CERCLA Docket No. V-W-07-c-864
	Permit City of Kalamazoo Wastewater Service Individual Control Document	Permit Issued: 1/1/09 Expires: 12/31/13
Beaver Valley (PA)	Consent Order and Agreement Between the Commonwealth of Pennsylvania Department of Environmental Protection, Arco Chemical Company and Beazer East, Inc.	October 20, 1997
Bully Hill, Rising Star, and Excelsior Mines (CA)	Order No. R5-2003-0051 Requiring Millennium Holdings, Inc. Bully Hill and Rising Star Mines, Shasta County to Cease and Desist from Violating Waste Discharge Requirements	March 14, 2003
	Order No. R5-2003-0039 NPDES No. CA0084212 Waste Discharge Requirements for Millennium Holdings, Inc. Bully Hill and Rising Star Mines	March 28, 2003
	Order No. R5-2005-0096 Waste Discharge Requirements for Millennium Holdings, LLC. Closure of the Rising Star Waste Rock Containment Facility	

Gypsum Pile (IL)	Consent Order	<u>Illinois vs. Millennium Petrochemicals, Inc.</u> , 97-CH-37 (Ill. Cir. Ct. Feb. 8, 2005).
	Consent Decree	<u>United States and the States of Illinois, Iowa, and Louisiana v. Equistar Chemicals, LP</u> , 1:07-CV-4045 (N.D. Ill. Jan. 28, 2008).
	RCRA Permit ILD 048 296 180	Effective: 2/1/2001 Expires: 2/10/10 (still in effect per 35 IAC 702.125 & 40 C.F.R. 270.51)
Saint Helena (MD)	Consent Decree	Case No. 24-C-00-005147 (Circuit Court of Md. for Baltimore City)
Turtle Bayou (TX)	Consent Decree	<u>United States v. Lang, et al.</u> , Case No. 1:94CV57(E.D. Tex.)
	Administrative Order for Remedial Design and Remedial Action	<u>In re Turtle Bayou (Petrochemical Systems, Inc.) Superfund Site</u> , CERCLA Docket No. 6-05-94

Exhibit E

Financial Assurance Instruments

Financial Assurance Document Type	Reference Number	Debtor Entity	Amount	Obligee / Beneficiary	State	Description	Obligee/Bank
Bond	K08088615	Equistar Chemicals, LP	\$ 1,562,831.00 (this includes \$192,988 for Equistar's Tuscola facility which is not subject to the Custodial Trust Agreement and \$1,597,456 for Equistar's Morris facility and the Gypsum Pile Site)	Illinois EPA - Bureau of Land	IL	ILD #048296180, ILD #005078126, UIC WDW #1 Gypsum Pile Area	Westchester Fire Insurance Company
Bond	K07545484	Lyondell Chemical Co	\$ 1,534,351.71	US EPA Regional Administrator Region 6	TX	TXD980873350 - Turtle Bayou (Petro-chemical Systems, Inc.) site	Westchester Fire Insurance Company
Bond	KO7545423	Millennium Holdings, LLC	\$ 4,675,000.00	US EPA Regional Administrator Region 5	MI	Allied Paper/Portage Creek/Kalamazoo River Superfund Site/Spill ID Number MID006007306	Westchester Fire Insurance Company
Bond	KO7545435	Millennium Holdings, LLC	\$ 1,000,000.00	US EPA Regional Administrator Region 5	MI	KO7545423 - Plainwell Impoundment Area, Allied Paper/Portage Creek/Kalamazoo River Superfund Site	Westchester Fire Insurance Company

						SRI/FS	
Letter of Credit	63652774	Millennium Holdings, LLC	\$ 421,000.00	Central Valley Regional Water Quality Control Board	CA	TPTS - 227792 - Central Valley Regional Water Quality Control Board - Bully Hill - Rising Star Mine	Citibank

EXHIBIT B

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:
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	:
LYONDELL CHEMICAL COMPANY, <u>et al.</u>,	:
	:
	:
Debtors.	:
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	:
-----X	

Chapter 11

Case No. 09-10023

Jointly Administered

**ORDER PURSUANT TO FED. R. BANKR. P. 9019 APPROVING
SETTLEMENT AGREEMENT AMONG THE DEBTORS,
THE ENVIRONMENTAL CUSTODIAL TRUST TRUSTEE, THE
UNITED STATES, AND CERTAIN STATE ENVIRONMENTAL AGENCIES**

Upon the Motion (the “Motion”)¹ of Lyondell Chemical Company (“Lyondell”) and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) pursuant to rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for approval of the settlement agreement (the “Settlement Agreement”) among the Debtors, the trustee of the Environmental Custodial Trust, the United States, and certain state environmental agencies; all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and notice of the Settlement Agreement having been published in the *Federal Register* for public comment, and it appearing that no other or further notice need be provided; and the

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Motion.

relief requested in the Motion being in the best interests of the Debtors and its estates and creditors; and the Court having reviewed the Motion and any opposition thereto; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to Bankruptcy Rule 9019, the Settlement Agreement is approved; and it is further

ORDERED that Debtors are authorized and directed to execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers and to take any and all actions reasonably necessary or appropriate to consummate, complete, execute, and implement the Settlement Agreement in accordance with the terms and conditions of the Settlement Agreement; and it is further

ORDERED that the Objections to the U.S. Proofs of Claim, the California DTSC Proofs of Claim, the California State Board Proofs of Claim, and the LA Regional Board Proofs of Claim and the Settling California Agencies' Motion to Withdraw the Reference are withdrawn, with respect to the causes of action, claims, and defenses asserted therein, without costs of attorney's fees to any party; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

Dated: _____, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE

George A. Davis, Esq.
Andrew M. Troop, Esq.
Christopher R. Mirick, Esq.
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- and -

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Attorneys for Lyondell Chemical Company, et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

LYONDELL CHEMICAL COMPANY, et al.,

Debtors.

Chapter 11

Case No. 09-10023 (REG)

Jointly Administered

**NOTICE OF HEARING ON DEBTORS' MOTION PURSUANT TO FED. R. BANKR. P.
9019 TO APPROVE SETTLEMENT AGREEMENT AMONG THE DEBTORS, THE
ENVIRONMENTAL CUSTODIAL TRUST TRUSTEE, THE UNITED STATES, AND
CERTAIN STATE ENVIRONMENTAL AGENCIES**

PLEASE TAKE NOTICE that a hearing to consider the relief requested in the *Debtors’ Motion Pursuant to Fed. R. Bankr. P. 9019 to Approve Settlement Agreement Among the Debtors, the Environmental Custodial Trust Trustee, the United States, and Certain State Environmental Agencies* (the “Motion”), filed by Lyondell Chemical Company and certain of its

affiliated debtors, as debtors and debtors in possession (collectively, the “Debtors”), shall be held before the Honorable Robert E. Gerber, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Courtroom 621, One Bowling Green, New York, New York 10004 (the “Bankruptcy Court”) on **April 23, 2010, at 9:45 a.m. (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that responses and replies, if any, to the Motion and the relief requested therein shall be made in writing, shall state with particularity the grounds therefore, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (N.B. General Order M-242 and the User’s Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the United States Bankruptcy Court for the Southern District of New York) by registered users of the Court’s electronic case filing system and, by all other parties in interest, on a 3.5 inch disk or CD-ROM, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served in accordance with General Order M-242 or otherwise so as to be actually received no later than **4:00 p.m. (prevailing Eastern time) on April 14, 2010** by: (i) Cadwalader, Wickersham & Taft LLP, attorneys for the Debtors, One World Financial Center, New York, New York 10281 (Attn: Christopher R. Mirick, Esq. and Jessica L. Fink, Esq.); (ii) the Office of the United States Trustee, 33 Whitehall Street, New York, New York 10004 (Attn: Paul Schwartzberg, Esq.); (iii) Davis, Polk & Wardwell, attorneys for the agents for the Debtors’ postpetition credit facilities, 450 Lexington Avenue, New York, NY 10017 (Attn: Marshall S. Huebner, Esq. and Timothy E. Graulich, Esq.); (iv) Simpson Thacher & Bartlett LLP, attorneys for UBS AG, Stamford Branch, as Term DIP Agent, 425

Lexington Avenue, New York, New York 10017 (Attn: Kathrine McLendon and Anne L. Knight, Esq.); (v) Mayer Brown LLP, attorneys for the agents for the Debtors' postpetition credit facilities, 1675 Broadway, New York, NY 10019 (Attn: Brian Trust, Esq.); and (vi) Brown Rudnick LLP, attorneys for the Official Committee of Unsecured Creditors, Seven Times Square, New York, NY 10036 (Attn: Edward S. Weisfelner, Esq.) and Brown Rudnick LLP, One Financial Center, Boston, MA 02111 (Attn: Steven D. Pohl, Esq.).

Dated: New York, New York
March 30, 2010

/s/ Christopher R. Mirick

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al.