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AMENDED AND RESTATED LEASE AGREEMENT

BETWEEN

SOUTH LOUISIANA PORT COMMISSION

AND

OCCIDENTAL CHEMICAL CORPORATION



DATED AS OF JULY 1, 1991



\$25,000,000

SOUTH LOUISIANA PORT COMMISSION

MARINE TERMINAL FACILITIES REFUNDING REVENUE BONDS

(OCCIDENTAL PETROLEUM CORPORATION PROJECT)

SERIES 1991



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AMENDED AND RESTATED LEASE AGREEMENT

This **AMENDED AND RESTATED LEASE AGREEMENT** dated as of July 1, 1991 is by and between the **SOUTH LOUISIANA PORT COMMISSION** (the "Lessor"), a political subdivision of the State of Louisiana, created, operating and existing under the provisions of Chapter 30 of Title 34 of the Louisiana Revised Statutes of 1950, as amended, and **OCCIDENTAL CHEMICAL CORPORATION**, a corporation duly organized and existing under the laws of the State of New York and qualified to do business in the State of Louisiana (the "Lessee"), and an indirect wholly owned subsidiary of Occidental Petroleum Corporation, a Delaware corporation (the "Guarantor").

WITNESSETH:

WHEREAS, in furtherance of the statutory purposes of Sections 991 to 1001, inclusive, of Title 39 of the Louisiana Revised Statutes of 1950, as amended, the Lessor entered into a Lease Agreement dated as of March 1, 1981 with Hooker Chemical Properties Corporation ("Hooker"), as amended by Amendment No. 1 to the Lease Agreement dated as of March 1, 1981 and Amendment No. 2 to the Lease Agreement dated as of April 8, 1981 (as so amended, the "Original Agreement"), providing for the undertaking by the Lessor of the financing of the acquisition, construction and installation of the Leased Facilities (as defined herein) in the Parish of St. Charles, State of Louisiana, as more fully described in the Original Agreement; and

WHEREAS, the Lessee is the successor by reorganization to Hooker and has assumed all of Hooker's rights, duties and obligations under the Original Agreement; and

WHEREAS, pursuant to the Original Agreement, the Lessor provided financing for the Leased Facilities through the issuance of \$25,000,000 aggregate principal amount of its Marine Terminal Facilities Revenue Bonds (Occidental Petroleum Corporation Project), Series 1981 (the "1981 Bonds"); and

WHEREAS, there are \$25,000,000 aggregate principal amount of the 1981 Bonds outstanding; and

WHEREAS, the Lessee has requested that the Lessor refund the 1981 Bonds through the issuance by the Lessor of \$25,000,000 aggregate principal amount of its Marine Terminal Facilities Refunding Revenue Bonds (Occidental Petroleum Corporation Project) Series 1991 (the "Bonds"); and

WHEREAS, the Lessor is authorized under the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1444-1455), and other constitutional and statutory authority, and pursuant to a resolution adopted by the Lessor and a Trust Indenture (as described below) to be dated as of the date hereof between the Lessor and the Trustee designated therein (the "Trustee"), to issue the Bonds; and

WHEREAS, the Lessee and the Lessor desire to amend and restate the Original Agreement in order to provide for the lease of the Leased Facilities to the Lessee and payment by the Lessee

of rental payments in an amount sufficient to timely pay the principal of, premium, if any, and interest on the Bonds and other amounts due and owing as provided herein; and

WHEREAS, the Guarantor will execute and deliver a Guaranty Agreement dated the date hereof pursuant to which the Guarantor, as an inducement to the Lessor to issue the Bonds, will unconditionally guarantee the payment of the principal and purchase price of, premium, if any, and interest on the Bonds; and

WHEREAS, pursuant to an Escrow Agreement dated the date hereof (the "Escrow Agreement") among the Lessor, the Lessee and First National Bank of Commerce, the trustee under the Trust Indenture dated as of March 1, 1981 (the "Original Indenture") securing the 1981 Bonds (the "Escrow Trustee" or the "1981 Trustee"), the proceeds of the Bonds, together with moneys from the Lessee, will be deposited with the Escrow Trustee in an escrow fund (the "Escrow Fund") for the purpose of discharging the 1981 Bonds; and

WHEREAS, the Lessee has elected to cause and is causing to be delivered to the Trustee an irrevocable direct-pay letter of credit (the "Letter of Credit") issued by Credit Suisse, acting through its Los Angeles Branch (the "Bank"), which Letter of Credit will provide additional security for the Bonds, and the Bank will be entitled to reimbursement by the Lessee for all amounts drawn under the Letter of Credit pursuant to a Letter of Credit and Reimbursement Agreement dated as of July 1, 1991 (as amended from time to time, the "Reimbursement Agreement"), between the Lessee and the Bank, a copy of which has been delivered to the Trustee;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration and of the mutual benefits, covenants and agreements herein expressed, the Lessor and the Lessee hereby agree that the Original Agreement is hereby amended and restated in full, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. All terms not otherwise defined herein shall have the meanings assigned thereto in Article I of the Indenture. The following terms shall have the meanings assigned to them in this Article I whenever they are used in this Agreement.

"Act" means Sections 991 to 1001, inclusive, of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

"Authorized Lessee Representative" means a person at the time designated to act on behalf of the Lessee by written certificate furnished to the Lessor and the Trustee containing the specimen signature of such person and signed on behalf of the Lessee by the President, any Vice President, the Treasurer, or any Assistant Treasurer of the Lessee. Such certificate may designate an alternate or alternates.

"Bank" means Credit Suisse, acting through its Los Angeles Branch, a Swiss banking corporation.

"Bonds" means the Lessor's Marine Terminal Facilities Refunding Revenue Bonds (Occidental Petroleum Corporation Project) Series 1991 issued and to be issued pursuant to the Indenture.

"Code" means the United States Internal Revenue Code of 1986, as amended. References to the Code and to sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to obligations issued on the date of issuance of the Bonds.

"Engineer" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of Louisiana and who is selected by the Lessee with the approval of the Lessor (which approval shall not be unreasonably withheld) and who may be an employee of the Lessee or the Guarantor.

"Guarantor" means Occidental Petroleum Corporation, a Delaware corporation, and its successors and permitted assigns, including any surviving, resulting or transferee corporation as provided by Section 4.5 of the Guaranty Agreement.

"Guaranty Agreement" means the Guaranty Agreement executed by and among the Guarantor, the Lessor and the Trustee of even date herewith and more particularly described in the preamble hereof and in the Indenture, as amended from time to time.

"Indenture" means the Trust Indenture between the Lessor and the Trustee of even date herewith pursuant to which the Bonds are authorized to be issued, and any indenture supplemental thereto.

"Leased Facilities" means the structures, machinery and equipment, including any structures and related property constituting dock and wharf and related storage facilities described in Exhibit A hereto, constructed, acquired or installed with proceeds from the sale of the 1981 Bonds or the proceeds of any payment by the Lessee pursuant to the Original Agreement and any related property

acquired and installed in substitution therefor, pursuant to the provisions of Sections 6.1, 6.2, 7.1 and 7.2 hereof and is further defined as all property (both movable and immovable) owned by the Lessor and hereby leased to the Lessee.

"Lease Term" means the duration of the leasehold estate created in this Agreement as specified in Section 5.1 hereof.

"Lessee" means Occidental Chemical Corporation, a corporation duly organized and existing under the laws of the State of New York and qualified to do business in the State of Louisiana, and an indirect wholly-owned subsidiary of the Guarantor, and its successors and permitted assigns, including any surviving, resulting or transferee corporation as provided in Section 8.3 hereof.

"Lessor" means the South Louisiana Port Commission, a political subdivision of the State of Louisiana, created, operating and existing under the provisions of Chapter 30 of Title 34 of the Louisiana Revised Statutes of 1950, as amended, and its successors.

"Net Proceeds", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"1954 Code" means the United States Internal Revenue Code of 1954, as amended.

"1981 Bonds" means the Lessor's Marine Terminal Facilities Revenue Bonds (Occidental Petroleum Corporation Project), Series 1981 issued in the original aggregate principal amount of \$25,000,000, authenticated and delivered under a Trust Indenture dated as of April 1, 1981 between the Lessor and First National Bank of Commerce, New Orleans, Louisiana, as trustee.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes, levies, assessments, utility charges, licenses, permits or other charges, including ad valorem taxes, not then delinquent or being contested in good faith and by appropriate legal proceedings; (ii) this Agreement and the Indenture; (iii) utility, access and other servitudes, including all those appurtenant to the banks of the Mississippi River (herein sometimes called "easements") and rights-of-way, restrictions, reservations, reversions and exceptions that an Engineer certifies will not interfere with or impair the operations being conducted on the Project; (iv) mechanics', materialmen's, and other similar liens in good faith disputed; (v) such defects, irregularities, encumbrances, easements, rights-of-way, and clouds of title as (a) are expressly permitted by the terms of this Agreement or (b) do not materially impair the property affected thereby for the purpose for which its was acquired or is held by the Lessor; and (vi) the non-exclusive license and right of General Electric Credit Corporation (or First National Bank of Commerce, as trustee under the Trust Agreement described below) to use the dock and related facilities included in the Leased Facilities as a "Common and Support Facility" (as defined in that Ground Lease dated as of October 3, 1974 between Hooker Chemicals & Plastics Corp. and First National Bank of Commerce, as trustee under a Trust Agreement dated as of October 3, 1974 between General Electric Credit Corporation and said Trustee, as said Ground Lease is from time to time amended and recorded in the records of the Clerk of Court for the Parish of St. Charles, State of Louisiana).

"Project" means the Leased Facilities, the servitude of easement granted by the Lessee to the Lessor for a pipeline and other appurtenant facilities for the transportation of ammonia and other

compatible products and such rights of access and occupancy to the Leased Facilities as may be reasonably necessary to carry out the purpose of this Agreement.

"State" means the State of Louisiana.

"Trustee" means The Bank of New York, as Trustee, a New York banking corporation, or its successors as trustee under the Indenture.

ARTICLE II

REPRESENTATIONS

SECTION 2.1. Representations and Findings by the Lessor. The Lessor makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessor is duly organized and existing under the laws of the State as an agency and a political subdivision of the State, organized, existing and operating under the provisions of Chapter 30 of Title 34 of the Louisiana Revised Statutes of 1950, as amended, with full power and authority to enter into this Agreement, acting by and through its Board of Commissioners, its governing authority, in the public interest and for a public purpose, by providing for economic and employment opportunities for the persons who reside in the geographic area of the Lessor and to add to the welfare and prosperity of the State and of such inhabitants, all pursuant to the provisions of the Act. By resolution adopted by said Board of Commissioners, the Lessor has been authorized to execute and deliver this Agreement and its officers executing and delivering this Agreement have acted pursuant to such authority. This Agreement constitutes the legal, valid and binding obligation of the Lessor, enforceable by the Lessee in accordance with its terms.

(b) The execution and delivery of the Bonds, the Indenture and this Agreement, and the execution and delivery by the Lessor of any other agreements and documents described herein or therein and the consummation of the transactions described in the foregoing instruments do not and will not conflict with or constitute on the part of the Lessor a breach or violation of any of the terms and provisions of, or a default under, any statute, rule or regulation or any agreement, indenture, mortgage, lease, deed of trust, note or other instrument or any decree or order of any court to which the Lessor is subject or by which its properties are or may be bound.

(c) The Lessor will do or cause to be done in a timely manner all things necessary to preserve and keep in full force and effect its existence, and to carry out the terms of this Agreement, the Bonds and the Indenture.

(d) The Bonds, the Indenture and this Agreement have been duly authorized, executed and delivered by the Lessor and constitute the legal, valid, binding and enforceable obligations of the Lessor, except as may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting rights of creditors generally and by general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(e) All the Bonds will be issued under the Indenture and will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture, pursuant to which the Lessor's interest in this Agreement and the Revenues and other amounts will be assigned and pledged to the Trustee as security for payment of the principal of and interest and redemption premium on the Bonds.

(f) The Lessor is not in default under any of the provisions of the laws of the State which would affect its existence or its powers referred to in the preceding subsection (a).

(g) All governmental licenses, permits, consents, approvals, certificates, authorizations and registrations necessary for the execution and performance by the Lessor of its obligations under this Agreement and the Indenture have been obtained and are in full force and effect.

SECTION 2.2. Representations by the Lessee. The Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New York and is qualified to do business as a foreign corporation in good standing in the State. The Lessee has the corporate power and authority to enter into this Agreement and has duly authorized the execution and delivery of this Agreement.

(b) The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not and will not (a) violate the certificate of incorporation or By-laws of the Lessee, or (b) subject to the Lessee's compliance with any applicable covenants pertaining to its incurrence of unsecured indebtedness, result in a breach of or constitute a default under any indenture, credit agreement or other agreement or instrument (which is, individually or in the aggregate, material to the consolidated financial position of the Lessee and its consolidated subsidiaries) to which the Lessee is a party or by which its properties may be bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee under the terms of any instrument or agreement, except for Permitted Encumbrances or as may otherwise be permitted under this Agreement.

(c) The Lessee has expended all of the proceeds of the 1981 Bonds in accordance with the provisions of the Original Agreement.

(d) The Lessee intends to cause the Leased Facilities to be operated as dock and wharf facilities to the expiration or sooner termination of the Lease Term as provided herein.

(e) Other than filings with the Federal Maritime Commission and approvals of the Lessor (and excluding any governmental approvals which may be required under federal securities and applicable state "blue sky" laws) which filings and approvals have been made or obtained as required, all approvals, consents, filings or withholdings of objections from local, state, or federal governmental authorities ("Governmental Approvals") relating to the operation of the Leased Facilities are issued, made and renewed in the ordinary course of business, and there is no reason to believe that any such Governmental Approvals will not be issued, made or renewed, and no further Governmental Approvals (other than the Governmental Approvals which the Lessee expects to obtain in the ordinary course of business regarding operation of the Leased Facilities) are necessary for the execution or delivery by the Lessee of this Agreement, or for the performance as of the date hereof by the Lessee of this Agreement.

(f) The Leased Facilities are located entirely within the geographical boundaries of the Lessor.

(g) This Agreement has been duly executed and delivered by the Lessee and constitutes a legal, valid and binding obligation of the Lessee, enforceable in accordance with

the terms hereof, except as may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting rights of creditors generally and by general principles of equity, regardless of whether considered in a proceeding in equity or at law.

ARTICLE III

DEMISING CLAUSES

SECTION 3.1. Lease of the Project. The Lessor leases to the Lessee, and the Lessee leases from the Lessor, the Project at the rental set forth in Section 5.3 hereof and in accordance with the provisions of this Agreement, subject to Permitted Encumbrances.

SECTION 3.2. Ownership of the Project. By purchase from the Lessee, the Lessor has acquired the Leased Facilities, and the Lessee has granted to the Lessor the servitude or easement described in the definition of the Project.

ARTICLE IV

ISSUANCE OF THE BONDS

SECTION 4.1. Disbursement of Bond Proceeds. In order to provide funds for the refunding of all of the outstanding 1981 Bonds, the Lessor, as soon as practicable after the execution of this Agreement, will proceed to issue, sell and deliver the Bonds to the purchasers thereof and will deposit the proceeds thereof as provided by Section 4.1 of the Indenture with the Escrow Trustee in the Escrow Fund for the payment, when due, of the principal of, premium and interest on the 1981 Bonds as provided in the Escrow Agreement. The Lessor and the Lessee agree that the proceeds deposited in such Escrow Fund shall be held and disbursed by the Escrow Trustee only in accordance with the provisions of the Escrow Agreement.

SECTION 4.2. No Warranty as to Sufficiency of Money. The Lessor does not make any warranty, either express or implied, that the moneys which will be deposited in the Escrow Fund and made available for the payment when due of the principal of and interest and redemption premium on the 1981 Bonds will be sufficient to pay all amounts then due and owing on the 1981 Bonds. The Lessee agrees that if it should pay any portion of the 1981 Bonds in excess of moneys available therefor in the Escrow Fund, it shall not be entitled to any reimbursement therefor from the Lessor, the Trustee or any Bondholder, nor shall it be entitled to any abatement or diminution of the amounts payable under this Agreement. The Lessee further agrees that it will pay all reasonable and necessary fees, costs and expenses incurred in connection with the issuance of the Bonds.

ARTICLE V

EFFECTIVE DATE OF THIS AGREEMENT; DURATION OF LEASE TERM; RENTAL PROVISIONS

SECTION 5.1. Effective Date of this Agreement; Duration of Lease Term. This Agreement shall become effective upon its delivery, and the leasehold estate created in this Agreement shall commence on the date of delivery of the Bonds to the original purchasers thereof, and, subject to the provisions of this Agreement (including particularly Articles X and XI hereof), shall expire on July 1, 2021, or if all of the Bonds have not then been fully paid and retired (or provision for such payment made as provided in the Indenture), on such later date as such payment or provision shall have been made.

SECTION 5.2. Delivery and Acceptance of Possession. The Lessor covenants and represents that so long as the Lessee has paid the rent and all other sums payable by it hereunder and has duly observed all the covenants and agreements herein contained on its part to be performed, the Lessee shall have, hold and enjoy, during the Lease Term, peaceful, quiet and undisturbed possession of the Project subject to the terms and provisions hereof.

SECTION 5.3. Rents and Other Amounts Payable. The Lessee agrees to pay for the rental of the Project sums of money required to meet the payment of the principal, interest, purchase price and redemption premium, if any, due or to become due on the Bonds, and all other sums as required by subsections (a) through (f) of this Section.

(a) The Lessee agrees to pay to the Trustee in immediately available funds until the principal of and interest and any redemption premium on all of the Bonds shall have been fully paid or provisions for the payment thereof shall have been made in accordance with the Indenture:

(1) On or prior to each Interest Payment Date on the Bonds, an aggregate amount equal to the sum of (i) the interest coming due on such Interest Payment Date on all outstanding Bonds, plus (ii) the principal amount of the Bonds maturing on such Interest Payment Date;

(2) On any date on which all or any part of the Bonds shall be declared to be and shall become due and payable prior to their stated maturities, whether by acceleration or otherwise, or are to be redeemed pursuant to the provisions of the Indenture, the aggregate principal, redemption premium, if any, and interest so becoming due and payable on the Bonds; and

(3) On or prior to each Purchase Date, an amount equal to the purchase price of all Bonds required to be purchased pursuant to Sections 3.1(a) or (b) of the Indenture.

If on any date the balance in the Bond Fund is insufficient to make required payments of principal of, redemption premium, if any, and interest on the Bonds becoming due, whether at stated maturity, redemption, acceleration or otherwise, on such date the Lessee will forthwith pay any deficiency to the Trustee for deposit in the Bond Fund.

Any interest or profit created to the Bond Fund or any moneys otherwise deposited in the Bond Fund in accordance with the provisions of this Agreement or the Indenture shall be applied as a credit against and shall reduce the amount of rental payable by the Lessee and any loss realized on the investment of moneys in such Fund shall, to the extent of such loss, be added to and increase the rent due under this Section. If at any time the amount held by the Trustee in the Bond Fund and available therefor shall be sufficient to pay at the times required the principal of, interest and redemption premium, if any, on all of the Bonds then remaining unpaid together with any amounts accrued under subsection (b) of this Section 5.3, the Lessee shall not be obligated to make any further payments under the provisions of subsections (a) and (b) of this Section 5.3. In addition, the Lessee shall receive a credit against its obligations to make any rental payment under Section 5.3(a)(1) or 5.3(a)(2) hereof in an amount equal to the amount paid by the Credit Facility Issuer to the extent such payment constitutes Available Moneys. The Lessee shall further receive a credit against its obligation to make any rental payment under Section 5.3(a)(3) hereof of the Bonds in an amount equal to the amount derived from drawings under the Credit Facility or remarketing proceeds and available to pay the purchase price of any Bonds required to be purchased pursuant to Section 3.1(a) or Section 3.1(b) of the Indenture.

(b) The Lessee agrees to pay or cause to be paid, directly to the payee, all fees and reasonable and necessary expenses of the Trustee, any Co-Trustee (as defined in the Indenture), the Paying Agent(s), the Bond Registrar(s), the Tender Agent, the Remarketing Agent and the Authenticating Agent(s) under the Indenture.

(c) The Lessee also agrees to pay the reasonable and necessary expenses of the Lessor related to the Leased Facilities not otherwise required to be paid by the Lessee hereunder.

(d) In addition to the rental payments heretofore required, the Lessee shall also pay sums in lieu of ad valorem taxes in accordance with the provisions of Section 8.9 hereof and dockage fees required under Section 8.8 hereof.

(e) In the manner and under the provisions of Section 8.8 hereof, dockage fees received by the Lessor as a result of the Leased Facilities and deposited in the Bond Fund shall be credited against any rental payments the Lessee is obligated to make under Section 5.3(a) hereof if said payments constitute Available Moneys, and otherwise shall be transferred to the Credit Facility Issuer and credited against the obligations of the Lessee under the Reimbursement Agreement.

(f) In the event the Lessee shall fail to make any of the payments required in this Section 5.3, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid and the Lessee agrees to pay the same (to the extent permitted by law) with interest thereon until paid at a rate per annum equal to the prime rate of the Trustee.

SECTION 5.4. Place of Rental Payments. The rent provided for in Section 5.3(a)(1) and (2) hereof shall be paid directly to the Trustee for the account of the Lessor and shall be deposited in the Bond Fund and the rent provided for in Section 5.3(a)(3) hereof shall be paid directly to the Trustee for transfer to the Tender Agent as provided in Section 3.3 of the Indenture. The additional payments to be made to the Trustee or any other agent under Section 5.3(b) hereof shall be paid directly to the payee for their own use and disbursement. The rent provided for in

Section 5.3(c) hereof and the additional payments which may be required under Section 8.8 hereof shall be paid directly to the Lessor for its own use and disbursement and the payments in lieu of ad valorem taxes provided for in 5.3(d) hereof shall be paid directly to the normal tax collecting agency of St. Charles Parish.

SECTION 5.5. Obligations of Lessee Hereunder Unconditional. Subject to the provisions of Sections 9.6 and 10.1 hereof, the obligations of the Lessee to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any claim of force majeure and irrespective of any right of setoff and recoupment. Until such time as the principal of and interest and any redemption premium on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee (i) will not suspend or discontinue any payments provided for in Section 5.3 hereof, (ii) will perform and observe all of its other agreements contained in this Agreement and (iii) except as provided in Section 11.1 hereof, will not terminate the Lease Term for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, condemnation of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the Lessor or the Guarantor to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement. Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part herein contained; and in the event the Lessor should fail to perform any such agreement on its part, the Lessee may institute such action against the Lessor as the Lessee may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not do violence to the agreements on the part of the Lessee contained in the first sentence of this Section. The Lessee may, however, at its own expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any action or proceeding if the Lessee shall so request.

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

SECTION 6.1. Maintenance and Modification of Project by Lessee. The Lessee agrees that during the Lease Term it will at its own expense (i) keep the Project in as reasonably safe condition as its operations shall permit and (ii) keep the Project in good repair, making from time to time all necessary repairs thereto and renewals and replacements thereof. The Lessee may also at its own expense, make from time to time any additions, modifications or improvements to the Project it may deem desirable for its business purposes that do not materially impair the effective use of the Project or change the nature of the Project to the extent that it would not constitute the type of facility contemplated by the Act or Section 103(b)(4)(D) of the 1954 Code; provided that any property, structure, machinery, equipment, furniture or fixtures installed by the Lessee as part of the Project at its own expense may be removed by the Lessee at any time and from time to time while it is not in default under this Agreement; and provided further that any damage to the Project occasioned by such removal shall be repaired by the Lessee at its own expense.

The Lessee shall cause the Project at all times to be free from all encumbrances except Permitted Encumbrances and will not permit any mechanics', laborers', materialmens' or other liens to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements to the Leased Facilities made by it; provided, that, if the Lessee shall first notify the Trustee of its intentions so to do, the Lessee may in good faith contest any mechanics', laborers', materialmens' or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless by non-payment of any such items the lien of the Indenture will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or secure such payment by posting a bond, in form satisfactory to the Trustee, with the Trustee. The Lessor will cooperate fully with the Lessee in any such contest.

SECTION 6.2. Removal of Leased Facilities. The Lessor shall not be under any obligation to renew, repair or replace any item of inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary Leased Facilities. In any instance where the Lessee in its sound discretion determines that any items of Leased Facilities have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Lessee may remove such items of Leased Facilities and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Lessor or the Trustee therefor, provided that the Lessee shall either:

- (a) Substitute and install anywhere on the Leased Facilities other structures, machinery, equipment or related property having equal or greater utility (but not necessarily having the same function) in the operation of the Leased Facilities (provided that such removal and substitution shall impair neither the operating unity nor the character of the Leased Facilities as a dock and wharf and related storage facility within the meaning of Section 103(b)(4)(D) of the 1954 Code or a port facility within the meaning of the Act), all of which substituted structures, machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Leased Facilities; and

(b) Not make any such substitution and installation provided that such removal shall not impair the operating unity nor the character of the Leased Facilities as a dock and wharf and related storage facility within the meaning of Section 103(b)(4)(D) of the 1954 Code or a port facility within the meaning of the Act, and provided further that (i) in the case of the sale of any such structures, machinery, equipment or related property to anyone other than itself or in the case of the scrapping thereof, the Lessee shall pay into the Bond Fund the proceeds from such sale or the scrap value thereof, as the case may be, (ii) in the case of the trade-in of such structures, machinery, equipment or related property for other structures, machinery, equipment or related property not to be installed on the Leased Facilities, the Lessee shall pay into the Bond Fund the amount of the credit received by it in such trade-in, and (iii) in the case of the sale of such structures, machinery, equipment or related property to the Lessee or in the case of any other disposition thereof the Lessee shall pay into the Bond Fund an amount equal to the original cost thereof to the Lessor less depreciation to the date of disposition using such rates and methods as the Lessee normally employs in recording depreciation on its books for similar machinery, equipment or related property.

In the event that the Lessee prior to such removal of items of Leased Facilities has acquired and installed structures, machinery or equipment with its own funds which have become part of the Leased Facilities, the Lessee may take credit to the extent of the amount so spent by it less any accumulated depreciation against the requirement that it either substitute and install other structures, machinery and equipment having equal or greater value or that it make payment into the Bond Fund, provided that the provisions of this sentence shall not relieve the Lessee of its obligations under the first sentence of Section 6.1 hereof.

The removal of any portion of the Leased Facilities pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof. The Lessee will pay any reasonable and necessary costs (including counsel fees) required by this Section incurred in causing any structure or items of machinery, equipment or related property to become a part of the Leased Facilities. The Lessee will not remove or permit the removal of any of the Leased Facilities except in accordance with the provisions of this Section 6.2.

SECTION 6.3. Taxes and Other Governmental Charges and Utility Charges. The Lessor and the Lessee acknowledge that (i) under present law no part of the Leased Facilities owned by the Lessor will be subject to ad valorem taxation by the State or by any political or taxing subdivision thereof and (ii) this factor, among others, has induced the Lessee to enter into this Agreement. The Lessee agrees to pay, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Facilities or any structure, machinery, equipment, fixtures or other property installed or brought by the Lessee therein or thereon or with respect to the original issuance of the Bonds or with respect to the rents received by the Lessor under Section 5.3 hereof (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or profits of the Lessor from the Leased Facilities which, if not paid, would become a lien or a charge on the revenues and receipts from the leasing of the Leased Facilities prior to or on a parity with the lien and charge under the Indenture thereon and the pledge or assignment thereof to be created and made in the Indenture and including all ad valorem taxes lawfully assessed upon the leasehold estate hereby granted and demised and leased to the Lessee), all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Facilities and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien of the Leased Facilities; provided, that with respect to special

assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term.

The Lessee shall timely prepare and file all reports and returns which are required to be made with respect to any obligation of the Lessee under, or arising out of, this Section 6.3. The Lessee shall, to the extent practicable, cause all billings of such fees, taxes, levies, imposts, duties, withholdings and governmental charges to be made to the Lessor in care of the Lessee. The Lessor shall furnish the Lessee, promptly after receipt, copies of all requests for information from any taxing authority relating to any of the foregoing and shall request such taxing authority to contact the Lessee regarding any such information. The provisions of this Section 6.3 shall survive the expiration or termination of this Lease.

The Lessee may, at its expense and in its own name and behalf or in the name and behalf of the Lessor, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by non-payment of any such items the lien of the Indenture will be materially endangered or the Leased Facilities or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Lessor, with the Trustee. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the Lessor or the Trustee may (but shall be under no obligation to) pay the same and the Lessee agrees to reimburse the Lessor or the Trustee for any amounts so advanced therefor by the Lessor or Trustee with interest thereon (to the extent permitted by law) until paid at a rate per annum equal to the prime rate of the Trustee.

SECTION 6.4. Insurance. The Lessee shall keep the Project insured against fire and other casualty (including comprehensive public liability insurance) to the extent that property of similar character is usually so insured by companies similarly situated and operating like properties, to a reasonable amount, by reputable insurance companies or, in lieu of or supplementing such insurance in whole or in part, adopt some other method or plan of protection (including self-insurance and/or self-assumption) against loss by fire or other casualty at least equal in protection to the method or plan of protection (including self-insurance and/or self-assumption) against loss by fire and other casualty generally employed by the Lessee.

SECTION 6.5. Advances by Lessor or Trustee. In the event the Lessee shall fail to maintain the insurance coverage required by Section 6.4 of this Agreement or shall fail to keep the Leased Facilities in as reasonably safe condition as its operating conditions will permit, or shall fail to keep the Leased Facilities in good repair, the Lessor or the Trustee may (but shall be under no obligation to) make the required repairs, renewals and replacements; and the Lessee agrees to reimburse the Lessor or the Trustee for all amounts so advanced therefor by the Lessor or the Trustee with interest thereon (to the extent permitted by law) from the date thereof until paid at a rate per annum equal to the prime rate of the Trustee.

SECTION 6.6. Tax-Exempt Status of Bonds. The Lessee agrees that it will operate the Leased Facilities in such manner as will not impair the exclusion from gross income of interest on the Bonds for Federal income tax purposes and it will not take or omit to take any action or permit any action within its control to be taken so as to impair such exclusion; provided that the Lessee shall not have violated this covenant if the interest on any of the Bonds becomes taxable to a person who is a substantial user of the Leased Facilities or a related person pursuant to the

provisions of Section 147(a) of the Code. The Lessee further covenants that it will not direct or permit the investment of any moneys in the Bond Fund pursuant to Section 7.2 of the Indenture which would impair the exclusion from gross income of interest on the Bonds for Federal income tax purposes or cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. Damage and Destruction. If prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Leased Facilities are destroyed or damaged (in whole or in part) by fire or other casualty and as a result thereof all of the Bonds have not been or are not being called for redemption, the Net Proceeds of insurance resulting from claims for such losses shall be paid to the Lessee and applied in one or more of the following ways as shall be determined by the Lessee with the approval of the Credit Facility Issuer:

(a) To the replacement, repair, rebuilding or restoration by the Lessee of the property damaged or destroyed to substantially the same condition thereof as existed prior to the event causing such damage or destruction, in which case the Lessee will apply so much as may be necessary of the Net Proceeds of such insurance to the payment of the costs of such replacement, repair, rebuilding or restoration.

(b) To the acquisition, by construction or otherwise, by the Lessor of other facilities suitable for the Lessee's operations at the site of the Leased Facilities or at such other site which in the opinion of an Engineer acceptable to the Lessor and the Trustee would be suitable for the location of such Leased Facilities, which facilities shall be deemed a part of the Leased Facilities and available for use and occupancy by the Lessee without the payment of any amount other than herein provided to the same extent as if such other facilities were specifically described herein and leased hereby (provided, that such facilities shall be acquired by the Lessor subject to no liens or encumbrances prior to the lien of the Indenture (other than Permitted Encumbrances)) in which case the Lessee will apply so much as may be necessary of the Net Proceeds of such insurance to the payment of the costs of such acquisition.

(c) To the redemption of the Bonds then outstanding at the applicable optional redemption price or prices set forth in the Indenture together with accrued interest thereon to the date of redemption; provided that no part of such Net Proceeds may be applied for such redemption unless (i) all of the Bonds then outstanding are to be redeemed or (ii) the Lessee shall furnish to the Lessor and the Trustee a certificate of an Engineer acceptable to the Lessor and the Trustee stating (1) that the property forming a part of the Leased Facilities that was so damaged or destroyed is not essential to the Lessee's use or occupancy of the Leased Facilities, or (2) that the Leased Facilities have been replaced, repaired, rebuilt or restored as stated in the foregoing subsection (a) of this Section, or (3) that other facilities have been acquired which are suitable for the Lessee's operations at the Leased Facilities as contemplated by the foregoing subsection (b) of this Section.

In the event the Net Proceeds mentioned in the preceding paragraph are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or acquisition, the Lessee will nonetheless complete the work thereof and will pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

The Lessee shall not, by reason of the payment of any costs, be entitled to any reimbursement from the Lessor, the Trustee or the holders of the Bonds, or any abatement or diminution of the rents payable under Section 5.3 hereof.

Unless the Lessee shall have elected to exercise its option to purchase pursuant to the provisions of Article XI hereof, within six (6) months from the date of such damage or destruction, the Lessee shall advise the Lessor and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to apply the Net Proceeds.

Any balance of the Net Proceeds of insurance in such proceedings shall be the property of the Lessee.

SECTION 7.2. Condemnation. Unless the Lessee shall exercise its option to purchase pursuant to the provisions of Article XI hereof, in the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental payments specified in Section 5.3 hereof. The Lessor, the Lessee and the Trustee will cause a portion of the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to and held by the Lessee and applied by the Lessee in one or more of the following ways as shall be determined by the Lessee with the approval of the Credit Facility Issuer:

(a) To the restoration of the Project to substantially the same condition thereof as existed prior to the exercise of the said power of eminent domain.

(b) To the acquisition, by construction or otherwise, by the Lessor of other facilities suitable for the Lessee's operations at the site of the Leased Facilities or at such other site which in the opinion of an Engineer acceptable to the Lessor and the Trustee would be suitable for the location of such Leased Facilities (which facilities shall be deemed a part of the Project and available for use and occupancy by the Lessee without the payment of any amounts other than herein provided to the same extent as if such other facilities were specifically described herein and leased hereby); provided, that such facilities shall be acquired by the Lessor subject to no liens or encumbrances prior to the lien of the Indenture (other than Permitted Encumbrances).

(c) To the redemption of Bonds then outstanding at the applicable optional redemption price or prices set forth in the Indenture together with accrued interest thereon to the date of redemption; provided, that no part of any such condemnation award may be applied for such redemption unless (i) all of the Bonds then outstanding are to be redeemed or (ii) the Lessee shall furnish to the Lessor and the Trustee a certificate of an Engineer stating (1) that the property forming a part of the Project that was so taken by such condemnation proceedings is not essential to the Lessee's use or occupancy of the Project, or (2) that the Project have been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings or (3) that other facilities have been acquired which are suitable for the Lessee's operations at the Project as contemplated by the foregoing subsection (b) of this Section.

Unless the Lessee shall have elected to exercise its option to purchase pursuant to the provisions of Article XI hereof, within six (6) months from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Lessee shall advise the Lessor and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to apply the condemnation award.

Any balance of the Net Proceeds of the award of such proceedings shall be the property of the Lessee.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and behalf of the Lessor. In no event will the Lessor voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Lessee and the Trustee.

SECTION 7.3. Condemnation of Lessee-Owned Property. The Lessee shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for the damages to or takings of its own property other than the Project.

ARTICLE VIII

SPECIAL COVENANTS

SECTION 8.1. No Warranty of Condition or Suitability by the Lessor. The Lessor makes no warranty, either expressed or implied, as to the condition of the Project or the title thereof or that it will be suitable for the Lessee's purposes or needs. The Lessee releases the Lessor from, agrees that the Lessor shall not be liable for, and agrees to hold the Lessor harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof; provided that such indemnification shall be effective only to the extent of any loss that may be sustained by the Lessor in excess of the Net Proceeds received from any insurance carried by the Lessee with respect to the loss sustained.

SECTION 8.2. Inspection of the Leased Facilities. The Lessee agrees that the Lessor, the Trustee or either of their duly authorized agents shall have the right during ordinary working hours and with reasonable prior written notice, subject to the Lessee's normal safety and security requirements for persons on the premises and so as not to disrupt the Lessee's ordinary business operations, to enter upon and to examine and inspect the Leased Facilities. The Lessee further agrees that the Lessor and the Trustee and their duly authorized agents shall have such rights of access to the Leased Facilities as may be reasonably necessary to enforce the rights of the Lessor contained in this Agreement and for the proper maintenance of the Leased Facilities in the event of failure by the Lessee to perform its obligations under Section 6.1 hereof.

SECTION 8.3. Lessee to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Lessee may, without violating the agreement contained in this Section, consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee corporation, as the case may be, is a corporation organized under a state of the United States of America and irrevocably and unconditionally assumes by means of an instrument in writing which is reasonably satisfactory and delivered to the Trustee, the Credit Facility Issuer and the Lessor all of the obligations of the Lessee herein and provided that the Lessor, the Trustee and the Credit Facility Issuer shall be furnished the written confirmation of the Guarantor that the Guaranty Agreement remains in full force and effect.

SECTION 8.4. Audited Financial Statements. Within one hundred twenty (120) days of the end of each fiscal year during the Lease Term, the Lessee agrees to furnish annually to the Lessor and the Trustee copies of the audited financial statements of the Lessee as of the end of such fiscal year.

SECTION 8.5. Qualification in the State. The Lessee warrants that it is and throughout the Lease Term it will continue to be duly qualified to do business in the State.

SECTION 8.6. Public Use. The Lessee hereby covenants that the Project will be operated and maintained throughout the Lease Term as docks and wharves and related storage facilities within the meaning of Section 103(b)(4)(D) of the 1954 Code. The Leased Facilities shall be operated and maintained by the Lessee so as to serve or to be available on a regular basis for

general public use within the meaning of said Section and regulations thereunder. The Lessee shall establish and enforce reasonable rules and regulations in the operation of the Leased Facilities and maintain and operate the same in an efficient manner. The Lessee further agrees that it will receive for transshipment via the Leased Facilities, insofar as capacity, scheduling and other commitments may permit, any ammonia or other products compatible with the design, construction and operation of the Leased Facilities which may be tendered in the usual manner and in the ordinary course of business.

SECTION 8.7. Execution of Indenture. The Lessor hereby agrees that it will not execute the Indenture without the consent of the Lessee and its approval of the terms therein, and that it will upon such execution duly and punctually perform and observe all the covenants, terms and conditions and agreements on its part contained in the Bonds and the Indenture.

SECTION 8.8. Dockage Fees. The Lessor and the Lessee hereby agree and covenant that, except as otherwise provided herein, so long as the Indenture and this Agreement remain in full force and effect, the Lessor shall have the exclusive right to and shall assess and provide for collection of dockage fees on all vessels berthing at the Project and an appropriate tariff will be issued by the Lessor stating such charges and their application. The Lessor hereby covenants to use its best efforts throughout the Lease Term to collect such dockage fees.

While the Indenture or this Agreement shall remain in force and effect, the Lessor shall, after deduction of the pro-rata reasonable collection costs, remit 50% of the remainder of such dockage fees to the Trustee for deposit in the Bond Fund under the Indenture. Each such payment shall be made on or before the 20th day of each month with respect to the dockage fees collected with respect to the Leased Facilities for the preceding calendar month. The Lessee shall be entitled to the credit provided in Section 5.3(e) hereof. The Lessor shall give the Lessee written notice of the amount of each such payment of dockage fees at the time of making such deposit with the Trustee.

The 50% of dockage fees after deduction of pro-rata costs of collection not required to be deposited into the Bond Fund under the Indenture shall be available to the Lessor for any lawful purpose. The Lessee does hereby covenant and agree that the share of net dockage fees available to and due the Lessor under this Section 8.8 shall not be less than \$50,000 for any full calendar year, and in the event such annual fees due the Lessor are less than said sum, the Lessee shall pay to the Lessor as additional rental within thirty days after the close of such calendar year such sum as will guarantee the Lessor an annual net payment from dockage fees of \$50,000 or a pro-rata share of said sum for any period less than a full calendar year.

The Lessor shall at all times during the Lease Term maintain adequate records of all dockage fees collected, which records shall be made available for the Lessee's examination at all times.

SECTION 8.9. Payments in Lieu of Taxes. The Lessee hereby agrees to pay annually, commencing on or before December 31, 1991, and on or before December 31st of each year thereafter, until the expiration of this Agreement, a sum in lieu of ad valorem taxes to compensate the appropriate taxing authorities for any services rendered by them to the Leased Facilities, such payment to be made annually by the Lessee to the normal tax collecting agency of the Parish of St. Charles, State of Louisiana, determined by the governing authority of said Parish, with the advice of the Assessor of St. Charles Parish, in a normal manner consistent with assessments made of similar industrial facilities in St. Charles Parish and to be distributed to the taxing authorities in the manner and within the limitations established by R.S. 39:996, provided that said payments shall be reduced to the extent of any amounts paid by the Lessee under Section 6.3 hereof with respect to ad valorem

taxes and provided further that in no event shall such amount be greater than would be payable as ad valorem taxes levied if the Leased Facilities were a privately owned facility.

SECTION 8.10. Credit Facility. The Lessee shall obtain the Letter of Credit and deliver it to the Trustee simultaneously with the issuance of the Bonds. Any Alternate Credit Facility will be delivered by the Lessee pursuant to the provisions of Article VI of the Indenture.

SECTION 8.11. Tax Covenant. The Lessee covenants that it will pay to the United States, on behalf of the Lessor, on or before the times required by or under the Code, the amounts required to satisfy the rebate requirements of the Code and the rules and regulations applicable thereunder to the Bonds. The Lessee covenants that in directing the investment of the gross proceeds of the Bonds it will comply with Section 1.103-15AT of the Treasury Regulations under the Code. The Lessee covenants that it will maintain on behalf of the Lessor, such records and file such reports, and file copies thereof with the Lessor and, if requested by the Trustee, with the Trustee, as may be necessary to be maintained by said paragraph, rules and regulations to demonstrate compliance therewith, including, without limitation, Section 1.103-15AT(d)(3).

SECTION 8.12. Performance under Indenture. The Lessee covenants that during the term of this Agreement it will fully and faithfully perform and observe all duties, obligations and agreements of the Lessee which the Lessor has covenanted and agreed to cause the Lessee to perform and any duties, obligations and agreements which the Lessee is required in the Indenture to perform, including, without limitation, its obligation to pay the Trustee reasonable compensation for its services under the Indenture and all the Trustee's reasonable expenses and disbursements (including the reasonable fees, costs and expenses of its counsel) and to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the Indenture. The foregoing shall not apply to any duty or undertaking of the Lessor which by its nature cannot be delegated or assigned.

ARTICLE IX

ASSIGNMENT; SUBLEASING; SELLING; REDEMPTION; RENT PREPAYMENT AND ABATEMENT

SECTION 9.1. Assignment and Subleasing. This Agreement may be assigned as a whole or in part and the Leased Facilities may be subleased as a whole or in part by the Lessee to a wholly-owned subsidiary of the Guarantor without the consent of the Lessor, and with the consent of the Lessor (which consent shall not be unreasonably withheld), this Agreement may be assigned as a whole or in part and the Leased Facilities may be subleased as a whole or in part by the Lessee to any other person or entity, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 8.3 hereof) or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 5.3 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it, unless waived by the Trustee with the consent of the holders of a majority in aggregate principal amount of the Bondholders outstanding.

(b) No such assignment or sublease shall relieve the Guarantor of its obligations under the Guaranty Agreement; provided, however, that this requirement shall not affect the rights of the Guarantor and the Trustee to amend the Guaranty Agreement in accordance with the provisions of Section 14.5 of the Indenture.

(c) The Lessee shall, within thirty days after the delivery thereof, furnish or cause to be furnished to the Lessor and to the Trustee a true and complete copy of each such assignment and sublease, as the case may be.

SECTION 9.2. Assignment and Pledge of Revenues by Lessor. The Lessor may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds, but each such assignment or pledge shall be subject and subordinate to this Agreement so long as the Lessee is not in default hereunder. The Lessee consents to such assignment by the Lessor under the terms of the Indenture.

SECTION 9.3. Restrictions on Sale of Leased Facilities by the Lessor. The Lessor agrees that, except as provided in Section 9.2 or other provisions of this Agreement or the Indenture, it will not sell, assign, transfer, convey or encumber the Leased Facilities during the Lease Term.

SECTION 9.4. Redemption of Bonds. The Lessor, at the request of the Lessee and if the Bonds are then redeemable under the provisions of the Indenture, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds as may be specified by the Lessee, on such redemption date as may be specified by the Lessee. It is understood that all expenses of such redemption shall be paid from money in the hands of the Trustee or by the Lessee and not by the Lessor.

SECTION 9.5. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, to prepay all or any part

of the rents payable under Section 5.3 hereof, and the Lessor agrees that the Trustee may accept such prepayments of rents when the same are tendered by the Lessee. All rents so prepaid shall be applied as provided in the Indenture.

SECTION 9.6. Lessee Entitled to Certain Rent Abatements if Bonds Paid Prior to Maturity. If at any time the aggregate moneys in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Indenture all of the Bonds at the time outstanding and to pay all fees and charges of the Trustee and the other agents described in Section 5.3(b) hereof and the expenses of the Lessor due or to become due through the date on which the last of the Bonds is retired, and if the Lessee is not at the time otherwise in default hereunder, the Lessee shall be entitled to the conveyance of the Leased Facilities pursuant to Article XI hereof.

SECTION 9.7. Installation of Improvements to Project. The Lessee may from time to time in its own discretion and at its own expenses, construct, locate or install improvements in or on the Project. All such property shall remain the sole property of the Lessee and neither the Lessor nor the Trustee shall have any interest therein, nor shall it be subject to the Indenture and any such property may be modified or removed at any time by the Lessee, provided that the damage to the Leased Facilities occasioned by such removal shall be repaired at the Lessee's expense. The Lessee shall be under no obligation to remove such property from the Project upon the termination of this Agreement (or any renewal term hereof).

SECTION 9.8. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and all fees and charges of the Trustee, the agents described in Section 5.3(b) hereof and the Lessor, all references in this Agreement to the Bonds and the Trustee shall be ineffective and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder saving and excepting those that shall have theretofore vested and be unsatisfied.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Lessee (or by the Guarantor on behalf of the Lessee) to pay or cause to be paid the rent required to be paid under Section 5.3 hereof at the times specified therein, but shall exclude any failure or default that results from wire transfer difficulties or an error or omission of an administrative or operational nature, so long as funds are available (but only if payment is made within one (1) Business Day after such transfer difficulties have been corrected, or the error or omission has been discovered).

(b) Failure by the Lessee (or by the Guarantor on behalf of the Lessee) to observe and perform any material covenant, condition or agreement in this Agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied, given to the Lessee and the Guarantor by the Lessor, the Credit Facility Issuer or the Trustee, unless the Lessor, the Credit Facility Issuer and the Trustee (with any required consent of Bondholders under the provisions of the Indenture) shall agree in writing to an extension of such time prior to its expiration, or unless the Lessee has commenced and continues diligently to remedy the failure stated in the notice; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Either (i) the Lessee or the Guarantor shall generally fail to pay, or admit in writing its inability to pay, its debts as they become due, or shall voluntarily commence any case or proceeding or file any petition under any bankruptcy, insolvency or similar law seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or effect a plan or other arrangement with its creditors, or shall file any answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against it in any bankruptcy, insolvency or similar case or proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business, or (ii) corporate action shall be taken by the Lessee or the Guarantor for the purpose of effectuating any of the foregoing.

(d) Involuntary proceedings or an involuntary petition shall be commenced or filed against the Lessee or the Guarantor under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation or reorganization of the Lessee or the Guarantor, as the case may be, or the appointment of a receiver, trustee, custodian or liquidator for the Lessee or the Guarantor, as the case may be, or of a substantial part of the property, assets or business of the Lessee or the Guarantor, as the case may be, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Lessee or the Guarantor, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or

similar process shall not be released, vacated or fully bonded, within 120 days after commencement, filing or levy, as the case may be.

(e) The occurrence of an "event of default" under the Indenture.

The foregoing provisions of Subsection (b) of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out its agreements on its part herein contained, other than the obligations on the part of the Lessee contained in Article V and Sections 8.1, 8.3, 8.8 and 8.9 hereof, the Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Lessee.

The Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Lessee unfavorable to the Lessee.

SECTION 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be subsisting, the Lessor or the Trustee, as assignee of the Lessor, where so provided, may have access to and inspect, examine and make copies of the books and records and any and all accounts and other data of the Lessee relating to the Leased Facilities and may take whatever action at law or equity that may appear necessary or desirable to enforce its rights with respect to the Project, including the right to any rents due or to become due, the right to terminate this Agreement and recover possession of the Project or the right to the observance of any obligation, agreement or covenant of the Lessee hereunder, including without limitation the following remedial steps:

(a) Declare all installments of rent payable under Section 5.3 hereof for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) Re-enter and take possession of the Leased Facilities without terminating this Agreement, and lease the Project for the account of the Lessee, holding the Lessee liable for the difference between the rentals and other amounts payable by such lessee in such leasing and the rents and other amounts payable by the Lessee hereunder.

(c) Terminate the Lease Term, exclude the Lessee from possession of the Project and use its best efforts to lease the Project to another party for the account of the Lessee.

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Bonds have been fully paid (or provisions for payment thereof has been made in accordance with the provisions of the Indenture), to the Lessee.

No action taken pursuant to this Section (including the repossession of the Leased Facilities or termination of the Lease Term) shall relieve the Lessee from the Lessee's obligations pursuant to Section 5.3 hereof, all of which shall survive any such action.

SECTION 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Lessor hereunder shall also extend to the Trustee and the holders of the Bonds issued under the Indenture shall be deemed third party beneficiaries of all covenants and agreements herein contained.

SECTION 10.4. Agreement to Pay Attorney's Fees and Expenses. (a) The Lessee agrees to reimburse the Lessor for the reasonable and necessary expenses incurred including the employment of attorneys in fulfilling the obligations of the Lessor pursuant hereto.

(b) In the event the Lessee shall default under any of the provisions of this Agreement and the Lessor or the Trustee shall employ attorneys or incur other expenses for the collection of the rents or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee herein contained, the Lessee agrees that it will on demand therefore pay to the Lessor or the Trustee, as the case may be, the reasonable and necessary fees of such attorneys and such other expenses so incurred by the Lessor or the Trustee.

(c) This Section shall not require the Lessor to undertake any legal proceeding with respect to this Agreement; provided however, the Lessor agrees that the Lessee or the Trustee may institute legal proceedings in the name of the Lessor to protect their rights under this Agreement.

SECTION 10.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

OPTION IN FAVOR OF LESSEE

SECTION 11.1. Option to Terminate. The Lessee may, at its option at any time on or after discharge of the lien of the Indenture in accordance with Article XV thereof, elect to terminate the Lease Term and to purchase the Project.

SECTION 11.2. Conveyance of the Leased Facilities to the Lessee. Upon the exercise by the Lessee of its option to terminate the Lease Term, the Lessor shall convey to the Lessee and the Lessee shall acquire from the Lessor the Project at a purchase price of \$100, by delivery of the documents specified in Section 11.3 hereof.

SECTION 11.3. Conveyance at Closing. At the closing of any purchase hereunder, the Lessor will upon receipt of the purchase price deliver to the Lessee the following:

(a) A release from the Trustee of the Indenture.

(b) Documents conveying to the Lessee title to the property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Agreement; and (iv) Permitted Encumbrances other than the Indenture and this Agreement.

SECTION 11.4. Relative Position of Option and Indenture. The rights, respectively, granted to the Lessee in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option.

ARTICLE XII
MISCELLANEOUS

SECTION 12.1. Surrender of Leased Facilities. Except as otherwise expressly provided in this Agreement, at the expiration or sooner termination of the Lease Term, the Lessee agrees to surrender possession of the Leased Facilities peaceably and promptly to the Lessor.

SECTION 12.2. Notices. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if given in accordance with the provisions of Section 16.6 of the Indenture. The Lessor, the Lessee, the Guarantor, the Credit Facility Issuer and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 12.3. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the laws of the State shall govern its construction.

SECTION 12.4. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.3, 9.1, 9.2 and 9.3 hereof.

SECTION 12.5. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 12.6. Amounts Remaining in the Bond Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund upon expiration or sooner termination of the Lease Term, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the Lessor, the Trustee and Paying Agents and other agents provided for in the Indenture, shall belong to and be paid to the Credit Facility Issuer, to the extent of any amounts that the Lessee owes the Credit Facility Issuer pursuant to the Reimbursement Agreement (as certified in writing by the Credit Facility Issuer, at the request of the Trustee) and to the extent of any remaining amounts to the Lessee by the Trustee as overpayment of the rents.

SECTION 12.7. Net Lease. This Agreement shall be deemed and construed to be a "net lease", and the Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

SECTION 12.8. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.9. Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or in the Indenture, subsequent to the initial issuance of the Bonds and prior to payment in full of all of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee, as provided in the Indenture.

SECTION 12.10. Recording and Filing. This Agreement and every assignment and modification hereof shall be recorded in the office of the Clerk of Court and Ex-Officio Recorder of Mortgages in the conveyance records of St. Charles Parish and/or in such other office as may be at the time provided by law as the proper place for the recordation of an act of sale conveying the Leased Facilities.

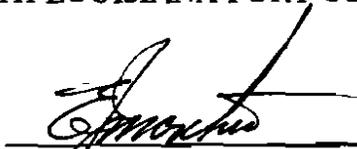
SECTION 12.11. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

SECTION 12.12. First National Bank of Commerce's Interest in Original Agreement Ceases. The parties hereto agree that, as provided in Article IX of the Original Indenture, the right, title and interest of the First National Bank of Commerce in the Original Agreement has ceased.

SECTION 12.13. References to Credit Facility Issuer. All provisions hereof regarding consents, approvals, directions, appointments or requests by, of or to the Credit Facility Issuer shall be deemed not to require or permit such consents, approvals, directions, appointments or requests and shall be read as if the Credit Facility Issuer were not mentioned herein during any time that either no Credit Facility is in effect or during which the Credit Facility Issuer is in default in its obligations to make payments under the Credit Facility; provided, however, that this Section 12.13 shall not affect the rights of the Credit Facility Issuer to collect any amounts owed to it.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this agreement to be executed in their respective corporate names and attested by their duly authorized officers, all as of the date first above written and in the presence of the undersigned competent witnesses.

SOUTH LOUISIANA PORT COMMISSION

By: 
President

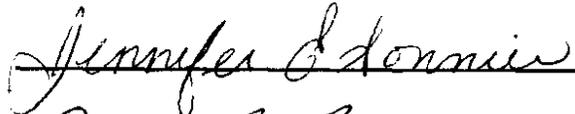
By: 
Executive Director

ATTEST:

By: 
Secretary

[SEAL]

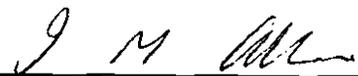
WITNESSES:




OCCIDENTAL CHEMICAL CORPORATION

By: 
Assistant Treasurer

WITNESSES:




LEASED FACILITIES

The Leased Facilities consist of structures, improvements and equipment located in St. Charles Parish, Louisiana, leased by the South Louisiana Port Commission to Hooker Chemical Properties Corporation for the loading, unloading and storage of ammonia and other compatible products, which comprise the following:

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	410' x 50' concrete dock, including causeways, pilings, bumpers, fenders, lighting, piping, mooring dolphin, etc.
2	Ship unloading arm, 12" with 4" piggyback vapor return arm, including hydraulic control console and electro-hydraulic systems
1	Barge loading arm, 10" with 4" piggyback vapor return arm, including hydraulic control console and electro-hydraulic systems
2	1 manual & 1 hydraulic caustic loading arm, including hydraulic control and electro-hydraulic systems
-	Major piping (Dock to terminal): 7,000 feet, 20 inch insulated pipeline for liquid ammonia service; approximately 2,500 feet, 8 inch pipeline for ammonia vapor service; approximately 2,500 feet, 3 inch insulated pipeline for steam service; approximately 2,500 feet, 12 inch insulated heat traced pipeline for liquid caustic service; approximately 2,500 feet, 6 inch pipeline for firewater service; all required expansion loops, shoes, saddles, guides, anchors, pipe racks, and related components
2	Insulated Ammonia storage tank, steel (field-erected), 45,000 MT Capacity, 178' Dia., 95'6" shell height plus dome roof, constructed on piles and pile cap.
2	Ammonia compressors, 600 H.P., 3600 RPM, 4160V, 3 phase, 60 cycle motor with associated lube oil pumps, supports, wiring, piping and controls

QUANTITYDESCRIPTION

- | | |
|---|--|
| 1 | Ammonia holding compressor, 450 H.P., 3600 RPM, 4160V, 3 phase, 60 cycle motor with associated lube oil pump, supports, wiring, piping and controls |
| 1 | Ammonia vapor return blower, 100 H.P., 3600 RPM, 480V, 3 phase, 60 cycle motor with surge control system |
| 1 | Flare with stack and automatic flame front generator |
| 1 | Ammonia condenser 10 MM BTU/HR. |
| 1 | Railroad Scale and Ticker Printer |
| 2 | Barge loading pumps, 2000 GPM, vertical multistage 75 H.P. |
| 2 | Ammonia transfer pumps, 975 GPM, vertical multistage 200 H.P. |
| 1 | Suction trap, 250 PSIG vertical 24" ID x 6', material SA-516-70 |
| 1 | Side port flash drum, 300 PSIG vertical, 24" ID x 8', material SA-516-70 |
| 1 | Ammonia receiver, 300 PSIG horizontal, 36" ID x 12', material SA-516-70 |
| 1 | Office and operations building, 30' x 54' brick veneer on reinforced slab supported by timber piles |
| 1 | Dike containment area of sufficient capacity to contain 45,000 M.T. of liquid ammonia |
| 1 | Compressor building with roof and partial sidewalls, on reinforced slab supported by timber piles |
| 1 | Motor control and switchgear building including all required transformers, disconnects, motor control, etc., on reinforced slabs supported by timber piles |

The Leased Facilities shall also include such other items of property, not hereinabove listed, as are contemplated in the Specifications, which shall include, but shall not be limited to: pumps, compressors, separators, dryers, condensers, flare facilities, gantries, buildings, foundations, piping, instruments and control equipment, roadways, loading and unloading equipment, furnishings, tools and spare parts, vehicles and such other items of property as shall be required to complete the Project.

STATE OF LOUISIANA

PARISH OF ST. JOHN THE BAPTIST

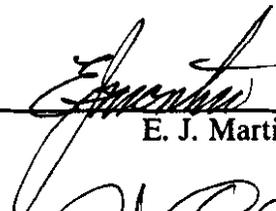
BE IT KNOWN, that on this 19th day of August, 1991, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

E. J. MARTIN, JR.

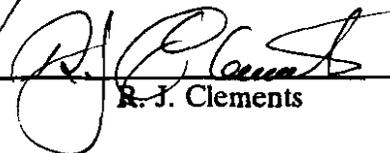
R. J. CLEMENTS

RODNEY L. CAMBRE

to me known to be the identical persons who executed the foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that they are the President, Executive Director and Secretary, respectively, of the South Louisiana Port Commission (the "Port Commission"); that the seal impressed beside their signatures on the foregoing instrument is the official seal of the Port Commission; that the aforesaid instrument was signed and sealed by them on this date on behalf of the Port Commission; and that the above-named persons acknowledge said instrument to be the free act and deed of the Port Commission.



E. J. Martin, Jr.



R. J. Clements



Rodney L. Cambre

WITNESSES:







NOTARY PUBLIC

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

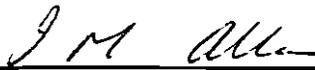
BE IT KNOWN, that on this 16th day of August, 1991, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and County aforesaid, personally came and appeared:

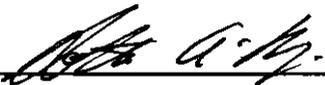
FRED J. GRUBERTH

to me known to be the identical person who executed the foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Assistant Treasurer of Occidental Chemical Corporation, a New York corporation (the "Corporation"); that the seal impressed beside his signature on the foregoing instrument is the official seal of the Corporation; that the aforesaid instrument was signed and sealed by him on this date on behalf of the Corporation; and that the above-named person acknowledges said instrument to be the free act and deed of the Corporation.


Fred J. Gruberth

WITNESSES:







NOTARY PUBLIC

