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Jean A. Mescher
Director, Environmental Services

MCKESSON
Empowering Healthcare

June 23, 2014

VIA FEDERAL EXPRESS
Mr. C.C. "Bud" Grisham
1 Meriwether Pond
Harrison, AR 72602

Re: Arkwood, Inc. Superfund Site, Omaha, Arkansas
Gate/Fence relocation, timber removal, and communications with the EPA

Mr. Grisham:

This letter will address three issues: 1) McKesson's intention to move a portion of the fence located on the 12-acre unrestricted parcel of the Arkwood, Inc. Superfund Site ("Site") to the boundary line of the 18-acre restricted parcel once that boundary is established by a licensed surveyor; 2) your intention to have a company remove timber from the 12-acre parcel before a licensed surveyor delineates the boundary line between the restricted and unrestricted parcels; and 3) your continued, unauthorized communication with the United States Environmental Protection Agency ("EPA") and other government agencies. For the reasons briefly set forth below, McKesson requests that it be provided the opportunity to complete a boundary line survey and move the fence before any timber work is performed. In addition, McKesson reiterates its earlier demands that you cease all communications with the EPA and other regulatory agencies regarding the Site.

Fence Relocation

A Deed Notice was recorded on August 30, 2010 ("Deed Notice") for approximately 30-acres, encompassing the Site. On May 29, 2014, a Corrected Deed Notice and Restrictions ("Corrected Deed Notice") was recorded that reduced the restricted area of the Site to approximately 18-acres, carving out 12-acres of unrestricted land. As a consequence, there is a portion of fencing and a gate ("Fence") located within the 12-acre unrestricted parcel that must be moved to the boundary line of the 18-acre restricted parcel. This Fence is part of the Engineering Controls set forth in the Corrected Deed Notice. McKesson is currently in the process of taking the necessary and reasonable steps to relocate the Fence.

McKesson has contacted State Line Fencing to provide a scope of work and estimate to relocate the Fence. State Line Fencing conducted a property visit on June 9, 2014. It determined that the current fence (to be removed) is commercial grade fencing with barbed wire. It also determined that the location for the new fence is encumbered by woods, uneven ground, and a drainage ditch. Consequently, State Line Fencing is in the process of reworking its original bid based upon these new findings. In addition, McKesson authorized a licensed surveyor, John Huston, to conduct a survey of the property line. This survey was originally scheduled to be completed last week. However, Mr. Huston

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could not conduct the survey because the Site was locked. McKesson has since been advised that you've agreed to provide Mr. Huston access to the Site from the 12-acre unrestricted parcel.

At this time, McKesson is waiting to receive confirmation from Mr. Huston that the survey is complete and is waiting to receive an updated quote from State Line Fencing before the Fence relocation work can commence. McKesson will keep you informed.

Timber Work on the 12-acre Parcel

McKesson is advised that you have contracted with a timber company to remove timber from the 12-acre parcel. Please furnish the name and contact information of that company. During our telephone discussion on June 20, 2014, you stated that you met the timber company representatives at the 12-acre parcel "8-10 days ago" and showed them where the boundary line is located. It is unclear, however, how you have delineated the boundary line and – more importantly – how you've described that boundary line to the timber company. This is an important issue because the 12-acre parcel is adjacent to the 18-acre parcel that is subject to strict Land Use Restrictions, as well as ongoing investigation and remedial work pursuant to a Consent Decree with the EPA. Without a survey and a clearly delineated boundary line between the two parcels, there is a risk that the timber company will encroach onto the 18-acre restricted parcel. Thus, McKesson requests that you wait to perform the timber work until after the survey is complete and the Fence is relocated.

In addition, for your protection and the protection of McKesson, EPA and ADEQ, please notify the timber company that it is expected to adhere strictly to the "Best Management Practices For Water Quality Protection" as enumerated by the Arkansas Forestry Commission in its publication dated March 16, 2012. If you or the timber company do not have a copy of the BMP, it can be access at the following link: www.forestry.arkansas.gov/Services/ManageYourForests/Pages/best ManagementPractices.aspx. Further, please advise the timber company that it must not only have general liability insurance of $2,000,000.00 and worker's compensation coverage, but it also must put in place a monitoring system that will assure you and the involved entities that there will be no disturbance in the form of runoff, erosion, or deleterious substance migration from the 12-acre parcel to the 18-acre restricted parcel.

Communications with the EPA and other Regulatory Agencies

As you have been made aware of on several occasions in the past, any communications by you or any other persons in active concert with you to the EPA or any other regulatory agency in connection with the Site is in breach of the 1987 Settlement Agreement. Section 9.2 expressly provides that the Ormond Group shall cooperate with McKesson by, among other things, "not conferring with regulatory agencies ... without [McKesson's] prior written consent." Further, any effort by you or any other persons in active concert with you to frustrate or otherwise affect the course of the investigation and cleanup activities at the Site is in breach of the 1987 Site Agreement. Section 1(d) provides that you shall "permit [McKesson] ... to direct in its sole discretion the course of any investigation or cleanup [McKesson] deems appropriate or which is required." During our telephone discussion on June 20th, you admitted to having several conversations with EPA representatives without involving McKesson. These conversations centered on the current investigation activities and land use restrictions at the Site,

as well as future work to be performed at the Site. You further stated that you intend to contact the EPA after the "dioxin reassessment is complete," to request a reduction in the acreage restricted by the Corrected Deed Notice. These communications are in breach of the 1987 Agreements. Accordingly, you must cease all communications with the EPA and any other regulatory agency concerning the Site without McKesson's prior written consent.

Thank you for your anticipated cooperation with these requests. Should you have any questions or concerns, please do not hesitate to contact me directly.

Sincerely,

Jean Mescher

cc: Stephen Tzhone, USEPA (electronic copy)
Gloria Moran, USEPA (electronic copy)