



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

MAY 03 2012

URGENT LEGAL MATTER - PROMPT REPLY REQUESTED
CERTIFIED MAIL AND EMAIL

Mr. Gene Ruminski
Environmental Risk Manager
Diageo North America, Inc.
24460 West 143rd Street
Plainfield, Illinois 60544

Re: General Notice Letter for the Black Leaf Chemical Superfund Site located at 1391 Dixie Highway, Louisville, Kentucky (Site)

Dear Mr. Ruminski:

The purpose of this letter is to notify Diageo North America, Inc (the Company) of its potential liability, as defined by Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), that the Company may have incurred with respect to the above referenced Site. This letter also notifies the Company of forthcoming removal activities at the Site and requests that the Company perform or finance such activities and advise the U.S. Environmental Protection Agency of the Company's willingness to participate in negotiations to enter into a settlement agreement to perform the work described below.

The EPA is responsible for responding to the release or threat of release of hazardous substances, pollutants or contaminants into the environment – that is, for stopping further contamination from occurring and for cleaning up or otherwise addressing any contamination that has already occurred. The EPA has documented that such a release has occurred at the Black Leaf Chemical Site located at 1391 Dixie Highway, Louisville, Kentucky. The EPA has spent, or is considering spending, public funds to investigate and control releases of hazardous substances or potential releases of hazardous substances at the Site.

Site Background

On July 25, 2011, the Kentucky Department for Environmental Protection (KDEP) Superfund Branch requested that EPA Region 4 evaluate this Site for purposes of conducting a time-critical removal action. The request was based on the results of an October 2010 Preliminary Assessment and Site Investigation by the EPA and KDEP that revealed high concentrations of organochlorine pesticides in surface soil at the Site. KDEP also expressed concern regarding the lack of controls on access to the Site. On August 8, 2011, the EPA On-Scene Coordinator, Art Smith, and KDEP performed a site inspection. At that time, a gate at the 17th Street entrance to the Site was missing and evidence of trespassing was noted in areas of the Site where hazardous substance releases are present. The OSC completed the removal site evaluation under 40 CFR Section 300.410, and concluded that the Site meets the National Contingency Plan (NCP) criteria for a time-critical removal Action.



The Site is located on a portion of a 29-acre parcel of land in the Park Hill neighborhood of Louisville, and is bordered by a densely populated residential area to the north, including a licensed daycare facility within 200 feet of the Site, a large rail yard to the south, and industrial/commercial areas to the east and west. Multiple brick structures occupy the Site, which formerly housed pesticide formulating operations that date back to at least the early 1950s to 1959, as well as a distillery and cooperage facility, followed by a wood drying and lumber distribution facility. The Site is currently abandoned.

Explanation of Potential Liability

PRPs under CERCLA include: current and former owners and operators of a site, as well as persons who arranged for disposal or treatment of hazardous substances sent to the Site, or persons who accepted hazardous substances for transport to a site. Under CERCLA, PRPs may be obligated to implement response actions to protect health, welfare or the environment. PRPs may also be liable for the costs incurred by the United States in responding to any release or threatened release at a site. In addition, PRPs may be required to pay for damages for injury to natural resources or for their destruction or loss, together with the cost of assessing such damages.

Based on the information collected, the EPA believes that the Company may be liable under Section 107(a) of CERCLA with respect to the Black Leaf Chemical Site, as a previous owner and/or operator of the Site. The EPA believes that the Company is a successor to Schenley Distillers, Inc. (who later became United Distillers Manufacturing, Inc.), who owned and/or operated the Site from 1959-1983.

Site Response Activities

To date, the EPA and the State of Kentucky have taken several response actions at the Site under the authority of the Superfund Program. At present, the EPA is planning to conduct the following activities at the Site:

- Provide for Site security and control access to Site.
- Perform sampling and analyses to identify the nature and extent of hazardous substance releases from the Site. This will include sampling to be conducted in off-site residential areas to evaluate if contaminant migration has occurred.
- Mitigate the effects of releases of hazardous substances to the environment. This is expected to include, but not be limited to:
 - excavation and disposal of contaminated soils, debris, and other solid wastes;
 - demolition and/or decontamination of structures where contamination is identified and which requires abatement in order to prevent releases to the environment; and
 - restoration of disturbed areas to existing contours and conditions existing before the removal action.

Administrative Order

A copy of the current Administrative Settlement Agreement and Order on Consent ("AOC") with a is enclosed. Please be aware that the other PRPs have submitted requested changes to this AOC that are currently under review at the EPA. The Company may contact the PRPs and request their "redlined" draft if the Company chooses to participate in negotiations at the Site and coordinate with the group on any additional comments the Company may have. Work conducted by PRPs must be conducted

according to a signed AOC and an EPA-approved work plan. Additionally, the EPA is seeking costs for response and oversight of the removal work at the Site.

While the EPA encourages the PRPs to form a Steering Committee, the EPA requests that the Company contact the EPA in writing within five (5) business days of its receipt of this letter to indicate a willingness to participate in future negotiations at this Site.

If the EPA does not receive a timely response, the EPA will assume that (1) the Company does not wish to negotiate a resolution of its liabilities in connection with the response action, and that the Company has declined any involvement in performing the response activities. Moreover, if the Company does not contact the EPA to indicate its willingness to participate in the response actions at the Site and/or do not participate in the negotiations, the Company may be issued an administrative order under Section 106(a) of CERCLA, or be held liable under Section 107 of CERCLA, for the cost of the response activities the EPA performs at the Site and for any damages to natural resources.

Response to this notice letter may be sent by mail or email and should be sent to:

Marianne O. Lodin
Associate Regional Counsel
U.S. Environmental Protection Agency
61 Forsyth Street, SW
Atlanta, Georgia 30303
lodin.marianne@epa.gov

Decision Not to Use Special Notice

Under CERCLA Section 122(e), the EPA has the discretionary authority to invoke special notice procedures to formally negotiate the terms of an agreement between the EPA and the PRPs to conduct or finance response activities. Use of these special notice procedures triggers a moratorium on certain agency activities at the Site while formal negotiations between the EPA and the PRP or PRPs are conducted. In this case, the EPA has decided not to invoke the Section 122(e) special notice procedures. The EPA's rationale for not invoking Section 122(e) special notice procedures is based on the Agency's removal policy regarding time-critical removals. Nonetheless, the EPA is willing to discuss settlement opportunities without invoking a moratorium, but will issue an order or initiate the response action as planned if such discussions do not lead to settlement expeditiously.

PRP Response and Contact

The EPA would like to encourage communication between the Company, other PRPs, and the EPA regarding the Site. The EPA recommends that PRPs meet to select a "steering committee" that will be responsible for representing the group's interests. Establishing a manageable group is critical to successful negotiations with the EPA. Discussions among this group are ongoing. If selecting a group representative or steering committee is not possible, the EPA encourages each PRP to select one person from its company or organization to represent its interests to the EPA.

To assist you in your efforts to communicate, listed below are the names and addresses of PRPs to whom this letter has been sent:

Occidental Chemical Corporation
Frank Parigi, Esq.
Occidental Tower
5005 LBJ Freeway
Dallas, Texas 75244-6119
frank_parigi@oxy.com

ExxonMobil Corporation
David B. Mantor, Esq.
Counsel
800 Bell, Suite 1583k
Houston, Texas 77002
david.b.mantor@exxonmobil.com

Insurance Coverage

Some or all of the costs associated with the proposed settlement offer may be covered by current or past insurance policies issued to the Company. Most insurance policies require that the insured timely notify the insurance carrier(s) of any claim against it. To evaluate whether the Company should notify its insurance carrier(s) of this demand, the Company may wish to review current and past policies, beginning with the date of the Company's first contact with the Site, up to the present. Coverage depends on many factors, including the language of the particular policy and state law.

Information to Assist You

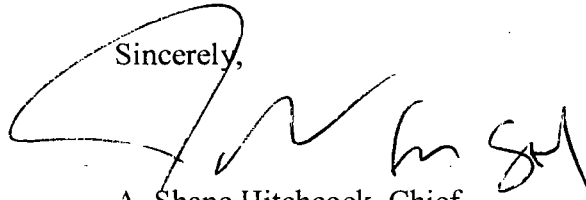
The EPA will establish an Administrative Record that contains documents that serve as the basis for the EPA's selection of a cleanup action for the Site. The Administrative Record will be made available at a location near the Site. The Administrative Record will also be available for inspection at the Superfund Records Center, EPA Region 4, Atlanta Federal Center, 61 Forsyth St. SW, Atlanta, GA.

Conclusion

Due to the seriousness of the problem at the Site and the legal ramifications of failure to respond properly, the EPA strongly encourages you to give this matter your immediate attention. If you have any legal questions regarding this letter, please contact Marianne O. Lodin, Associate Regional Counsel, at 404-562-9547. If you have any general questions or specific questions related to the information requests, please contact Karen Coleman, Enforcement Project Manager at 404-562-8853. For technical questions, please contact Art Smith, On Scene Coordinator, at 502-905-7559.

The factual and legal discussions contained in this letter are intended solely for notification and information purposes. They are not intended to be and cannot be relied upon as final agency positions on any matter set forth herein. Thank you for your prompt attention to this matter.

Sincerely,



A. Shane Hitchcock, Chief
Emergency Response & Removal Branch
Superfund Division
Region 4
U.S. Environmental Protection Agency

Enclosure

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF:
Black Leaf Chemical Superfund Site
Louisville, Jefferson County, Kentucky

ADMINISTRATIVE SETTLEMENT
AGREEMENT AND ORDER ON
CONSENT FOR REMOVAL ACTION

Respondents
ExxonMobil Oil Corporation
and
Occidental Chemical Corporation

U.S. EPA Region 4
CERCLA Docket No.

Proceeding Under Sections 104, 106(a), 107
and 122 of the Comprehensive
Environmental Response, Compensation,
and Liability Act, 42 U.S.C. §§ 9604,
9606(a), 9607 and 9622

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I. JURISDICTION AND GENERAL PROVISIONS

1. This Administrative Settlement Agreement and Order on Consent ("Settlement Agreement") is entered into voluntarily by the U.S. Environmental Protection Agency and ExxonMobil Corporation and Occidental Chemical Corporation ("Respondents"). This Settlement Agreement provides for the performance of a removal action by Respondents and the payment of certain response costs incurred by the United States at or in connection with the Black Leaf Chemical Superfund Site" (the "Site") generally located at 1391 Dixie Highway in Louisville, Jefferson County, Kentucky.

2. This Settlement Agreement is issued under the authority vested in the President of the United States by Sections 104, 106(a), 107, and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622 ("CERCLA").

3. EPA has notified the State of Kentucky (the "State") of this action pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

4. EPA and Respondents recognize that this Settlement Agreement has been negotiated in good faith and that the actions undertaken by Respondents in accordance with this Settlement Agreement do not constitute an admission of any liability. Respondents do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Settlement Agreement, the validity of the findings of facts, conclusions of law, and determinations in Sections IV and V of this Settlement Agreement. Respondents agree to comply with and be bound by the terms of this Settlement Agreement and further agree that they will not contest the basis or validity of this Settlement Agreement or its terms.

II. PARTIES BOUND

5. This Settlement Agreement applies to and is binding upon EPA and upon Respondents and their successors and assigns. Any change in ownership or corporate status of a Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter such Respondent's responsibilities under this Settlement Agreement.

6. Respondents are jointly and severally liable for carrying out all activities required by this Settlement Agreement. In the event of the insolvency or other failure of one Respondent to implement the requirements of this Settlement Agreement, the remaining Respondent shall complete all such requirements.

7. Respondents shall ensure that their contractors, subcontractors, and representatives receive a copy of this Settlement Agreement and comply with this Settlement Agreement. Respondents shall be responsible for any noncompliance with this Settlement Agreement.

III. DEFINITIONS

8. Unless otherwise expressly provided in this Settlement Agreement, terms used in this Settlement Agreement that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Settlement Agreement or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

a. "Action Memorandum" shall mean the EPA Action Memorandum relating to the Site signed by the Regional Administrator, EPA Region 4, or his/her delegate, and all attachments thereto. The "Action Memorandum" is attached as Appendix A.

b. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675.

c. "Day" or "day" shall mean a calendar day. In computing any period of time under this Settlement Agreement, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

d. "DOJ" shall mean the United States Department of Justice and its successor departments, agencies, or instrumentalities.

e. "Effective Date" shall mean the effective date of this Settlement Agreement as provided in Section XXXI.

f. "EPA" shall mean the United States Environmental Protection Agency and its successor departments, agencies, or instrumentalities.

g. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

h. "Facility Property" shall mean the portion of the LIP Property on which the pesticide formulating facilities operated from about 1950 to 1959. A "Site Boundaries Map" generally depicting the area of the Site used in the pesticide formulating operations is attached as Attachment B.

i. "KDEP" shall mean the Kentucky Department for Environmental Protection and any successor departments or agencies of the State.

j. "Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States incurs in reviewing or developing plans, reports, and other deliverables pursuant to this Settlement Agreement, in overseeing implementation of the Work, or otherwise implementing, overseeing, or enforcing this Settlement Agreement, including but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, the

costs incurred pursuant to Paragraph 24 (including, but not limited to, costs and attorneys fees and any monies paid to secure access, including, but not limited to, the amount of just compensation), Paragraph 34 (emergency response), and Paragraph 60 (work takeover). Future Response Costs shall also include Agency for Toxic Substances and Disease Registry ("ATSDR") costs regarding the Site, all Interim Response Costs, and all Interest on those Past Response Costs Respondents have agreed to pay under this Settlement Agreement that has accrued pursuant to 42 U.S.C. § 9607(a) during the period from October 26, 2011, to the Effective Date.

k. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

l. "Interim Response Costs" shall mean all costs, including but not limited to direct and indirect costs, (a) paid by the United States in connection with the Site between October 27, 2011, and the Effective Date, or (b) incurred prior to the Effective Date, but paid after that date.

m. "LIP Property" shall mean the 29-acre parcel of property located at 1391 Dixie Highway, Louisville, Jefferson County, Kentucky, currently owned by Louisville Industrial Park, LLC.

n. "National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

o. "Paragraph" shall mean a portion of this Settlement Agreement identified by an Arabic numeral or an upper or lower case letter.

p. "Parties" shall mean EPA and Respondents.

q. "Past Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States paid at or in connection with the Site through October 26, 2011, plus Interest on all such costs through such date.

r. "RCRA" shall mean the Solid Waste Disposal Act, 42 U.S.C. §§ 6901-6992 (also known as the Resource Conservation and Recovery Act).

s. "Respondents" shall mean ExxonMobil Corporation and Occidental Chemical Corporation.

t. "Section" shall mean a portion of this Settlement Agreement identified by a Roman numeral.

u. "Settlement Agreement" shall mean this Administrative Settlement Agreement and Order on Consent and all appendices attached hereto (listed in Section XXX). In the event of conflict between this Settlement Agreement and any appendix, this Settlement Agreement shall control.

v. "Site" shall mean the Black Leaf Chemical Superfund Site, generally located at 1391 Dixie Highway in Louisville, Jefferson County, Kentucky, which encompasses the Facility Property and the areal extent of any contamination attributable to the pesticide formulating facilities on the LIP Property and properties beyond the LIP Property.

w. "State" shall mean the State of Kentucky.

x. "Statement of Work" or "SOW" shall mean the statement of work for implementation of the removal action, as set forth in Paragraph 15 of this Settlement Agreement, and any modifications made thereto in accordance with this Settlement Agreement.

y. "United States" shall mean the United States of America and each department, agency, and instrumentality of the United States, including EPA.

z. "Waste Material" shall mean (a) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); (b) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); (c) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27).

aa. "Work" shall mean all activities Respondents are required to perform under this Settlement Agreement except those required by Section XI (Record Retention).

IV. FINDINGS OF FACT

9. The following are the EPA's Findings of Fact:

a. The Site is generally located at 1391 Dixie Highway in Louisville, Kentucky. The Site is in the Park Hill neighborhood of Louisville, and is bordered by a densely populated residential area to the north, including a licensed daycare facility, a large rail yard to the south, and industrial/commercial areas to the east and west.

b. From at least the early 1950s to 1959, four companies owned the portion of the LIP Property that contained the pesticide formulating facilities (Facility Property), where contamination is currently known. These four companies also operated the pesticide formulating facilities.

c. In 1924, Tobacco By-Products and Chemical Corporation (Tobacco By-Products) purchased the Facility Property. In 1947, Virginia Carolina Chemical Corporation (VCCC) acquired Tobacco By-Products. From at least 1950-1953, Tobacco By-Products operated the pesticide formulating facilities onsite under the Tobacco By-Products corporate name.

d. In 1953, Tobacco By-Products was consolidated under VCCC's Black Leaf Products Division, and in that same year, the Facility Property was transferred from Tobacco By-Products to VCCC. VCCC continued operating the pesticide formulating facilities under its own brand and division, Black Leaf Products, until 1955.

e. In 1955, VCCC sold the pesticide formulating facilities and Facility Property to Diamond Black Leaf Company, which continued pesticide formulating operations at the Site until 1957.

f. In 1957, Diamond Black Leaf Company liquidated, and Diamond Alkali Company, the sole stockholder of Diamond Black Leaf Company, acquired ownership of the Facility Property and operated the pesticide formulating facilities until 1959.

g. In 1959, Schenley Distillers, Inc. (Schenley), purchased the Facility Property. Schenley also purchased adjacent parcels of land and consolidated these parcels under one deed, which is known as the LIP Property. Schenley operated a whiskey distillery on the Facility Property from 1959 until 1983.

h. From 1983 to 1999, the LIP Property and facilities were owned by three different companies: Lanham Lumber & Dry Kiln Co., Inc; Louisville Hardwoods, Inc.; and U.S. Woods, Inc., none of which are known to have operated the LIP Property as a pesticide facility.

i. In 1999, Louisville Industrial Park, LLC, purchased the LIP Property on which the pesticide formulating operations occurred and the facilities, which consisted of several dilapidated buildings, with the intention of redeveloping the property. To date, the LIP Property has not been redeveloped. Louisville Industrial Park, LLC has not conducted business on the LIP Property. The LIP Property is currently abandoned and Louisville Industrial Park, LLC remains the owner.

j. On July 25, 2011, KDEP Superfund Branch requested that EPA Region 4 evaluate this Site for purposes of conducting a time-critical removal action. The request was based on the results of an October 2010 Preliminary Assessment and Site Investigation by the EPA and KDEP that revealed high concentrations of organochlorine pesticides, arsenic, and polycyclic aromatic hydrocarbons (PAHs). The concentrations exceed the levels in a background sample collected within a quarter-mile of the Site. A map depicting the sample locations from the 2010 Site Investigation is attached as Attachment C.

k. EPA reviewed the sampling data that revealed elevated pesticide and arsenic levels at or near the surface with the potential for offsite migration. On August 8, 2011, the EPA On-Scene Coordinator (OSC), Art Smith, and KDEP performed a site inspection. At that time, a gate at the 17th Street entrance to the Site was missing and evidence of trespassing was noted in areas of the Site where hazardous substance releases are present. The OSC completed the

removal site evaluation under 40 CFR Section 300.410, and concluded that the Site meets the National Contingency Plan (NCP) criteria for a time-critical removal action.

l. On September 13, 2011, the EPA initiated a time-critical removal action to repair the fence and secure the Site to protect the public from potential direct contact with hazardous substances.

m. In September and October 2011, the EPA collected samples at multiple locations just outside the fence along the perimeter of the Site to determine whether hazardous substances had migrated to adjacent parcels. Analytical results indicate that arsenic, lead, and organochlorine pesticides have migrated to adjacent and other properties. Both arsenic and lead are at concentrations which exceed EPA's criteria for taking a removal action at multiple adjacent and other properties. These sampling locations are identified in Attachments D and E.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

10. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, EPA has determined that:

a. The Black Leaf Chemical Superfund Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Site, as identified in the Findings of Fact above, includes "hazardous substances" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

c. Each Respondent is a "person" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. Each Respondent is a responsible party under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and is jointly and severally liable for performance of response action and for response costs incurred and to be incurred at the Site.

- i. Respondents ExxonMobil Corporation is a successor company to Tobacco By-Products and Chemical Corporation and Virginia Carolina Chemical Corporation, and is a previous "owner" and "operator" of the facilities at the time of disposal of hazardous substances at the facilities, as defined by Section 101(20) of CERCLA, 42 U.S.C. § 9601(20), and within the meaning of Section 107(a)(1) of CERCLA, 42 U.S.C. § 9607(a)(1).
- ii. Respondents Occidental Chemical Corporation is a successor company to Diamond Alkali Company, and is a previous "owner" and "operator" of the facilities at the time of disposal of hazardous substances at the facilities, as

defined by Section 101(20) of CERCLA, 42 U.S.C. § 9601(20), and within the meaning of Section 107(a)(1) of CERCLA, 42 U.S.C. § 9607(a)(1).

e. The conditions described in Paragraph 9 of the Findings of Fact above constitute an actual or threatened "release" of a hazardous substance from the facilities as defined by Section 101(22) of CERCLA, 42 U.S.C. § 9601(22).

f. The removal action required by this Settlement Agreement is necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Settlement Agreement, will be consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

VI. SETTLEMENT AGREEMENT AND ORDER

Based upon the foregoing Findings of Fact, Conclusions of Law, Determinations, and the Administrative Record for this Site, it is hereby Ordered and Agreed that Respondents shall comply with all provisions of this Settlement Agreement, including, but not limited to, all attachments to this Settlement Agreement and all documents incorporated by reference into this Settlement Agreement.

VII. DESIGNATION OF CONTRACTOR, PROJECT COORDINATOR, AND ON-SCENE COORDINATOR

11. Respondents shall retain one contractor to perform the Work and shall notify EPA of the name and qualifications of such contractor within ten (10) days after the Effective Date. Respondents shall also notify EPA of the name(s) and qualification(s) of any other contractor(s) or subcontractor(s) retained to perform the Work at least ten (10) days prior to commencement of such Work. EPA retains the right to disapprove of any or all of the contractors and/or subcontractors retained by Respondents. If EPA disapproves of a selected contractor, Respondents shall retain a different contractor and shall notify EPA of that contractor's name and qualifications within ten (10) days after EPA's disapproval. EPA may, at its discretion, require the proposed contractor to demonstrate compliance with ANSI/ASQC E-4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs" (American National Standard, January 5, 1995), by submitting a copy of the proposed contractor's Quality Management Plan ("QMP"). The QMP should be prepared in accordance with "EPA Requirements for Quality Management Plans (QA/R-2)" (EPA/240/B0-1/002), or equivalent documentation as required by EPA.

12. Within ten (10) days after the Effective Date, Respondents shall designate a Project Coordinator who shall be responsible for administration of all actions by Respondents required by this Settlement Agreement and shall submit to EPA the designated Project Coordinator's name, address, telephone number, and qualifications. To the greatest extent possible, the Project Coordinator shall be present on Site or readily available during Site work. EPA retains the right to disapprove of the designated Project Coordinator. If EPA disapproves of the designated

Project Coordinator, Respondents shall retain a different Project Coordinator and shall notify EPA of that person's name, address, telephone number, and qualifications within ten (10) days following EPA's disapproval. Receipt by Respondents' Project Coordinator of any notice or communication from EPA relating to this Settlement Agreement shall constitute receipt by all Respondents.

13. EPA has designated Art Smith of the Emergency Response Branch and Removal Branch, Region 4, as its OSC. Except as otherwise provided in this Settlement Agreement, Respondents shall direct all submissions required by this Settlement Agreement to the OSC at U.S. EPA, Region 4, 600 Dr. Martin Luther King, Jr. Place, Room 172-A, Louisville, KY 40202, and to smith.art@epa.gov.

14. EPA and Respondents shall have the right, subject to Paragraph 12, to change their respective designated OSC or Project Coordinator. Respondents shall notify EPA ten (10) days before such a change is made. The initial notification may be made orally, but shall be promptly followed by a written notice.

VIII. WORK TO BE PERFORMED

15. Respondents shall perform, at a minimum, the work set forth herein, which shall be deemed to be the Statement of Work. The actions to be implemented generally include, but are not limited to, the following:

- a. Provide for Site security and control access to Site.
- b. Perform sampling and analyses to identify the nature and extent of hazardous substance releases from the Site. This will include sampling to be conducted on adjacent and other properties to evaluate if contaminant migration has occurred.
- c. Mitigate the effects of releases of hazardous substances to the environment. This is expected to include, but not be limited to:
 - i. excavation and disposal of contaminated soils, debris, and other solid wastes;
 - ii. disposal shall be in compliance with federal regulations, including the CERCLA off-site rule;
 - iii. demolition and/or decontamination of structures where contamination is identified and which requires abatement in order to prevent releases to the environment;
 - iv. Capping the contamination in place. In areas of the Site where capping is planned, the Respondents shall submit a proposal to EPA for approval that

fully details the post-removal site controls to be implemented in order to maintain the cap. At a minimum, Respondents must demonstrate to EPA that they possess sufficient control of the Site in order to effectively maintain all post-removal site controls proposed to be implemented as part of the removal action.

- v. Eliminate migration of hazardous substances from the LIP Property via stormwater runoff. This shall include inspection of all storm drainage outfalls onsite, and will require either removal of debris and sediment or isolation of the storm drainage appurtenances to an extent where the public sewer system is not affected by contaminated runoff.
- vi. restoration of disturbed areas to existing contours and conditions existing before the removal action; and
- vii. Produce the following plans in accordance with the schedule set forth in the Removal Action Work Plan required by Paragraph 16.
 - 1. Sampling and Analysis Plan;
 - 2. Decontamination/Demolition Plan;
 - 3. Soils Removal and Disposal Plan; and
 - 4. Post-Removal Site Control Plan

16. Removal Action Work Plan and Implementation.

a. Within ten (10) days after the Effective Date, Respondents shall submit to EPA for approval a draft Removal Action Work Plan for performing the removal action generally described in Paragraph 14 above. The draft Removal Action Work Plan shall provide a description of, and an expeditious schedule for, the actions required by this Settlement Agreement. The draft Removal Action Work Plan shall include a site-specific Quality Assurance Project Plan ("QAPP") incorporating a Sampling and Analysis Plan (SAP) that includes detailed sampling and analysis procedures and quality assurance measures to be adhered to for the site investigation and removal action. EPA guidance on QAPP requirements may be found at <http://www.epa.gov/quality/qs-docs/r5-final.pdf>. All field activities will be conducted in accordance with the relevant provisions of the EPA Science and Ecosystems Support Division (SESD) Region 4 *Field Branches Quality System and Technical Procedures*, which may be viewed at <http://www.epa.gov/region4/sesd/fbqstp/index.html>.

b. EPA may approve, disapprove, require revisions to, or modify the draft Removal Action Work Plan in whole or in part. If EPA requires revisions, Respondents shall submit a revised draft Removal Action Work Plan within seven (7) days after receipt of EPA's notification of the required revisions. Respondents shall implement the Removal Action Work Plan as approved in writing by EPA in accordance with the schedule approved by EPA. Once approved, or approved with modifications, the Removal Action Work Plan, the schedule, and any

subsequent modifications shall be incorporated into and become fully enforceable under this Settlement Agreement.

c. Respondents shall not commence any Work except in conformance with the terms of this Settlement Agreement. Respondents shall not commence implementation of the Removal Action Work Plan developed hereunder until receiving written EPA approval pursuant to Paragraph 16.b.

17. Health and Safety Plan. Within 15 days after the Effective Date, Respondents shall submit for EPA review and comment a plan that ensures the protection of the public health and safety during performance of on-site work under this Settlement Agreement. This plan shall be prepared in accordance with EPA's Standard Operating Safety Guide (PUB 9285.1-03, PB 92-963414, June 1992). In addition, the plan shall comply with all currently applicable Occupational Safety and Health Administration ("OSHA") regulations found at 29 C.F.R. Part 1910. If EPA determines that it is appropriate, the plan shall also include contingency planning. Respondents shall incorporate all changes to the plan recommended by EPA and shall implement the plan during the pendency of the removal action.

18. Quality Assurance and Sampling.

a. All sampling and analyses performed pursuant to this Settlement Agreement shall conform to EPA direction, approval, and guidance regarding sampling, quality assurance/quality control ("QA/QC"), data validation, and chain of custody procedures. Respondents shall ensure that the laboratory used to perform the analyses participates in a QA/QC program that complies with the appropriate EPA guidance. Respondents shall follow, as appropriate, "Quality Assurance/Quality Control Guidance for Removal Activities: Sampling QA/QC Plan and Data Validation Procedures" (OSWER Directive No. 9360.4-01, April 1, 1990), as guidance for QA/QC and sampling. Respondents shall only use laboratories that have a documented Quality System that complies with ANSI/ASQC E-4 1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs" (American National Standard, January 5, 1995), and "EPA Requirements for Quality Management Plans (QA/R-2) (EPA/240/B-01/002, March 2001; Reissued May 2006)," or equivalent documentation as determined by EPA. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program ("NELAP") as meeting the Quality System requirements. Respondents are required to meet EPA Region 4 requirements for electronic data submission, a copy of which may be found at <http://epa.gov/region4/waste/sf/edd/edd.html>.

b. Upon request by EPA, Respondents shall have such a laboratory analyze samples submitted by EPA for QA monitoring. Respondents shall provide to EPA the QA/QC procedures followed by all sampling teams and laboratories performing data collection and/or analysis.

c. Upon request by EPA, Respondents shall allow EPA or its authorized representatives to take split and/or duplicate samples. Respondents shall notify EPA not less than ten (10) days in advance of any sample collection activity, unless shorter notice is agreed to by

EPA. EPA shall have the right to take any additional samples that EPA deems necessary. Upon request, EPA shall allow Respondents to take split or duplicate samples of any samples it takes as part of its oversight of Respondents' implementation of the Work.

19. Post-Removal Site Control. In accordance with the Removal Action Work Plan schedule, or as otherwise directed by EPA, Respondents shall submit a proposal for post-removal site control consistent with Section 300.415(l) of the NCP and OSWER Directive No. 9360.2-02. Upon EPA approval, Respondents shall implement such controls and shall provide EPA with documentation of all post-removal site control arrangements.

20. Reporting.

a. Respondents shall submit a written progress report to EPA concerning actions undertaken pursuant to this Settlement Agreement every seventh (7th) day after the date of receipt of EPA's approval of the Removal Action Work Plan until termination of this Settlement Agreement, unless otherwise directed in writing by the OSC. These reports shall describe all significant developments during the preceding period, including the actions performed and any problems encountered, analytical data received during the reporting period, and the developments anticipated during the next reporting period, including a schedule of actions to be performed, anticipated problems, and planned resolutions of past or anticipated problems.

b. Respondents shall submit copies of all plans, reports or other submissions required by this Settlement Agreement, the Statement of Work, or any approved work plan. Upon request by EPA, Respondents shall submit such documents in electronic form.

c. Respondents who own or control property at the Site shall, at least 30 days prior to the conveyance of any interest in real property at the Site, give written notice to the transferee that the property is subject to this Settlement Agreement and written notice to EPA of the proposed conveyance, including the name and address of the transferee. Respondents who own or control property at the Site also agree to require that their successors comply with the immediately preceding sentence and Sections IX (Site Access) and X (Access to Information).

21. Final Report. Within 60 days after completion of all Work required by this Settlement Agreement, Respondents shall submit for EPA review and approval, a final report summarizing the actions taken to comply with this Settlement Agreement. The final report shall conform, at a minimum, with the requirements set forth in Section 300.165 of the NCP entitled "OSC Reports." The final report shall include a good faith estimate of total costs or a statement of actual costs incurred in complying with the Settlement Agreement, a listing of quantities and types of materials removed off-Site or handled on-site, a discussion of removal and disposal options considered for those materials, a listing of the ultimate destination(s) of those materials, a presentation of the analytical results of all sampling and analyses performed, and accompanying appendices containing all relevant documentation generated during the removal action (e.g., manifests, invoices, bills, contracts, and permits). The final report shall also include the following certification signed by a person who supervised or directed the preparation of that report:

"Under penalty of law, I certify that to the best of my knowledge, after appropriate inquiries of all relevant persons involved in the preparation of the report, the information submitted is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

22. Off-Site Shipments.

a. Respondents shall, prior to any off-site shipment of Waste Material from the Site to an out-of-state waste management facility, provide written notification of such shipment of Waste Material to the appropriate state environmental official in the receiving facility's state and to the On-Scene Coordinator. However, this notification requirement shall not apply to any off-site shipments when the total volume of all such shipments will not exceed 10 cubic yards.

- i. Respondents shall include in the written notification the following information: (i) the name and location of the facility to which the Waste Material is to be shipped; (ii) the type and quantity of the Waste Material to be shipped; (iii) the expected schedule for the shipment of the Waste Material; and (iv) the method of transportation. Respondents shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the Waste Material to another facility within the same state, or to a facility in another state.
- ii. The identity of the receiving facility and state will be determined by Respondents following the award of the contract for the removal action. Respondents shall provide the information required by Paragraph 22.a and 22.b as soon as practicable after the award of the contract and before the Waste Material is actually shipped.

b. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-Site location, Respondents shall obtain EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3), 42 U.S.C. § 9621(d)(3), and 40 C.F.R. § 300.440. Respondents shall only send hazardous substances, pollutants, or contaminants from the Site to an off-Site facility that complies with the requirements of the statutory provision and regulation cited in the preceding sentence.

IX. SITE ACCESS

23. If the Site, or any other property where access is needed to implement this Settlement Agreement, is owned or controlled by any of the Respondents, such Respondents shall, commencing on the Effective Date, provide EPA and its representatives, including contractors, with access at all reasonable times to the Site, or such other property, for the purpose of conducting any activity related to this Settlement Agreement.

24. Where any action under this Settlement Agreement is to be performed in areas owned by or in possession of someone other than Respondents, Respondents shall use their best efforts to obtain all necessary access agreements within ten (10) days after the Effective Date, or as otherwise specified in writing by the OSC. Respondents shall immediately notify EPA if after using their best efforts they are unable to obtain such agreements. For purposes of this Paragraph, "best efforts" include the payment of reasonable sums of money in consideration of access. Respondents shall describe in writing their efforts to obtain access. EPA may then assist Respondents in gaining access, to the extent necessary to effectuate the response actions described in this Settlement Agreement, using such means as EPA deems appropriate. Respondents shall reimburse EPA for all costs and attorney's fees incurred by the United States in obtaining such access, in accordance with the procedures in Section XV (Payment of Response Costs).

25. Notwithstanding any provision of this Settlement Agreement, EPA retains all of its access authorities and rights, including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statutes or regulations.

X. ACCESS TO INFORMATION

26. Respondents shall provide to EPA, upon request, copies of all documents and information within their possession or control or that of their contractors or agents relating to activities at the Site or to the implementation of this Settlement Agreement, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondents shall also make available to EPA, for purposes of investigation, information gathering, or testimony, their employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work.

27. Respondents may assert business confidentiality claims covering part or all of the documents or information submitted to EPA under this Settlement Agreement to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Documents or information determined to be confidential by EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to EPA, or if EPA has notified Respondents that the documents or information are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondents.

28. Respondents may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondents assert such a privilege in lieu of providing documents, they shall provide EPA with the following: (a) the title of the document, record, or information; (b) the date of the document, record, or information; (c) the name and title of the author of the document, record, or information; (d) the name and title of each addressee and recipient; (e) a description of the contents of the document, record, or information; and (f) the privilege asserted by Respondents. However, no documents, reports, or other information created or generated pursuant to the

requirements of this Settlement Agreement shall be withheld on the grounds that they are privileged or confidential.

29. No claim of privilege or confidentiality shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

XI. RECORD RETENTION

30. Until 10 years after Respondents' receipt of EPA's notification pursuant to Section XXIX (Notice of Completion of Work), each Respondent shall preserve and retain all non-identical copies of records and documents (including records or documents in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work or the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary. Until 10 years after Respondents' receipt of EPA's notification pursuant to Section XXIX (Notice of Completion of Work), Respondents shall also instruct their contractors and agents to preserve all documents, records, and information of whatever kind, nature, or description relating to performance of the Work.

31. At the conclusion of this document retention period; Respondents shall notify EPA at least 90 days prior to the destruction of any such records or documents, and, upon request by EPA, Respondents shall deliver any such records or documents to EPA. Respondents may assert that certain documents, records, and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondents assert such a privilege, they shall provide EPA with the following: (a) the title of the document, record, or information; (b) the date of the document, record, or information; (c) the name and title of the author of the document, record, or information; (d) the name and title of each addressee and recipient; (e) a description of the subject of the document, record, or information; and (f) the privilege asserted by Respondents. However, no documents, reports or other information created or generated pursuant to the requirements of this Settlement Agreement shall be withheld on the grounds that they are privileged or confidential.

32. Each Respondent hereby certifies individually that to the best of its knowledge and belief, after thorough inquiry, it has not altered, mutilated, discarded, destroyed, or otherwise disposed of any records, documents, or other information (other than identical copies) relating to its potential liability regarding the Site since the earlier of notification of potential liability by EPA or the State or the filing of suit against it regarding the Site and that it has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927.

XII. COMPLIANCE WITH OTHER LAWS

33. Respondents shall perform all actions required pursuant to this Settlement Agreement in accordance with all applicable state and federal laws and regulations, except as provided in Section 121(e) of CERCLA, 42 U.S.C. § 6921(e), and 40 C.F.R. §§ 300.400(e) and 300.415(j). In accordance with 40 C.F.R. § 300.415(j), all on-site actions required pursuant to this Settlement Agreement shall, to the extent practicable, as determined by EPA, considering the exigencies of the situation, attain applicable or relevant and appropriate requirements ("ARARs") under federal environmental or state environmental or facility siting laws. Respondents shall identify ARARs in the Removal Action Work Plan subject to EPA approval.

XIII. EMERGENCY RESPONSE AND NOTIFICATION OF RELEASES

34. In the event of any action or occurrence during performance of the Work that causes or threatens a release of Waste Material from the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Respondents shall immediately take all appropriate action. Respondents shall take these actions in accordance with all applicable provisions of this Settlement Agreement, including, but not limited to, the Health and Safety Plan, in order to prevent, abate, or minimize such release or endangerment caused or threatened by the release. Respondents shall also immediately notify the OSC or, in the event of his/her unavailability, the Regional Duty Officer at (404) 562-8700 of the incident or Site conditions. In the event that Respondents fail to take appropriate response action as required by this Paragraph, and EPA takes such action instead, Respondents shall reimburse EPA all costs of the response action not inconsistent with the NCP pursuant to Section XV (Payment of Response Costs).

35. In addition, in the event of any release of a hazardous substance from the Site, Respondents shall immediately notify the OSC at (404) 562-8700 and the National Response Center at (800) 424-8802. Respondents shall submit a written report to EPA within seven (7) days after each release, setting forth the events that occurred and the measures taken or to be taken to mitigate any release or endangerment caused or threatened by the release and to prevent the reoccurrence of such a release. This reporting requirement is in addition to, and not in lieu of, reporting under Section 103(c) of CERCLA, 42 U.S.C. § 9603(c), and Section 304 of the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11004, *et seq.*

XIV. AUTHORITY OF ON-SCENE COORDINATOR

36. The OSC shall be responsible for overseeing Respondents' implementation of this Settlement Agreement. The OSC shall have the authority vested in an OSC by the NCP, including the authority to halt, conduct, or direct any Work required by this Settlement Agreement, or to direct any other removal action undertaken at the Site. Absence of the OSC from the Site shall not be cause for stoppage of work unless specifically directed by the OSC.

XV. PAYMENT OF RESPONSE COSTS

37. Payment for Past Response Costs.

a. Within 30 days after the Effective Date, Respondents shall pay to EPA \$21,833.38 for Past Response Costs. Payment shall be made to EPA by Fedwire Electronic Funds Transfer ("EFT") to:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York NY 10045
Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"

and shall reference Site/Spill ID Number B4L7 and the EPA docket number for this action.

b. At the time of payment, Respondents shall send notice that payment has been made to the EPA Cincinnati Finance Office by email at acctsreceivable.cinwd@epa.gov, or by mail to

EPA Cincinnati Finance Office
26 Martin Luther King Drive
Cincinnati, Ohio 45268

with a copy to:

Paula V. Painter
U.S. EPA, Region 4
61 Forsyth Street, SW
Atlanta, GA 30303

Such notice shall reference Site/Spill ID Number B4L7 and the EPA docket number for this action.

c. The total amount to be paid by Respondents pursuant to Paragraph 37.a shall be deposited by EPA in the EPA Hazardous Substance Superfund.

38. Payments for Future Response Costs.

a. Respondents shall pay EPA all Future Response Costs not inconsistent with the

NCP. On a periodic basis, EPA will send Respondents a bill requiring payment that includes a Superfund Cost Recovery Package Imaging and On-Line System (SCORPIOS) Report, which includes direct and indirect costs incurred by EPA, its contractors, and DOJ. Respondents shall make all payments within 30 days after receipt of each bill requiring payment, except as otherwise provided in Paragraph 40 of this Settlement Agreement.

b. Respondents shall make all payments required by this Paragraph to EPA by Fedwire Electronic Funds Transfer ("EFT") to:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York NY 10045
Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"

and shall reference Site/Spill ID Number B4L7 and the EPA docket number for this action.

c. At the time of payment, Respondents shall send notice that payment has been made to, and to the EPA Cincinnati Finance Office by email to acctsreceivable.cinwd@epa.gov, or by mail to:

EPA Cincinnati Finance Office
26 Martin Luther King Drive
Cincinnati, Ohio 45268

with a copy to:

Paula V. Painter
U.S. EPA, Region 4
61 Forsyth Street, SW
Atlanta, GA 30303

Such notice shall reference the Site/Spill ID Number B4L7 and EPA docket number for this action.

d. The total amount to be paid by Respondents pursuant to Paragraph 37.a shall be deposited by EPA in the EPA Hazardous Substance Superfund.

39. Interest. In the event that the payment for Past Response Costs is not made within 30 days after the Effective Date, or the payments for Future Response Costs are not made within 30 days after Respondents' receipt of a bill, Respondents shall pay Interest on the unpaid balance. The Interest on Past Response Costs shall begin to accrue on the Effective Date and shall continue to

accrue until the date of payment. The Interest on Future Response Costs shall begin to accrue on the date of the bill and shall continue to accrue until the date of payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of Respondents' failure to make timely payments under this Section, including but not limited to, payment of stipulated penalties pursuant to Section XVIII.

40. Respondents may contest payment of any Future Response Costs billed under Paragraph 38 if they determine that EPA has made a mathematical error or included a cost item that is not within the definition of Future Response Costs, or if they believe EPA incurred excess costs as a direct result of an EPA action that was inconsistent with a specific provision or provisions of the NCP. Such objection shall be made in writing within 30 days after receipt of the bill and must be sent to the OSC. Any such objection shall specifically identify the contested Future Response Costs and the basis for objection. In the event of an objection, Respondents shall within the 30-day period pay all uncontested Future Response Costs to EPA in the manner described in Paragraph 38. Simultaneously, Respondents shall establish, in a duly chartered bank or trust company, an interest-bearing escrow account that is insured by the Federal Deposit Insurance Corporation ("FDIC"), and remit to that escrow account funds equivalent to the amount of the contested Future Response Costs. Respondents shall send to the EPA OSC a copy of the transmittal letter and check paying the uncontested Future Response Costs, and a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, information containing the identity of the bank and bank account under which the escrow account is established as well as a bank statement showing the initial balance of the escrow account. Simultaneously with establishment of the escrow account, Respondents shall initiate the Dispute Resolution procedures in Section XVI (Dispute Resolution). If EPA prevails in the dispute, within 5 days after the resolution of the dispute, Respondents shall pay the sums due (with accrued interest) to EPA in the manner described in Paragraph 38. If Respondents prevail concerning any aspect of the contested costs, Respondents shall pay that portion of the costs (plus associated accrued interest) for which they did not prevail to EPA in the manner described in Paragraph 38. Respondents shall be disbursed any balance of the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XVI (Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding Respondents' obligation to reimburse EPA for its Future Response Costs.

XVI. DISPUTE RESOLUTION

41. Unless otherwise expressly provided for in this Settlement Agreement, the dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Settlement Agreement. The Parties shall attempt to resolve any disagreements concerning this Settlement Agreement expeditiously and informally.

42. If Respondents object to any EPA action taken pursuant to this Settlement Agreement, including billings for Future Response Costs, they shall notify EPA in writing of their objection(s) within 15 days after such action, unless the objection(s) has/have been resolved informally. EPA and Respondents shall have 15 days from EPA's receipt of Respondents' written objection(s) to

resolve the dispute through formal negotiations (the "Negotiation Period"). The Negotiation Period may be extended at the sole discretion of EPA.

43. Any agreement reached by the parties pursuant to this Section shall be in writing and shall, upon signature by both parties, be incorporated into and become an enforceable part of this Settlement Agreement. If the Parties are unable to reach an agreement within the Negotiation Period, an EPA management official at the Superfund Division Director level or higher will issue a written decision on the dispute to Respondents. EPA's decision shall be incorporated into and become an enforceable part of this Settlement Agreement. Respondents' obligations under this Settlement Agreement shall not be tolled by submission of any objection for dispute resolution under this Section. Following resolution of the dispute, as provided by this Section, Respondents shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with EPA's decision, whichever occurs.

XVII. FORCE MAJEURE

44. Respondents agree to perform all requirements of this Settlement Agreement within the time limits established under this Settlement Agreement, unless the performance is delayed by a *force majeure*. For purposes of this Settlement Agreement, a *force majeure* is defined as any event arising from causes beyond the control of Respondents, or of any entity controlled by Respondents, including but not limited to their contractors and subcontractors, which delays or prevents performance of any obligation under this Settlement Agreement despite Respondents' best efforts to fulfill the obligation. *Force majeure* does not include financial inability to complete the Work or increased cost of performance.

45. If any event occurs or has occurred that may delay the performance of any obligation under this Settlement Agreement, whether or not caused by a *force majeure* event, Respondents shall notify EPA orally within twenty-four hours of when Respondents first knew that the event might cause a delay. Within seven (7) days thereafter, Respondents shall provide to EPA in writing an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Respondents' rationale for attributing such delay to a *force majeure* event if they intend to assert such a claim; and a statement as to whether, in the opinion of Respondents, such event may cause or contribute to an endangerment to public health, welfare or the environment. Failure to comply with the above requirements shall preclude Respondents from asserting any claim of *force majeure* for that event for the period of time of such failure to comply and for any additional delay caused by such failure.

46. If EPA agrees that the delay or anticipated delay is attributable to a *force majeure* event, the time for performance of the obligations under this Settlement Agreement that are affected by the *force majeure* event will be extended by EPA for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the *force majeure* event shall not, of itself, extend the time for performance of any other obligation. If EPA does not agree that the delay or anticipated delay has been or will be caused by a *force majeure*

event, EPA will notify Respondents in writing of its decision. If EPA agrees that the delay is attributable to a *force majeure* event, EPA will notify Respondents in writing of the length of the extension, if any, for performance of the obligations affected by the *force majeure* event.

XVIII. STIPULATED PENALTIES

47. Respondents shall be liable to EPA for stipulated penalties in the amounts set forth in Paragraphs 48 and 49 for failure to comply with the requirements of this Settlement Agreement specified below, unless excused under Section XVII (*Force Majeure*). "Compliance" by Respondents shall include completion of the activities under this Settlement Agreement or any work plan or other plan approved under this Settlement Agreement identified below in accordance with all applicable requirements of law, this Settlement Agreement, the Statement of Work, and any plans or other documents approved by EPA pursuant to this Settlement Agreement and within the specified time schedules established by and approved under this Settlement Agreement.

48. Stipulated Penalty Amounts - Work (Including Payments).

a. The following stipulated penalties shall accrue per violation per day for any noncompliance identified in Paragraph 48.b:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$1,000	1st through 14th day
\$2,500	15th through 30th day
\$5,000	31st day and beyond

b. Compliance Milestones

- i. Failure to timely submit draft Removal Action Work Plan as required under Paragraph 16;
- ii. Failure to timely submit modifications requested by EPA or its representatives to the draft Removal Action Work Plan;
- iii. Failure to timely submit the Sampling and Analysis Plan, Decontamination/Demolition Plan, Soil Removal and Disposal Plan, and Post-Removal Site Control Plan as required under Paragraph 15.c.
- iv. Failure to timely submit a Health and Safety Plan as required under Paragraph 17;
- v. Failure to complete tasks as scheduled in the EPA-approved Removal Action Work Plan;
- vi. Failure to obtain insurance as required under Paragraph 77;

- vii. Failure to obtain financial assurance as required under Paragraph 78; and
- viii. Failure to timely submit a Final Report as required under Paragraph 21.

49. Stipulated Penalty Amounts - Reports. The following stipulated penalties shall accrue per violation per day for failure to submit timely or adequate reports or other written documents pursuant to Paragraphs 47.b and 20:

<u>Penalty Per Violation Per Day</u>	<u>Period of Noncompliance</u>
\$500	1st through 14th day
\$1000	15th through 30th day
\$1500	31st day and beyond

50. In the event that EPA assumes performance of a portion or all of the Work pursuant to Paragraph 60 (Work Takeover), Respondents shall be liable for a stipulated penalty in the amount of \$200,000.

51. All penalties shall begin to accrue on the day after the complete performance is due or the day a violation occurs and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated penalties shall not accrue: (a) with respect to a deficient submission under Section VIII (Work to be Performed), during the period, if any, beginning on the 31st day after EPA's receipt of such submission until the date that EPA notifies Respondents of any deficiency; and (b) with respect to a decision by the EPA Management Official at the Superfund Division Director level or higher, under Paragraph 43 of Section XVI (Dispute Resolution), during the period, if any, beginning on the 21st day after the Negotiation Period begins until the date that the EPA management official issues a final decision regarding such dispute. Nothing in this Settlement Agreement shall prevent the simultaneous accrual of separate penalties for separate violations of this Settlement Agreement.

52. Following EPA's determination that Respondents have failed to comply with a requirement of this Settlement Agreement, EPA may give Respondents written notification of the failure and describe the noncompliance. EPA may send Respondents a written demand for payment of the penalties. However, penalties shall accrue as provided in the preceding Paragraph regardless of whether EPA has notified Respondents of a violation.

53. All penalties accruing under this Section shall be due and payable to EPA within 30 days after Respondents' receipt from EPA of a demand for payment of the penalties, unless Respondents invoke the dispute resolution procedures under Section XVI (Dispute Resolution).

Respondents shall make all payments required by this Paragraph to EPA by Fedwire Electronic Funds Transfer ("EFT") to:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York NY 10045
Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental
Protection Agency"

and shall reference stipulated penalties, Site/Spill ID Number B4L7, and the EPA docket number for this action.

At the time of payment, Respondents shall send notice that payment has been made as provided in Paragraph 38.c above.

54. The payment of penalties shall not alter in any way Respondents' obligation to complete performance of the Work required under this Settlement Agreement.

55. Penalties shall continue to accrue during any dispute resolution period, but need not be paid until 15 days after the dispute is resolved by agreement or by receipt of EPA's decision.

56. If Respondents fail to pay stipulated penalties when due, EPA may institute proceedings to collect the penalties, as well as Interest. Respondents shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 52. Nothing in this Settlement Agreement shall be construed as prohibiting, altering, or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondents' violation of this Settlement Agreement or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Sections 106(b) and 122(l) of CERCLA, 42 U.S.C. §§ 9606(b) and 9622(l), and punitive damages pursuant to Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3). Provided, however, that EPA shall not seek civil penalties pursuant to Section 106(b) or 122(l) of CERCLA or punitive damages pursuant to Section 107(c)(3) of CERCLA for any violation for which a stipulated penalty is provided in this Section, except in the case of a willful violation of this Settlement Agreement or in the event that EPA assumes performance of a portion or all of the Work pursuant to Paragraph 60 (Work Takeover). Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Settlement Agreement.

XIX. COVENANT NOT TO SUE BY EPA

57. In consideration of the actions that will be performed and the payments that will be made by Respondents under the terms of this Settlement Agreement, and except as otherwise specifically provided in this Settlement Agreement, EPA covenants not to sue or to take administrative action against Respondents pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for the Work, Past Response Costs, and Future Response Costs. This covenant not to sue

shall take effect upon receipt by EPA of the payment required by Paragraph 37 (Payment for Past Response Costs) and any Interest or Stipulated Penalties due thereon under Paragraph 39 (Interest) or Section XVIII (Stipulated Penalties). This covenant not to sue is conditioned upon the complete and satisfactory performance by Respondents of their obligations under this Settlement Agreement, including, but not limited to, payment of Future Response Costs pursuant to Paragraph 38 (Payments for Future Response Costs). This covenant not to sue extends only to Respondents and does not extend to any other person.

XX. RESERVATIONS OF RIGHTS BY EPA

58. Except as specifically provided in this Settlement Agreement, nothing in this Settlement Agreement shall limit the power and authority of EPA or the United States to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants, or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing in this Settlement Agreement shall prevent EPA from seeking legal or equitable relief to enforce the terms of this Settlement Agreement, from taking other legal or equitable action as it deems appropriate and necessary, or from requiring Respondents in the future to perform additional activities pursuant to CERCLA or any other applicable law.

59. The covenant not to sue set forth in Section XIX above does not pertain to any matters other than those expressly identified therein. EPA reserves, and this Settlement Agreement is without prejudice to, all rights against Respondents with respect to all other matters, including, but not limited to:

- a. liability for failure by Respondents to meet a requirement of this Settlement Agreement;
- b. liability for costs not included within the definitions of Past Response Costs or Future Response Costs;
- c. liability for performance of response action other than the Work;
- d. criminal liability;
- e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;
- f. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside of the Site; and
- g. liability for costs incurred or to be incurred by the Agency for Toxic Substances and Disease Registry related to the Site not paid as Future Response Costs under this Settlement Agreement.

60. Work Takeover. In the event EPA determines that Respondents have ceased implementation of any portion of the Work, are seriously or repeatedly deficient or late in their performance of the Work, or are implementing the Work in a manner which may cause an endangerment to human health or the environment, EPA may assume the performance of all or any portion of the Work as EPA determines necessary. Respondents may invoke the procedures set forth in Section XVI (Dispute Resolution) to dispute EPA's determination that takeover of the Work is warranted under this Paragraph. Costs incurred by the United States in performing the Work pursuant to this Paragraph shall be considered Future Response Costs that Respondents shall pay pursuant to Section XV (Payment of Response Costs). Notwithstanding any other provision of this Settlement Agreement, EPA retains all authority and reserves all rights to take any and all response actions authorized by law.

XXI. COVENANT NOT TO SUE BY RESPONDENTS

61. Respondents covenant not to sue and agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Work, Past Response Costs, Future Response Costs, or this Settlement Agreement, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claim arising out of response actions at or in connection with the Site, including any claim under the United States Constitution, the Kentucky Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or

c. any claim pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, Section 7002(a) of RCRA, 42 U.S.C. § 6972(a), or state law relating to the Work, Past Response Costs, or Future Response Costs.

Except as provided in Paragraphs 63 (Claims Against De Micromis Parties) and 65 (Claims Against De Minimis and Ability to Pay Parties), these covenants not to sue shall not apply in the event the United States brings a cause of action or issues an order pursuant to any of the reservations set forth in Section XX (Reservations of Rights by EPA), other than in Paragraph 59.a (liability for failure to meet a requirement of the Settlement Agreement) or 59.d (criminal liability), but only to the extent that Respondents' claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation.

62. Nothing in this Agreement shall be deemed to constitute approval or 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).

63. Claims Against De Micromis Parties. Respondents agree not to assert any claims and to waive all claims or causes of action (including but not limited to claims or causes of action under Sections 107(a) and 113 of CERCLA) that they may have for all matters relating to the Site against any person where the person's liability to Respondents with respect to the Site is based solely on having arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if all or part of the disposal, treatment, or transport occurred before April 1, 2001, and the total amount of material containing hazardous substances contributed by such person to the Site was less than 110 gallons of liquid materials or 200 pounds of solid materials.

64. The waiver in Paragraph 63 shall not apply with respect to any defense, claim, or cause of action that a Respondent may have against any person meeting the above criteria if such person asserts a claim or cause of action relating to the Site against such Respondent. This waiver also shall not apply to any claim or cause of action against any person meeting the above criteria if EPA determines:

a. that such person has failed to comply with any EPA requests for information or administrative subpoenas issued pursuant to Section 104(e) or 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) or 9622(e), or Section 3007 of RCRA, 42 U.S.C. § 6972, or has impeded or is impeding, through action or inaction, the performance of a response action or natural resource restoration with respect to the Site, or has been convicted of a criminal violation for the conduct to which this waiver would apply and that conviction has not been vitiated on appeal or otherwise; or

b. that the materials containing hazardous substances contributed to the Site by such person have contributed significantly, or could contribute significantly, either individually or in the aggregate, to the cost of response action or natural resource restoration at the Site.

65. Claims Against De Minimis and Ability to Pay Parties. Respondents agree not to assert any claims and to waive all claims or causes of action (including but not limited to claims or causes of action under Sections 107(a) and 113 of CERCLA) that they may have for response costs relating to the Site against any person that has entered or in the future enters into a final Section 122(g) de minimis settlement, or a final settlement based on limited ability to pay, with EPA with respect to the Site. This waiver shall not apply with respect to any defense, claim, or cause of action that a Respondent may have against any person if such person asserts a claim or cause of action relating to the Site against such Respondent.

XXII. OTHER CLAIMS

66. By issuance of this Settlement Agreement, the United States and EPA assume no liability for injuries or damages to persons or property resulting from any acts or omissions of Respondents. The United States or EPA shall not be deemed a party to any contract entered into by Respondents or their directors, officers, employees, agents, successors, representatives, assigns, contractors, or consultants in carrying out actions pursuant to this Settlement Agreement.

67. Except as expressly provided in Paragraphs 63 (Claims Against De Micromis Parties) or 65 (Claims Against De Minimis and Ability to Pay Parties), and Section XIX (Covenant Not to Sue by EPA), nothing in this Settlement Agreement constitutes a satisfaction of or release from any claim or cause of action against Respondents or any person not a party to this Settlement Agreement, for any liability such person may have under CERCLA, other statutes, or common law, including but not limited to any claims of the United States for costs, damages, and interest under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607.

68. No action or decision by EPA pursuant to this Settlement Agreement shall give rise to any right to judicial review, except as set forth in Section 113(h) of CERCLA, 42 U.S.C. § 9613(h).

XXIII. EFFECT OF SETTLEMENT/CONTRIBUTION

69. Except as provided in Paragraphs 63 (Claims Against De Micromis Parties) and 65 (Claims Against De Minimis and Ability to Pay Parties), nothing in this Settlement Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Settlement Agreement. Except as provided in Paragraphs 63 (Claims Against De Micromis Parties) and 65 (Claims Against De Minimis and Ability to Pay Parties), each of the Parties expressly reserves any and all rights (including, but not limited to, pursuant to Section 113 of CERCLA, 42 U.S.C. § 9613), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto. Nothing in this Settlement Agreement diminishes the right of the United States, pursuant to Section 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613(f)(2)-(3), to pursue any such persons to obtain additional response costs or response action and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

70. The Parties agree that this Settlement Agreement constitutes an administrative settlement for purposes of Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), and that Respondents are entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), or as may be otherwise provided by law, for "matters addressed" in this Settlement Agreement. The "matters addressed" in this Settlement Agreement are the Work, Past Response Costs, and Future Response Costs. The Parties further agree that this Settlement Agreement constitutes an administrative settlement for purposes of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B), pursuant to which Respondents have, as of the Effective Date, resolved their liability to the United States for the Work, Past Response Costs, and Future Response Costs.

71. Each Respondent shall, with respect to any suit or claim brought by it for matters related to this Settlement Agreement, notify EPA in writing no later than 60 days prior to the initiation of such suit or claim. Each Respondent also shall, with respect to any suit or claim brought against it for matters related to this Settlement Agreement, notify EPA in writing within 10 days after service of the complaint or claim upon it. In addition, each Respondent shall notify EPA within 10 days after service or receipt of any Motion for Summary Judgment and within 10 days after receipt of any order from a court setting a case for trial, for matters related to this Settlement Agreement.

72. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other relief relating to the Site, Respondents shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, *res judicata*, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the covenant by EPA set forth in Section XIX.

73. Effective upon signature of this Settlement Agreement by a Respondent, such Respondent agrees that the time period commencing on the date of its signature and ending on the date EPA receives from such Respondent the payment(s) required by Section XV (Payment of Response Costs) and, if any, Section XVIII (Stipulated Penalties) shall not be included in computing the running of any statute of limitations potentially applicable to any action brought by the United States related to the "matters addressed" as defined in Paragraph 70 and that, in any action brought by the United States related to the "matters addressed," such Respondent will not assert, and may not maintain, any defense or claim based upon principles of statute of limitations, waiver, laches, estoppel, or other defense based on the passage of time during such period. If EPA gives notice to Respondents that it will not make this Settlement Agreement effective, the statute of limitations shall begin to run again commencing ninety days after the date such notice is sent by EPA.

XXIV. INDEMNIFICATION

74. Respondents shall indemnify, save, and hold harmless the United States, its officials, agents, contractors, subcontractors, employees, and representatives from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, or subcontractors, in carrying out actions pursuant to this Settlement Agreement. In addition, Respondents agree to pay the United States all costs incurred by the United States, including but not limited to attorneys fees and other expenses of litigation and settlement, arising from or on account of claims made against the United States based on negligent or other wrongful acts or omissions of Respondents, their officers, directors, employees, agents, contractors, subcontractors, and any persons acting on their behalf or under their control, in carrying out activities pursuant to this Settlement Agreement. The United States shall not be held out as a party to any contract entered into by or on behalf of Respondents in carrying out activities pursuant to this Settlement Agreement. Neither Respondents nor any such contractor shall be considered an agent of the United States.

75. The United States shall give Respondents notice of any claim for which the United States plans to seek indemnification pursuant to this Section and shall consult with Respondents prior to settling such claim.

76. Respondents waive all claims against the United States for damages or reimbursement or for set-off of any payments made or to be made to the United States, arising from or on account of any contract, agreement, or arrangement between any one or more of Respondents and any person for

performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays. In addition, Respondents shall indemnify and hold harmless the United States with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between any one or more of Respondents and any person for performance of Work on or relating to the Site, including, but not limited to, claims on account of construction delays.

XXV. INSURANCE

77. At least seven (7) days prior to commencing any on-site work under this Settlement Agreement, Respondents shall secure, and shall maintain for the duration of this Settlement Agreement, comprehensive general liability insurance and automobile insurance with limits of one (1) million dollars, combined single limit, naming EPA as an additional insured. Within the same time period, Respondents shall provide EPA with certificates of such insurance and a copy of each insurance policy. Respondents shall submit such certificates and copies of policies each year on the anniversary of the Effective Date. In addition, for the duration of the Settlement Agreement, Respondents shall satisfy, or shall ensure that their contractors or subcontractors satisfy, all applicable laws and regulations regarding the provision of worker's compensation insurance for all persons performing the Work on behalf of Respondents in furtherance of this Settlement Agreement. If Respondents demonstrate by evidence satisfactory to EPA that any contractor or subcontractor maintains insurance equivalent to that described above, or insurance covering some or all of the same risks but in an equal or lesser amount, then Respondents need provide only that portion of the insurance described above which is not maintained by such contractor or subcontractor.

XXVI. FINANCIAL ASSURANCE

78. Within 30 days after the Effective Date, Respondents shall establish and maintain financial security for the benefit of EPA in the amount of \$ 3.9 million in one or more of the following forms, in order to secure the full and final completion of Work by Respondents:

- a. a surety bond unconditionally guaranteeing payment and/or performance of the Work;
- b. one or more irrevocable letters of credit, payable to or at the direction of EPA, issued by financial institution(s) acceptable in all respects to EPA;
- c. a trust fund administered by a trustee acceptable in all respects to EPA;
- d. a policy of insurance issued by an insurance carrier acceptable in all respects to EPA, which ensures the payment and/or performance of the Work;
- e. a written guarantee to pay for or perform the Work provided by one or more parent

companies of Respondents, or by one or more unrelated companies that have a substantial business relationship with at least one of Respondents, including a demonstration that any such guarantor company satisfies the financial test requirements of 40 C.F.R. Part 264.143(f); and/or

79. Any and all financial assurance instruments provided pursuant to this Section shall be in form and substance satisfactory to EPA, determined in EPA's sole discretion. In the event that EPA determines at any time that the financial assurances provided pursuant to this Section (including, without limitation, the instrument(s) evidencing such assurances) are inadequate, Respondents shall, within 30 days after receipt of notice of EPA's determination, obtain and present to EPA for approval one of the other forms of financial assurance listed in Paragraph 78, above. In addition, if at any time EPA notifies Respondents that the anticipated cost of completing the Work has increased, then, within 30 days after such notification, Respondents shall obtain and present to EPA for approval a revised form of financial assurance (otherwise acceptable under this Section) that reflects such cost increase. Respondents' inability to demonstrate financial ability to complete the Work shall in no way excuse performance of any activities required under this Settlement Agreement.

80. If Respondents seek to ensure completion of the Work through a guarantee pursuant to Paragraph 78.e of this Settlement Agreement, Respondents shall (a) demonstrate to EPA's satisfaction that the guarantor satisfies the requirements of 40 C.F.R. Part 264.143(f); and (b) resubmit sworn statements conveying the information required by 40 C.F.R. Part 264.143(f) annually, on the anniversary of the Effective Date or such other date as agreed by EPA, to EPA.

81. If, after the Effective Date, Respondents can show that the estimated cost to complete the remaining Work has diminished below the amount set forth in Paragraph 78 of this Section, Respondents may, on any anniversary date of the Effective Date, or at any other time agreed to by the Parties, reduce the amount of the financial security provided under this Section to the estimated cost of the remaining Work to be performed. Respondents shall submit a proposal for such reduction to EPA, in accordance with the requirements of this Section, and may reduce the amount of the security after receiving written approval from EPA. In the event of a dispute, Respondents may seek dispute resolution pursuant to Section XV (Dispute Resolution). Respondents may reduce the amount of security in accordance with EPA's written decision resolving the dispute.

82. Respondents may change the form of financial assurance provided under this Section at any time, upon notice to and prior written approval by EPA, provided that EPA determines that the new form of assurance meets the requirements of this Section. In the event of a dispute, Respondents may change the form of the financial assurance only in accordance with the written decision resolving the dispute.

XXVII. MODIFICATIONS

83. The OSC may make modifications to any plan or schedule or Statement of Work in writing or by oral direction. Any oral modification will be memorialized in writing by EPA promptly, but shall have as its effective date the date of the OSC's oral direction. Any other requirements of this Settlement Agreement may be modified in writing by mutual agreement of the parties.

84. If Respondents seek permission to deviate from any approved work plan or schedule or Statement of Work, Respondents' Project Coordinator shall submit a written request to EPA for approval outlining the proposed modification and its basis. Respondents may not proceed with the requested deviation until receiving oral or written approval from the OSC pursuant to Paragraph 83.

85. No informal advice, guidance, suggestion, or comment by the OSC or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondents shall relieve Respondents of their obligation to obtain any formal approval required by this Settlement Agreement, or to comply with all requirements of this Settlement Agreement, unless it is formally modified.

XXVIII. ADDITIONAL REMOVAL ACTION

86. If EPA determines that additional removal actions not included in an approved plan are necessary to protect public health, welfare, or the environment, EPA will notify Respondents of that determination. Unless otherwise stated by EPA, within 30 days after receipt of notice from EPA that additional removal actions are necessary to protect public health, welfare, or the environment, Respondents shall submit for approval by EPA a Work Plan for the additional removal actions. The plan shall conform to the applicable requirements of Section VIII (Work to Be Performed) of this Settlement Agreement. Upon EPA's approval of the plan pursuant to Section VIII, Respondents shall implement the plan for additional removal actions in accordance with the provisions and schedule contained therein. This Section does not alter or diminish the OSC's authority to make oral modifications to any plan or schedule pursuant to Section XXVII (Modifications).

XXIX. NOTICE OF COMPLETION OF WORK

87. When EPA determines, after EPA's review of the Final Report, that all Work has been fully performed in accordance with this Settlement Agreement, with the exception of any continuing obligations required by this Settlement Agreement, including post-removal site controls, payment of Future Response Costs, or record retention, EPA will provide written notice to Respondents. If EPA determines that such Work has not been completed in accordance with this Settlement Agreement, EPA will notify Respondents, provide a list of the deficiencies, and require that Respondents modify the Removal Action Work Plan if appropriate in order to correct such deficiencies. Respondents shall implement the modified and approved Removal Action Work Plan and shall submit a modified Final Report in accordance with the EPA notice. Failure by Respondents to implement the approved modified Removal Action Work Plan shall be a violation of this Settlement Agreement.

XXX. INTEGRATION/APPENDICES

88. This Settlement Agreement and its appendices constitute the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Settlement Agreement. The parties acknowledge that there are no representations, agreements, or understandings relating to the settlement other than those expressly contained in this Settlement Agreement. The following appendices are attached to and incorporated into this Settlement Agreement:

- Attachment A – Action Memorandum
- Attachment B – Site Boundaries Map
- Attachment C – 2010 Site Investigation Sampling Map
- Attachment D – Sampling Map for Arsenic
- Attachment E – Sampling Map for Lead

XXXI. EFFECTIVE DATE

89. This Settlement Agreement shall be effective on the day the Settlement Agreement is signed by the Regional Administrator or her delegatee.

The undersigned representatives of Respondents certify that they are fully authorized to enter into the terms and conditions of this Settlement Agreement and to bind the parties they represent to this document.

It is so ORDERED and Agreed this _____ day of _____, 2011.

BY: _____ DATE: _____

A. Shane Hitchcock, Chief
Emergency Response and Removal Branch
Superfund Division
Region 4
U.S. Environmental Protection Agency

EFFECTIVE DATE: _____

THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement regarding the Black Leaf Chemical Superfund Site:

FOR SETTLING PARTY: _____
[Name]

[Address]

By: _____