UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

IN THE MATTER OF: Columbia Falls Aluminum Plant a/k/a Anaconda Aluminum Co. Columbia Falls Reduction Plant Atlantic Richfield Company and Columbia Falls Aluminum Company, LLC, Respondents. Proceeding Under Sections 104, 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9607 and 9622.	)	U.S. EPA Docket No. ____ CERCLA Docket No. ____ **ADMINISTRATIVE SETTLEMENT AGREEMENT AND ORDER ON CONSENT FOR REMEDIAL INVESTIGATION/FEASIBILITY STUDY**

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8
ADMINISTRATIVE SETTLEMENT AGREEMENT
AND ORDER ON CONSENT FOR
REMEDIAL INVESTIGATION/FEASIBILITY STUDY

TABLE OF CONTENTS

I. JURISDICTION AND GENERAL PROVISIONS 1
II. PARTIES BOUND 1
III. STATEMENT OF PURPOSE 2
IV. DEFINITIONS 2
V. FINDINGS OF FACT 5
VI. CONCLUSIONS OF LAW AND DETERMINATIONS 7
VII. SETTLEMENT AGREEMENT AND ORDER 8
VIII. DESIGNATION OF CONTRACTORS AND PROJECT COORDINATORS 8
IX. WORK TO BE PERFORMED 10
X. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS 13
XI. QUALITY ASSURANCE, SAMPLING, AND ACCESS TO INFORMATION 15
XII. SITE ACCESS AND INSTITUTIONAL CONTROLS 17
XIII. COMPLIANCE WITH OTHER LAWS 18
XIV. RETENTION OF RECORDS 18
XV. DISPUTE RESOLUTION 19
XVI. STIPULATED PENALTIES 19
XVII. FORCE MAJEURE 23
XVIII. PAYMENT OF RESPONSE COSTS 23
XIX. COVENANT NOT TO SUE BY EPA 26
XX. RESERVATIONS OF RIGHTS BY EPA 26
XXI. COVENANT NOT TO SUE BY RESPONDENTS 27
XXII. OTHER CLAIMS 29
XXIII. EFFECT OF SETTLEMENT/CONTRIBUTION 29
XXIV. INDEMNIFICATION 30
XXV. INSURANCE 31
XXVI. FINANCIAL ASSURANCE 32
XXVII. INTEGRATION/APPENDICES 33
XXVIII. EFFECTIVE DATE AND SUBSEQUENT MODIFICATION 33
XXIX. NOTICE OF COMPLETION OF WORK 34

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8
ADMINISTRATIVE SETTLEMENT AGREEMENT AND ORDER ON CONSENT
FOR REMEDIAL INVESTIGATION/FEASIBILITY STUDY

I. JURISDICTION AND GENERAL PROVISIONS

1. This Administrative Settlement Agreement and Order on Consent ("Settlement Agreement") is entered into voluntarily by the United States Environmental Protection Agency ("EPA") and Atlantic Richfield Company and Columbia Falls Aluminum Company, LLC ("Respondents"). The Settlement Agreement concerns the preparation and performance of a remedial investigation and feasibility study ("RI/FS") at the Anaconda Aluminum Co Columbia Falls Reduction Plant a/k/a Columbia Falls Aluminum Plant generally located at Columbia Falls in Flathead County, Montana ("Site") and payment of Future Response Costs incurred by EPA in connection with the RI/FS as well as Past Response Costs.

2. This Settlement Agreement is issued under the authority vested in the President of the United States by Sections 104, 107, and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9604, 9607, and 9622 ("CERCLA"). This authority was delegated to the Administrator of the EPA on January 23, 1987, by Executive Order 12580, 52 Fed. Reg. 2926 (Jan. 29, 1987), and further delegated to Regional Administrators on May 11, 1994, by EPA Delegation Nos. 14-14-C (Administrative Actions Through Consent Orders) and 14-14-D (Cost Recovery Non-Judicial Agreements and Administrative Consent Orders). This authority was further redelegated to the Director, Montana Office, EPA Region 8, on August 30, 2002, and supervisors in the Technical Enforcement Program and the Legal Enforcement Program, Office of Enforcement, Compliance and Environmental Justice, EPA Region 8, on October 17, 1997.

3. In accordance with Sections 104(b)(2) and 122(j)(1) of CERCLA, 42 U.S.C. §§ 9604(b)(2) and 9622(j)(1), on June __, 2015, the EPA notified the federal and state natural resource trustees of negotiations with potentially responsible parties regarding the release of hazardous substances that may have resulted in injury to the natural resources under federal and/or state trusteeship.

4. The EPA and the Respondents recognize that this Settlement Agreement has been negotiated in good faith and that the actions undertaken by the Respondents in accordance with this Settlement Agreement do not constitute an admission of any liability. The 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 fact in Section V and the conclusions of law and determinations in Section VI. The 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 the EPA and upon the 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. The 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 any one Respondent to implement the requirements of this Settlement Agreement, the remaining Respondent shall complete all such requirements.

7. The 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.

8. Each undersigned representative of the Respondents certifies that he or she is fully authorized to enter into the terms and conditions of this Settlement Agreement and to execute and legally bind Respondent to this Settlement Agreement.

III. STATEMENT OF PURPOSE

9. In entering into this Settlement Agreement, the objectives of the EPA and the Respondents are: (a) to determine the nature and extent of contamination and any threat to the public health, welfare, or the environment caused by the release or threatened release of hazardous substances, pollutants, or contaminants at or from the Site, by conducting a remedial investigation as more specifically set forth in the Statement of Work ("SOW") attached as Appendix A to this Settlement Agreement and the EPA-approved Sampling and Analysis Plans ("SAPs") that will be issued during the preparation and performance of the RI/FS; (b) to identify and evaluate remedial alternatives to prevent, mitigate, or otherwise respond to or remedy any release or threatened release of hazardous substances, pollutants, or contaminants at or from the Site, by conducting a feasibility study as more specifically set forth in the SOW attached as Appendix A to this Settlement Agreement.; and (c) to recover response and oversight costs incurred by the EPA with respect to this Settlement Agreement, as well as Past Response Costs.

10. The Work conducted under this Settlement Agreement is subject to approval by the EPA and shall provide all appropriate and necessary information to assess Site conditions and evaluate alternatives to the extent necessary to select a remedy that will be consistent with CERCLA and the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. Part 300 ("NCP"). The Respondents shall conduct all Work under this Settlement Agreement in compliance with CERCLA, the NCP, and all applicable EPA guidances, policies, and procedures.

IV. DEFINITIONS

11. 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 its appendices, the following definitions shall apply:

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

"Columbia Falls Aluminum Plant Superfund Site Special Account" shall mean the special account, within the EPA Hazardous Substance Superfund, established for the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. § 9622(b)(3).

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

"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.

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

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

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

"Engineering Controls" shall mean constructed containment barriers or systems that control one or more of the following: downward migration, infiltration, or seepage of surface runoff or rain; or natural leaching migration of contaminants through the subsurface over time. Examples include caps, engineered bottom barriers, immobilization processes, and vertical barriers.

"Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States incurs in: (1) reviewing or developing plans, reports, and other deliverables submitted pursuant to this Settlement Agreement; (2) 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; (3) the costs incurred pursuant to Section XII (Site Access and Institutional Controls) (including, but not limited to, the cost of attorney time and any monies paid to secure access, including, but not limited to, the amount of just compensation); (4) the costs incurred pursuant to Paragraph 49 (emergency response); (5) the costs incurred pursuant to Paragraph 90 (Work takeover); (6) the costs incurred by the United States in enforcing the terms of this Settlement Agreement; (7) all costs incurred in connection with Section XV (Dispute Resolution); (8) all litigation costs; (9) Agency for Toxic Substances and Disease Registry ("ATSDR") costs regarding the Site; (10) all Interim Response Costs; and (11) all interest that has accrued pursuant to 42 U.S.C. § 9607(a) during the period from February 1, 2015 to the Effective Date on those Past Response Costs that the Respondents have agreed to pay under this Settlement Agreement.

"Institutional controls" shall mean non-engineered instruments, such as administrative and/or legal controls, that help to minimize the potential for human exposure

to contamination and/or protect the integrity of a remedy by limiting land and/or resource use. Examples of institutional controls include easements and covenants, zoning restrictions, special building permit requirements, and well drilling prohibitions.

"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.[1]

"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 February 1, 2015 and the Effective Date, or (b) incurred prior to the Effective Date, but paid after that date.

"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.

"Paragraph" shall mean a portion of this Settlement Agreement identified by an Arabic numeral or an upper or lower case letter. References to paragraphs in the SOW will be so identified, *e.g.*, "SOW Paragraph 15."

"Parties" shall mean the EPA and the Respondents.

"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 January 31, 2015, plus Interest on all such costs through such date.

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

"Respondents" shall mean Atlantic Richfield Company and Columbia Falls Aluminum Company, LLC.

"SAPs" shall mean sampling and analysis plans approved by the EPA for activities to be performed as part of the RI/FS for the Site.

"Section" shall mean a portion of this Settlement Agreement identified by a Roman numeral. References to sections in the SOW will be so identified, *e.g.*, "SOW Section V."

"Settlement Agreement" shall mean this Administrative Settlement Agreement and Order on Consent, the SOW, all appendices attached hereto (listed in Section XXVII) and

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[1] The Superfund currently is invested in 52-week MK notes. The interest rate for these MK notes changes on October 1 of each year. Current and historical rates are available online at http://www.epa.gov/ocfopage/finstatement/superfund/int_rate.htm.

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all documents incorporated by reference into this document including without limitation EPA-approved submissions. EPA-approved submissions (other than progress reports) are incorporated into and become a part of the Settlement Agreement upon approval by the EPA. In the event of conflict between this Settlement Agreement and any appendix or other incorporated documents, this Settlement Agreement shall control.

"Site" shall mean the Anaconda Aluminum Co Columbia Falls Reduction Plant Site, encompassing approximately 3,196 acres, including an approximately 953-acre industrial property, located within the boundaries of Township 30N, Range 20W, Section 3 at 48.3931351074135 latitude and -114.13415874466 longitude in Columbia Falls in Flathead County, Montana and depicted generally on the map attached as Appendix B.

"State" shall mean the State of Montana.

"Statement of Work" or "SOW" shall mean the Statement of Work for development of a RI/FS for the "Site", as set forth in Appendix A to this Settlement Agreement. The Statement of Work is incorporated into this Settlement Agreement and is an enforceable part of this Settlement Agreement as are any modifications made thereto in accordance with this Settlement Agreement.

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

"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); and (d) any "hazardous material" under State law.

"Work" shall mean all activities that the Respondents are required to perform under this Settlement Agreement and SOW, except those required by Section XIV (Retention of Records).

V. FINDINGS OF FACT

12. The Site is generally located approximately two miles northeast of Columbia Falls, Flathead County, Montana, in Township 30N, Range 20W, and includes all or a portion of Sections 2, 3, 4, 33, 34 and 35 and may include other sections.

13. Based on current information, the operational area of the Site covers approximately 953 acres. In general, the operational area of the Site lies north of the Flathead River, west of Teakettle Mountain, south of Cedar Creek Reservoir, and east of Cedar Creek. The property boundaries extend beyond these geographic landmarks.

14. The Site contains an aluminum production plant, which was an aluminum smelting or reduction facility that produced aluminum in carbon-lined "pots" heated to 960 degrees Celsius. Aluminum oxide was dissolved in a molten cryolite bath and aluminum oxide was reduced to aluminum metal by electrons from direct current through the pot. The molten aluminum was then tapped from the pot and cast into ingots.

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15. The Site includes numerous buildings and industrial operating facilities such as offices, warehouses, fabrication, laboratory, paste plant, coal tar pitch tanks, pump houses, and the main pot line facility. Features on the Site include, but are not limited to, percolation ponds, leachate ponds, sludge ponds, sewage treatment ponds, cathode soaking pits, closed landfills, and operational landfills.

16. In September and October, 2013, EPA conducted sampling of waste sources, soil, sediment, ground water, and surface water at or near the Site.

17. The results of these sampling events are documented in the Site Reassessment Report ("Report") dated April, 2014. The Report documents that there have been releases or threatened releases of hazardous substances at or from the Site from historical industrial activities at the plant, and that the disposal of hazardous substances at the Site have affected soil, sediment, ground water and/or surface water with concentrations of metals, including arsenic, cadmium, chromium, lead, manganese, nickel, selenium and zinc, as well as cyanide, fluoride, volatile organic compounds, semi-volatile organic compounds, polycyclic aromatic hydrocarbons, polychlorinated biphenyl compounds, and pesticides.

18. Arsenic, cadmium, chromium, cyanide, lead, manganese, nickel, selenium, zinc and Aroclor 1254 are "hazardous substances" as that term is defined in Section 101(14) of CERCLA, 42 U.S.C. § 101(14). These hazardous substances were found in the waste source areas, soil, sediment, ground water, and/or surface water as identified in the Report.

19. Ground water samples collected from ground water monitoring wells at the Site had detections of multiple contaminants including, but not limited to, arsenic, chromium, lead, selenium, cyanide, and fluoride at concentrations greater than the "Maximum Contaminant Level" ("MCL"), and zinc at concentrations greater than the Secondary MCL. Cyanide has also been detected in domestic wells near the property. Surface water and sediment samples collected from the Flathead River, a known fishery, included detections of contaminants such as, but not limited to, cyanide and manganese. As a place of business, workers may also be exposed to contaminant releases.

20. The contaminants in the ground water at the Site, including those contaminants detected at concentrations above their respective MCLs, as noted previously, have the potential to migrate. It is known that members of the community near the Site use private domestic wells, which are not regularly monitored for pollutants, as drinking water sources. Individuals using ground water as a drinking water source may be at risk to consume hazardous constituents. The Flathead River is identified as a habitat for the Bull Trout, a federally designated threatened species, and the Westslope Cutthroat Trout, a federally designated sensitive species. This stretch of the Flathead River has wetland frontage on both sides of the river.

21. The contaminants detected at and near the Site can lead to significant health effects, including, but not limited to, cancer, nerve damage, thyroid problems, kidney problems, bone disease, circulatory problems, and high blood pressure.

22. The Site was proposed for inclusion on the National Priorities List ("NPL") pursuant to CERCLA Section 105, 42 U.S.C. § 9605, on March 26, 2015 (80 Fed. Reg. 15972).

23. The Anaconda Copper Mining Company built the Anaconda Aluminum Reduction Facility and its subsidiary, Anaconda Aluminum Company, owned and operated the facility and began production in 1955. In 1973, the Anaconda Aluminum Company merged into the Anaconda Company. In 1977, the Anaconda Company initiated a series of merger activities involving various corporate entities, which culminated in the 1981 merger of the Anaconda Company into the Atlantic Richfield Company. In 1985, the Columbia Falls Aluminum Company was incorporated as a Montana corporation. The Atlantic Richfield Company transferred the facility business to Columbia Falls Aluminum Company, a Montana corporation. In 1991, Glencore acquired the Columbia Falls Aluminum Company, which continued to operate as a Glencore subsidiary. In 1999, Columbia Falls Aluminum Company merged into Glencore Acquisition, LLC, surviving under the name of Columbia Falls Aluminum Company LLC. The Columbia Falls Aluminum Company LLC continued operating the plant until 2009.

24. Respondent Columbia Falls Aluminum Company LLC is a Delaware limited liability company authorized to do business in the state of Montana, and is the current and/or past owner and operator of the Site. It is a wholly owned subsidiary of Glencore AG LLC.

25. Respondent Atlantic Richfield Company is a Delaware corporation, and is the past owner and operator of the Site. Respondent Atlantic Richfield Company is also the successor in interest to Anaconda Aluminum Company, which was a past owner and operator of the Site.

VI. CONCLUSIONS OF LAW AND DETERMINATIONS

Based on the Findings of Fact set forth in Section V, the EPA has determined that:

26. The Columbia Falls Aluminum Plant Site is a "facility" as defined in Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

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

28. The conditions described in the Findings of Fact in Section V above constitute an actual and/or threatened "release" of a hazardous substance from the facility as defined in Section 101(22) of CERCLA, 42 U.S.C. § 9601(22).

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

30. Each Respondent is a responsible party under Sections 104, 107, and 122 of CERCLA, 42 U.S.C. §§ 9604, 9607 and 9622.

a. 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.

b. Respondent Atlantic Richfield Company was the "owner" and/or "operator" of the facility at the time of disposal of hazardous substances at the facility, as defined by Section 101(20) of CERCLA, 42 U.S.C. § 9601(20), and within the meaning of Section 107(a)(2) of CERCLA, 42 U.S.C. § 9607(a)(2).

c. Respondent Columbia Falls Aluminum Company, LLC is the current and/or past "owner" and/or "operator" of the facility, 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).

31. The actions required by this Settlement Agreement are necessary to protect the public health, welfare, or the environment, are in the public interest, 42 U.S.C. § 9622(a), are consistent with CERCLA and the NCP, 42 U.S.C. §§ 9604(a)(1), 9622(a), and will expedite effective remedial action and minimize litigation, 42 U.S.C. § 9622(a).

32. EPA has determined that the Respondents are qualified to conduct the RI/FS within the meaning of Section 104(a) of CERCLA, 42 U.S.C. § 9604(a), and will carry out the Work properly and promptly, in accordance with Sections 104(a) and 122(a) of CERCLA, 42 U.S.C. §§ 9604(a) and 9622(a), if the Respondents comply with the terms of this Settlement Agreement.

VII. SETTLEMENT AGREEMENT AND ORDER

33. Based upon the foregoing FINDINGS OF FACT and CONCLUSIONS OF LAW AND DETERMINATIONS, it is hereby Ordered and Agreed that the Respondents shall comply with all provisions of this Settlement Agreement, including, but not limited to, all appendices to this Settlement Agreement and all documents incorporated by reference into this Settlement Agreement.

VIII. DESIGNATION OF CONTRACTORS AND PROJECT COORDINATORS

34. Selection of Contractors, Personnel. All Work performed under this Settlement Agreement shall be under the direction and supervision of qualified personnel. Within 30 days after the Effective Date, and before the Work outlined below begins, the Respondents shall notify the EPA in writing of the names, titles, and qualifications of the personnel, including contractors, subcontractors, consultants, and laboratories to be used in carrying out such Work. With respect to any proposed contractor, the Respondents shall demonstrate that the proposed contractor has a quality system that complies with ANSI/ASQC E4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs," (American National Standard, Jan. 5, 1995, or most recent version), 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/B-01/002, Mar. 2001; Reissued May 2006) or equivalent documentation as determined by the EPA. The qualifications of the persons undertaking the Work for the Respondents shall be subject to the EPA's review, for verification that such persons meet minimum technical background and experience requirements. This Settlement Agreement is

contingent on the Respondents' demonstration to the EPA's satisfaction that the Respondents are qualified to perform properly and promptly the actions set forth in this Settlement Agreement. If the EPA disapproves in writing of any person's technical qualifications, the Respondents shall notify the EPA of the identity and qualifications of the replacement within 30 days after the written notice. If the EPA subsequently disapproves of the replacement, the EPA reserves the right to terminate this Settlement Agreement and to conduct a complete RI/FS, and to seek reimbursement for costs and penalties from the Respondents. During the course of the RI/FS, the Respondents shall notify the EPA in writing of any changes or additions in the personnel used to carry out such Work, providing their names, titles, and qualifications. The EPA shall have the same right to disapprove changes and additions to personnel as it has hereunder regarding the initial notification.

35. Within 10 days after the Effective Date, the Respondents shall designate a Project Coordinator who shall be responsible for administration of all actions required by this Settlement Agreement to be performed by the Respondents. The designated Project Coordinator's name, address, telephone number, and qualifications shall be submitted to the EPA by the Respondents. To the greatest extent possible, the Project Coordinator shall be present on Site or readily available during Site Work. The EPA retains the right to disapprove of the designated Project Coordinator. If the EPA disapproves of the designated Project Coordinator, the Respondents shall retain a different Project Coordinator and shall notify the EPA of that person's name, address, telephone number, and qualifications within 10 days following the EPA's disapproval. The Respondents shall have the right to change their Project Coordinator, subject to the EPA's right to disapprove. The Respondents shall notify the EPA 30 days before such a change is made. The initial notification may be made orally, but shall be promptly followed by a written notification. Receipt by the Respondents' Project Coordinator of any notice or communication from the EPA relating to this Settlement Agreement shall constitute receipt by the Respondents.

36. The EPA has designated Mike Cirian of Region 8 as its Remedial Project Manager ("RPM"). The EPA will notify the Respondents of a change of its designated RPM. Except as otherwise provided in this Settlement Agreement, the Respondents shall direct all submissions required by this Settlement Agreement to the EPA RPM as follows: (1) Send submissions electronically to the EPA RPM at: cirian.mike@epa.gov and; (2) Send five paper copies of the deliverables listed with a checkmark in Attachment I to the SOW to the EPA RPM at: EPA Information Center, 108 E. 9th Street, Libby, MT 59923.

37. The EPA's designated RPM shall have the authority lawfully vested in an RPM and On-Scene Coordinator ("OSC") by the NCP. In addition, the EPA's RPM shall have the authority consistent with the NCP, to halt any Work required by this Settlement Agreement, and to take any necessary response action when s/he determines that conditions at the Site may present an immediate endangerment to public health or welfare or the environment. The absence of the EPA RPM from the area under study pursuant to this Settlement Agreement shall not be cause for the stoppage or delay of Work.

38. The EPA shall arrange for a qualified person to assist in its oversight and review of the conduct of the RI/FS, as required by Section 104(a) of CERCLA, 42 U.S.C. § 9604(a). Such person shall have the authority to observe Work and make inquiries in the absence of the EPA, but not to modify the SOW or SAPs.

IX. WORK TO BE PERFORMED

39. The Respondents shall conduct the RI/FS in accordance with the provisions of this Settlement Agreement, the SOW, CERCLA, the NCP, and EPA guidance, including, but not limited to the "*Interim Final Guidance for Conducting Remedial Investigations and Feasibility Studies under CERCLA*" ("RI/FS Guidance") (OSWER Directive #9355.3-01, Oct. 1988 or subsequently issued guidance), "*Guidance for Data Useability in Risk Assessment*" (OSWER Directive #9285.7-09A, Apr. 1992 or subsequently issued guidance), and guidance referenced therein, and guidances referenced in the SOW, as may be amended or modified by the EPA. The remedial investigation ("RI") shall consist of collecting data to characterize Site conditions, determining the nature and extent of the contamination at or from the Site, assessing risk to human health and the environment, and conducting treatability testing as necessary to evaluate the potential performance and cost of the treatment technologies that are being considered. The feasibility study ("FS") shall determine and evaluate (based on treatability testing, where appropriate) alternatives for remedial action to prevent, mitigate, or otherwise respond to or remedy the release or threatened release of hazardous substances, pollutants, or contaminants at or from the Site. The alternatives evaluated must include, but shall not be limited to, the range of alternatives described in the NCP, and shall include remedial actions that utilize permanent solutions and alternative treatment technologies or resource recovery technologies to the maximum extent practicable. In evaluating the alternatives, the Respondents shall address the factors required to be taken into account by Section 121 of CERCLA, 42 U.S.C. § 9621, and Section 300.430(e) of the NCP, 40 C.F.R. § 300.430(e).

40. The Respondents shall submit all deliverables to the EPA in electronic form. If any deliverable includes maps, drawings, or other exhibits that are larger than 8.5" by 11", the Respondents also shall provide the EPA with 5 paper copies of such maps, drawings, or other exhibits. In addition, the Respondents shall submit 5 paper copies of the deliverables listed with a checkmark in Attachment I to the SOW in addition to submitting the deliverables in electronic form.

41. Technical Specifications for Deliverables. The Respondents shall submit all sampling and monitoring data in accordance with the Electronic Data Deliverable (EDD) format prescribed in the SOW.

42. Geographic Information System (GIS) Deliverables. The Respondents shall submit all spatial data, including spatially-referenced data and geospatial data, in accordance with the SOW. Spatial data submitted by the Respondents does not, and is not intended to, define the boundaries of the Site. The delineation of Site boundaries is based upon the nature and extent of contamination, and where the contaminant(s) of concern has come to be located.

43. Modification of the SOW and SAPs.

a. If at any time during the RI/FS process, the Respondents identify a need for additional data, the Respondents shall submit a memorandum documenting the need for additional data to the EPA RPM within 30 days after identification. The EPA, in its discretion, will determine whether the

additional data will be collected by the Respondents and whether it will be incorporated into plans, reports, and other deliverables.

b. In the event of unanticipated or changed circumstances at the Site, the Respondents shall notify the EPA RPM by telephone within 24 hours of discovery of the unanticipated or changed circumstances and in writing within 7 days. In the event that the EPA determines that the unanticipated or changed circumstances warrant changes in the SOW and/or any SAP, the EPA shall modify or amend the SOW and/or SAPs in writing accordingly. The Respondents shall perform the SOW as modified or amended.

c. The EPA may determine that in addition to tasks defined in the initially approved SOW, other additional Work may be necessary to accomplish the objectives of the RI/FS. The Respondents agree to perform these response actions in addition to those required by the initially approved SOW, including any approved modifications, if the EPA determines that such actions are necessary for a complete RI/FS.

d. The Respondents shall confirm their willingness to perform the additional Work in writing to the EPA within 7 days after receipt of the EPA request. If the Respondents object to any modification determined by the EPA to be necessary pursuant to this Paragraph, the Respondents may seek dispute resolution pursuant to Section XV (Dispute Resolution). The SOW and/or SAPs shall be modified in accordance with the final resolution of the dispute.

e. The Respondents shall complete the additional Work according to the standards, specifications, and schedule set forth or approved by the EPA in a written modification to the SOW and/or SAPs or written SOW supplement. The EPA reserves the right to conduct the Work itself at any point, to seek reimbursement from the Respondents, and/or to seek any other appropriate relief.

f. Nothing in this Paragraph shall be construed to limit the EPA's authority to require performance of further response actions at the Site.

44. Off-Site Shipment.

a. The Respondents may ship hazardous substances, pollutants and contaminants from the Site to an off-Site facility only if they comply with Section 121(d)(3) of CERCLA, 42 U.S.C. § 9621(d)(3), and 40 C.F.R. § 300.440. The Respondents will be deemed to be in compliance with CERCLA Section 121(d)(3) and 40 C.F.R. § 300.440 regarding a shipment if the Respondents obtain a prior determination from the EPA that the proposed receiving facility for such shipment is acceptable under the criteria of 40 C.F.R. § 200.440(b). The Respondents may ship

Investigation Derived Waste (IDW) from the Site to an off-Site facility only if the Respondents comply with the EPA's "*Guide to Management of Investigation Derived Waste,*" OSWER Directive #9345.3-03FS (Jan. 1992).

b. The Respondents may ship Waste Material from the Site to an out-of-state waste management facility only if, prior to any shipment, they provide written notice to the appropriate state environmental official in the receiving facility's state and to the EPA RPM. This written notice requirement shall not apply to any off-Site shipments when the total quantity of all such shipments will not exceed ten cubic yards. The written notice must include the following information, if available: (1) the name and location of the receiving facility; (2) the type and quantity of Waste Material to be shipped; (3) the schedule for the shipment; and (4) the method of transportation. The Respondents also shall notify the state environmental official referenced above and the EPA RPM of any major changes in the shipment plan, such as a decision to ship the Waste Material to a different out-of-state facility. The Respondents shall provide the written notice after the award of the contract for remedial investigation and feasibility study and before the Waste Material is shipped.

45. Meetings. The Respondents shall make presentations at, and participate in, meetings at the request of the EPA during the initiation, conduct, and completion of the RI/FS. In addition to discussion of the technical aspects of the RI/FS, topics will include anticipated problems or new issues. Meetings will be scheduled at the EPA's discretion.

46. Progress Reports. In addition to the plans, reports, and other deliverables set forth in this Settlement Agreement, the Respondents shall provide to the EPA monthly progress reports by the 15th day of the following month. At a minimum, with respect to the preceding month, these progress reports shall (a) describe the actions that have been taken to comply with this Settlement Agreement during that month, (b) include all results of sampling and tests and all other data received by the Respondents, (c) describe Work planned for the next two months with schedules relating such Work to the overall project schedule for RI/FS completion, and (d) describe all problems encountered and any anticipated problems, any actual or anticipated delays, and solutions developed and implemented to address any actual or anticipated problems or delays.

47. Emergency Response and Notification of Releases.

a. In the event of any action or occurrence during, arising from or relating to performance of the Work that causes or threatens a release of Waste Material from the Site which constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, The Respondents shall immediately take all appropriate action. The 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 (HASP), in order to prevent, abate or minimize

such release or endangerment caused or threatened by the release. The Respondents shall also immediately notify the EPA RPM or, in the event of his/her unavailability, the EPA Regional Duty Officer, Emergency Response Unit, at (303) 293-1788, and the National Response Center at (800) 424-8802 of the incident or Site conditions. In the event that the Respondents fail to take appropriate response action as required by this Paragraph, and the EPA takes such action instead, the Respondents shall reimburse the EPA for all costs of the response action not inconsistent with the NCP pursuant to Section XVIII (Payment of Response Costs).

b. In addition, in the event of any release of a hazardous substance from the Site, the Respondents shall immediately notify the EPA RPM, the EPA Regional Duty Officer, Emergency Response Unit, at (303) 293-1788, and the National Response Center at (800) 424-8802. The Respondents shall submit a written report to the EPA within 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.*

X. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS

48. After review of any plan, report, or other item that is required to be submitted for approval pursuant to this Settlement Agreement, the EPA shall, in a notice to the Respondents,: (a) approve, in whole or in part, the submission; (b) approve the submission upon specified conditions; (c) modify the submission to cure the deficiencies; (d) disapprove, in whole or in part, the submission, directing that the Respondents modify the submission; or (e) any combination of the above. However, the EPA shall not modify a submission without first providing the Respondents at least one notice of deficiency and an opportunity to cure within 20 days, except where to do so would cause serious disruption to the Work or where previous submission(s) have been disapproved due to material defects.

49. In the event of approval, approval upon conditions, or modification by the EPA, pursuant to Paragraph 48.a, 48.b, 48.c, or 48.e, the Respondents shall proceed to take any action required by the plan, report, or other deliverable, as approved or modified by the EPA subject only to their right to invoke the Dispute Resolution procedures set forth in Section XV (Dispute Resolution) with respect to the modifications or conditions made by the EPA. Following EPA approval or modification of a submission or portion thereof, the Respondents shall not thereafter alter or amend such submission or portion thereof unless directed by the EPA. In the event that the EPA modifies the submission to cure the deficiencies pursuant to Paragraph 48.c and the submission had a material defect, the EPA retains the right to seek stipulated penalties, as provided in Section XVI (Stipulated Penalties).

50. Resubmission.

a. Upon receipt of a notice of disapproval, the Respondents shall, within 20 days or such longer time as specified by the EPA in such notice, correct the deficiencies and resubmit the plan, report, or other deliverable for approval. Any stipulated penalties applicable to the submission, as provided in Section XVI (Stipulated Penalties), shall accrue during the 20-day period or otherwise specified period but shall not be payable unless the resubmission is disapproved or modified due to a material defect as provided in Paragraphs 513 and 524, respectively.

b. Notwithstanding the receipt of a notice of disapproval, the Respondents shall proceed to take any action required by any non-deficient portion of the submission, unless otherwise directed by the EPA. Implementation of any non-deficient portion of a submission shall not relieve the Respondents of any liability for stipulated penalties under Section XVI (Stipulated Penalties).

c. The Respondents shall not proceed with any activities or tasks dependent on the following draft deliverables until receiving EPA approval, approval on condition, or modification of such deliverables: SOW, SAP including phase-specific SAPs, HASPs, Reuse Assessment, Baseline Human Health Risk Assessment, Ecological Risk Assessment, RI Report, Treatability Studies Report, and FS Report. While awaiting EPA approval, approval on condition, or modification of these deliverables, the Respondents shall proceed with all other tasks and activities that may be conducted independently of these deliverables, in accordance with the schedule set forth under this Settlement Agreement.

d. For all remaining deliverables not listed above in Paragraph 50.c, the Respondents shall proceed with all subsequent tasks, activities, and deliverables without awaiting EPA approval on the submitted deliverable. The EPA reserves the right to stop the Respondents from proceeding further, either temporarily or permanently, on any task, activity or deliverable at any point during the RI/FS.

51. If the EPA disapproves a resubmitted plan, report, or other deliverable, or portion thereof, the EPA may again direct the Respondents to correct the deficiencies. The EPA shall also retain the right to modify or develop the plan, report, or other deliverable. The Respondents shall implement any such plan, report, or deliverable as corrected, modified, or developed by the EPA, subject only to the Respondents' right to invoke the procedures set forth in Section XV (Dispute Resolution).

52. If upon resubmission, a plan, report, or other deliverable is disapproved or modified by the EPA due to a material defect, the Respondents shall be deemed to have failed to submit such plan, report, or other deliverable timely and adequately unless the Respondents invoke the dispute resolution procedures in accordance with Section XV (Dispute Resolution)

and the EPA's action is revoked or substantially modified pursuant to a Dispute Resolution decision issued by the EPA or superseded by an agreement reached pursuant to that Section. The provisions of Section XV (Dispute Resolution) and Section XVI (Stipulated Penalties) shall govern the implementation of the Work and accrual and payment of any stipulated penalties during Dispute Resolution. If the EPA's disapproval or modification is not otherwise revoked, substantially modified, or superseded as a result of a decision or agreement reached pursuant to the Dispute Resolution process set forth in Section XV, stipulated penalties shall accrue for such violation from the date on which the initial submission was originally required, as provided in Section XVI.

53. In the event that the EPA takes over some of the tasks, but not the preparation of the RI Report or the FS Report, the Respondents shall incorporate and integrate information supplied by the EPA into the final reports.

54. All plans, reports, and other deliverables submitted to the EPA under this Settlement Agreement shall, upon approval or modification by the EPA, be incorporated into and enforceable under this Settlement Agreement. In the event that the EPA approves or modifies a portion of a plan, report, or other deliverable submitted to the EPA under this Settlement Agreement, the approved or modified portion shall be incorporated into and enforceable under this Settlement Agreement.

55. Neither failure of the EPA to expressly approve or disapprove of the Respondents' submissions within a specified time period, nor the absence of comments, shall be construed as approval by the EPA. Whether or not the EPA gives express approval for the Respondents' deliverables, the respondents are responsible for preparing deliverables acceptable to the EPA.

XI. QUALITY ASSURANCE, SAMPLING, AND ACCESS TO INFORMATION

56. Quality Assurance. The Respondents shall assure that Work performed, samples taken, and analyses conducted conform to the requirements of the SOW, SAPs, and guidances identified therein. The Respondents will assure that field personnel used by the Respondents are properly trained in the use of field equipment and in chain of custody procedures. The Respondents shall only use laboratories that have a documented quality system that complies with "*EPA Requirements for Quality Management Plans (QA/R-2)*" (EPA/240/B-01/002, Mar. 2001; Reissued May 2006) or equivalent documentation as determined by the EPA.

57. Sampling.

a. All results of sampling, tests, modeling, or other data (including raw data) generated by the Respondents, or on the Respondents' behalf, during the period that this Settlement Agreement is effective, shall be submitted to the EPA in the next monthly progress report as described in Paragraph 468. The EPA will make validated data generated by the EPA available to the Respondents unless it is exempt from disclosure by any federal or state law or regulation.

b. The Respondents shall verbally notify the EPA at least 30 days prior to conducting significant field events as described in the SOW or SAPs. At the EPA's verbal or written request, or the request of the EPA's oversight assistant, the Respondents shall allow split or duplicate samples to be taken by the EPA (and its authorized representatives) of any samples collected in implementing this Settlement Agreement. All split samples of the Respondents shall be analyzed by the methods identified in the QAPP.

58. Access to Information.

a. The Respondents shall provide to the EPA, upon request, copies of all records, reports, documents, and other information (including records, reports, documents, and other information in electronic form) (hereinafter referred to as "Records") 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. The Respondents shall also make available to the 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.

b. The Respondents may assert business confidentiality claims covering part or all of the Records submitted to the 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). Records determined to be confidential by the EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies Records when they are submitted to the EPA, or if the EPA has notified the Respondents that the Records 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 Records without further notice to the Respondents. The Respondents shall segregate and clearly identify all Records submitted under this Settlement Agreement for which the Respondents assert business confidentiality claims.

c. The Respondents may assert that certain Records 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 Records, they shall provide the EPA with the following: (i) the title of the Record; (ii) the date of the Record; (iii) the name, title, affiliation (*e.g.*, company or firm), and address of the author of the Record; (iv) the name and title of each addressee and recipient; (v) a description of the contents of the Record; and (vi) the privilege asserted by the Respondents. However, no Records created or generated pursuant to the requirements of this

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

d. No claim of 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 Records evidencing conditions at or around the Site.

59. In entering into this Settlement Agreement, the Respondents waive any objections to any data gathered, generated, or evaluated by the EPA or the Respondents in the performance or oversight of the Work that has been verified according to the quality assurance/quality control ("QA/QC") procedures required by the Settlement Agreement, the SOW, or any EPA-approved work plans or SAPs. If the Respondents object to any other data relating to the RI/FS, the Respondents shall submit to the EPA a report that specifically identifies and explains its objections, describes the acceptable uses of the data, if any, and identifies any limitations to the use of the data. The report must be submitted to the EPA within 15 days after the monthly progress report containing the data.

XII. SITE ACCESS AND INSTITUTIONAL CONTROLS

60. 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 the 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.

61. Where any action under this Settlement Agreement is to be performed in areas owned by or in possession of someone other than the Respondents, the Respondents shall use their best efforts to obtain all necessary access agreements within 30 days after the Effective Date, or as otherwise specified in writing by the EPA RPM. The Respondents shall immediately notify the EPA if after using their best efforts they are unable to obtain such agreements. For purposes of this Paragraph, "best efforts" includes the payment of reasonable sums of money in consideration of access. The Respondents shall describe in writing their efforts to obtain access. If the Respondents cannot obtain access agreements, the EPA may either (a) obtain access for the Respondents or assist the Respondents in gaining access, to the extent necessary to effectuate the response actions described in this Settlement Agreement, using such means as the EPA deems appropriate; (b) perform those tasks or activities with EPA contractors; or (c) terminate the Settlement Agreement. The Respondents shall reimburse the EPA for all costs and attorney's fees incurred by the United States in obtaining such access, in accordance with the procedures in Section XVIII (Payment of Response Costs). If the EPA performs those tasks or activities with EPA contractors and does not terminate the Settlement Agreement, the Respondents shall perform all other tasks or activities not requiring access to that property, and shall reimburse the EPA for all costs incurred in performing such tasks or activities. The Respondents shall integrate the results of any such tasks or activities undertaken by the EPA into its plans, reports, and other deliverables.

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

XIII. COMPLIANCE WITH OTHER LAWS

63. The Respondents shall comply with all applicable state and federal laws and regulations when performing the RI/FS. No local, state, or federal permit shall be required for any portion of any action conducted entirely on-site, including studies, if the action is selected and carried out in compliance with Section 121 of CERCLA, 42 U.S.C. § 9621. Where any portion of the Work is to be conducted off-Site and requires a federal or state permit or approval, the Respondents shall submit timely and complete applications and take all other actions necessary to obtain and to comply with all such permits or approvals. This Settlement Agreement is not, and shall not be construed to be, a permit issued pursuant to any federal or state statute or regulation.

XIV. RETENTION OF RECORDS

64. During the pendency of this Settlement Agreement and for a minimum of 10 years after commencement of construction of any remedial action, each Respondent shall preserve and retain all non-identical copies of Records (including Records in electronic form) now in its possession or control or that 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 commencement of construction of any remedial action, the Respondents shall also instruct their contractors and agents to preserve all Records of whatever kind, nature, or description relating to performance of the Work.

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

66. 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 (other than identical copies) relating to its potential liability regarding the Site since the notification of potential liability by the EPA or the filing of suit against it regarding the Site and that it has fully complied with any and all EPA requests for information regarding the Site 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.

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XV. DISPUTE RESOLUTION

67. 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.

68. If the Respondents object to any EPA action taken pursuant to this Settlement Agreement, including billings for Future Response Costs, they shall notify the EPA in writing of their objection(s) within 20 days after such action, unless the objection(s) has/have been resolved informally. The EPA and the Respondents shall have 30 days from the EPA's receipt of the Respondents' written objection(s) to resolve the dispute (the "Negotiation Period"). The Negotiation Period may be extended at the sole discretion of the EPA. Such extension may be granted verbally but must be confirmed in writing.

69. Any agreement reached by the Parties pursuant to this Section shall be in writing and shall, upon signature by the 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 Assistant Regional Administrator for the Office of Ecosystems Protection and Remediation level or higher will issue a written decision. The EPA's decision shall be incorporated into and become an enforceable part of this Settlement Agreement. The 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, the Respondents shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with the EPA's decision, whichever occurs, and regardless of whether the Respondents agree with the decision.

XVI. STIPULATED PENALTIES

70. The Respondents shall be liable to the EPA for stipulated penalties in the amounts set forth in Paragraph 71 for failure to comply with any of the requirements of this Settlement Agreement specified below unless excused under Section XVII (Force Majeure). "Compliance" by the Respondents shall include completion of the Work under this Settlement Agreement or any activities contemplated under the SOW or any SAPs or other plan approved under this Settlement Agreement identified below, in accordance with all applicable requirements of law, this Settlement Agreement, the SOW, the SAPs, and any plans or other documents approved by the EPA pursuant to this Settlement Agreement and within the specified time schedules established by and approved under this Settlement Agreement.

71. <u>Stipulated Penalty Amounts - Work (Including Payments)</u>.

a. Major Deliverables. Stipulated penalties shall accrue for each day of noncompliance for failure to timely submit the following deliverables or to submit such deliverables in compliance with the terms of this Settlement Agreement, the SOW, or any SAP:

Major Deliverables	Stipulated Penalty Amount
1. Draft and Final Reuse Assessment 2. Draft and Final Baseline Human Health Risk Assessment 3. Draft and Final Ecological Risk Assessment Report 4. Draft and Final Remedial Investigation Report 5. Draft and Final Feasibility Study Report	$5,000 per day for the first 14 days of noncompliance $10,000 per day for the 15th through 30th day of noncompliance $37,500 per day per violation lasting beyond 30 days

b. Interim Deliverables. Stipulated penalties shall accrue for each day of noncompliance for failure to timely submit the following deliverables or to submit such deliverables in compliance with the terms of this Settlement Agreement, the SOW, or any SAP:

Interim Deliverables	Stipulated Penalty Amount
1. Compilation of existing information relevant to RI/FS 2. Project scoping proposal 3. Draft and final written summary of major outcomes of project scoping follow-up meeting 4. An original and any revised work plan, including but not limited to the RI/FS Work Plan 5. An initial HASP, and revised task-specific HASPs 6. Phase-specific sampling and analysis plans 7. Summary report for each investigative phase of the RI 8. Project scoping summary 9. An original and any revised technical memorandum 10. An original and any revised letter report 11. Draft and Final Treatability Studies Technical Report 12. Project database and any project database updates	$2,000 per day for the first 14 days of noncompliance $4,000 per day for the 15th through 30th day of noncompliance $10,000 per day per violation lasting beyond 30 days

c. Other Violations. Stipulated penalties shall accrue for each day of noncompliance for the following violations.

Other Violations	Stipulated Penalty Amount
1. Failure to timely submit monthly progress reports or to submit such reports in compliance with the terms of this Settlement Agreement, the SOW, or any SAPs. 2. Failure to submit any report or notification required under this Settlement Agreement, the SOW or any SAPs. 3. Failure to provide access to the EPA in accordance with this Settlement Agreement 4. Failure to establish and maintain financial assurance in compliance with the timelines and other substantive and procedural requirements of Section XXVI (Financial Assurance)	$2,000 per day for the first 14 days of noncompliance $4,000 per day for the 15th through 30th day of noncompliance $10,000 per day per violation lasting beyond 30 days

72. In the event that the EPA assumes performance of a portion or all of the Work pursuant to Paragraph 90 (Work Takeover), the Respondents shall be liable for a stipulated penalty in the amount of $1,000,000.

73. 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 X (EPA Approval of Plans and Other Submissions), during the period, if any, beginning on the 31st day after the EPA's receipt of such submission until the date that the EPA notifies the Respondents of any deficiency; and (b) with respect to a decision by the EPA management official designated in Paragraph 71 of Section XV (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.

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

75. All penalties accruing under this Section shall be due and payable to the EPA within 30 days after the Respondents' receipt from the EPA of a demand for payment of the penalties, unless the Respondents invoke the dispute resolution procedures under Section XV (Dispute Resolution). The Respondents shall make all payments required by this Paragraph to the EPA by Fedwire Electronic Funds Transfer 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 A882, and the EPA docket number for this action.

At the time of payment, the Respondents shall send notice that payment has been made as provided in Paragraph 84.b below.

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

77. Penalties shall continue to accrue as provided in Paragraph 73 during any dispute resolution period, but need not be paid until 15 days after the dispute is resolved by agreement or by receipt of the EPA's decision.

78. If the Respondents fail to pay stipulated penalties when due, the EPA may institute proceedings to collect the penalties, as well as Interest. The Respondents shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 75.

79. Nothing in this Settlement Agreement shall be construed as prohibiting, altering, or in any way limiting the ability of the EPA to seek any other remedies or sanctions available by virtue of the 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 Section 122(*l*) of CERCLA, 42 U.S.C. § 9622(*l*), and punitive damages pursuant to Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3). Provided, however, that the EPA shall not seek civil penalties pursuant to Section 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 Settlement Agreement, except in the case of willful violation of this Settlement Agreement or in the event that the EPA assumes performance of a portion or all of the Work pursuant to Section XX (Reservation of Rights by EPA), Paragraph 90. Notwithstanding any other provision of this Section, the EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this Settlement Agreement.

XVII. FORCE MAJEURE

80. The 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, *force majeure* is defined as any event arising from causes beyond the control of the Respondents or of any entity controlled by the Respondents, including but not limited to their contractors and subcontractors, which delays or prevents performance of any obligation under this Settlement Agreement despite the Respondents' best efforts to fulfill the obligation. *Force majeure* does not include financial inability to complete the Work or increased cost of performance.

81. 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, the Respondents shall notify the EPA orally within 3 days of when the Respondents first knew that the event might cause a delay. Within 7 days thereafter, the Respondents shall provide to the 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; the 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 the 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 the 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.

82. If the 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 the 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 the EPA does not agree that the delay or anticipated delay has been or will be caused by a *force majeure* event, the EPA will notify the Respondents in writing of its decision. If the EPA agrees that the delay is attributable to a *force majeure* event, the EPA will notify the Respondents in writing of the length of the extension, if any, for performance of the obligations affected by the *force majeure* event.

XVIII. PAYMENT OF RESPONSE COSTS

83. <u>Payment of Past Response Costs</u>.

a. Within 30 days after the Effective Date, the Respondents shall pay to the EPA $743,133.86 for Past Response Costs. Payment shall be made to the 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 A882 and the EPA docket number for this action.

b. At the time of payment, the Respondents shall send notice that payment has been made to the EPA RPM, and to the EPA Cincinnati Finance Center by email at cinwd_acctsreceivable@epa.gov, or by mail to:

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

Such notice shall reference Site/Spill ID Number A882 and EPA docket number for this action.

c. The total amount to be paid by the Respondents pursuant to Paragraph 85 shall be deposited by the EPA in the Columbia Falls Aluminum Plant Superfund Site Special Account to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by the EPA to the EPA Hazardous Substance Superfund.

84. Payments of Future Response Costs.

a. The Respondents shall pay the EPA all Future Response Costs not inconsistent with the NCP. On a periodic basis, the EPA will send the Respondents a bill requiring payment that includes an Expenditure Summary Report, which includes direct and indirect costs incurred by the EPA, its contractors, and DOJ. The Respondents shall make all payments within 30 days after receipt of each bill requiring payment, except as otherwise provided in Paragraph 86 of this Settlement Agreement. Payments shall be made to the 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 A882 and the EPA docket number for this action.

b. At the time of payment, the Respondents shall send notice that payment has been made to the EPA RPM, and to the EPA Cincinnati Finance Center by email at cinwd_acctsreceivable@epa.gov, or by mail to:

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

Such notice shall reference Site/Spill ID Number A882 and the EPA docket number for this action.

c. The total amount to be paid by the Respondents pursuant to Paragraph 84.a shall be deposited by the EPA in the Columbia Falls Aluminum Plant Superfund Site Special Account to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by the EPA to the EPA Hazardous Substance Superfund.

85. Interest. If the Respondents do not pay Past Response Costs within 30 days after the Effective Date, or do not pay Future Response Costs within 30 days after the Respondents' receipt of a bill, the Respondents shall pay Interest on the unpaid balance. The Interest on unpaid Past Response Costs shall begin to accrue on the Effective Date and shall continue to accrue until the date of payment. The Interest on unpaid Future Response Costs shall begin to accrue on the date of the bill and shall continue to accrue until the date of payment. If the EPA receives a partial payment, Interest shall accrue on any unpaid balance. 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 the Respondents' failure to make timely payments under this Section, including but not limited to, payments of stipulated penalties pursuant to Section XVI (Stipulated Penalties). The Respondents shall make all payments required by this Paragraph in the manner described in Paragraph 84.

86. The Respondents may contest payment of any Future Response Costs billed under Paragraph 84 if they determine that the 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 the 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 EPA RPM. Any such objection shall specifically identify the contested Future Response Costs and the basis for objection. In the event of an objection, Respondent shall within the 30 day period pay all uncontested Future Response Costs to the EPA in the manner described in Paragraph 84. Simultaneously, the 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, and remit to that escrow account funds equivalent to the amount of the contested Future Response Costs. The Respondents shall send to the EPA RPM 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, the Respondents shall initiate the Dispute Resolution procedures in Section XV (Dispute

Resolution). If the EPA prevails in the dispute, within 5 days after the resolution of the dispute, the Respondents shall pay the sums due (with accrued interest) to the EPA in the manner described in Paragraph 84. If the Respondents prevail concerning any aspect of the contested costs, the Respondents shall pay that portion of the costs (plus associated accrued interest) for which they did not prevail to the EPA in the manner described in Paragraph 84. The 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 XV (Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding the Respondents' obligation to reimburse the EPA for its Future Response Costs.

XIX. COVENANT NOT TO SUE BY EPA

87. In consideration of the actions that will be performed and the payments that will be made by the Respondents under the terms of this Settlement Agreement, and except as otherwise specifically provided in this Settlement Agreement, the EPA covenants not to sue or to take administrative action against the 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 the Effective Date. This covenant not to sue is conditioned upon the complete and satisfactory performance by the Respondents of their obligations under this Settlement Agreement, including, but not limited to, payment of Future Response Costs pursuant to Paragraph 84 (Payment of Future Response Costs). This covenant not to sue extends only to the Respondents and does not extend to any other person.

XX. RESERVATIONS OF RIGHTS BY EPA

88. Except as specifically provided in this Settlement Agreement, nothing in this Settlement Agreement shall limit the power and authority of the 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 the 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 the Respondents in the future to perform additional activities pursuant to CERCLA or any other applicable law.

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

a. liability for failure by the 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 violations of federal or state law that occur during or after implementation of the Work;

f. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

g. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside of the Site; and

h. liability for costs incurred or to be incurred by the ATSDR related to the Site not paid as Future Response Costs under this Settlement Agreement.

90. Work Takeover. In the event that the EPA determines that the 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 that may cause an endangerment to human health or the environment, the EPA may assume the performance of all or any portion of the Work as the EPA determines necessary. The Respondents may invoke the procedures set forth in Section XV (Dispute Resolution) to dispute the EPA's determination that takeover of the Work is warranted under this Paragraph. Costs incurred by the EPA in performing the Work pursuant to this Paragraph shall be considered Future Response Costs that The Respondents shall pay pursuant to Section XVIII (Payment of Response Costs). Notwithstanding any other provision of this Settlement Agreement, the 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

91. The 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 EPA 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 the Work or arising out of the response actions for which the Past Response Costs or Future Response Costs have or will be incurred, including any claim under the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, 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), relating to the Work or payment of Past Response Costs or Future Response Costs.

92. The Respondents agree not to seek judicial review of the final rule listing the Site on the NPL based on a claim that changed site conditions that resulted from the performance of the Work in any way affected the basis for listing the Site.

93. Except as expressly provided in Paragraphs 96 (Claims Against De Micromis 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 the reservations set forth in Section XX (Reservations of Rights by the EPA), other than in Paragraph 89.a (liability for failure by the Respondents to meet a requirement of the Settlement Agreement) or 89.d (criminal liability), but only to the extent that the Respondents' claims arise from the same response action, response costs, or damages that the United States is seeking pursuant to the applicable reservation.

94. The Respondents reserve, and this Settlement Agreement is without prejudice to, claims against the United States, subject to the provisions of Chapter 171 of Title 28 of the United States Code, and brought pursuant to any statute other than CERCLA or RCRA and for which the waiver of sovereign immunity is found in a statute other than CERCLA or RCRA, for money damages for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the United States, as that term is defined in 28 U.S.C. § 2671, while acting within the scope of his or her office or employment under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred. However, the foregoing shall not include any claim based on the EPA's selection of response actions, or the oversight or approval of the Respondents' plans, reports, other deliverables, or activities.

95. 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).

96. Claims Against De Micromis Parties. The 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) or 113 of CERCLA) that they may have for all matters relating to the Site against any person where the person's liability to the 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.

97. The waiver in Paragraph 96 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 the 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, 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.

XXII. OTHER CLAIMS

98. By issuance of this Settlement Agreement, the United States and the EPA assume no liability for injuries or damages to persons or property resulting from any acts or omissions of the Respondents.

99. Except as expressly provided in Paragraphs 96 (Claims Against De Micromis Parties) and Section XIX (Covenant Not to Sue by the EPA), nothing in this Settlement Agreement constitutes a satisfaction of or release from any claim or cause of action against the 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.

100. No action or decision by the 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

101. Except as provided in Paragraphs 96 (Claims Against De Micromis 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 Section XXI (Covenant Not to Sue by Respondents), 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).

102. The Parties agree that this Settlement Agreement constitutes an administrative settlement pursuant to which each Respondent has, as of the Effective Date, resolved liability to the United States within the meaning of Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), and is 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, or as may be otherwise provided by law, for the "matters addressed" in this Settlement Agreement. The "matters addressed" in this Settlement Agreement are the Work, Past Response Costs, and Future Response Costs.

103. The Parties further agree that this Settlement Agreement constitutes an administrative settlement pursuant to which each Respondent has, as of the Effective Date, resolved liability to the United States within the meaning of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B).

104. Each Respondent shall, with respect to any suit or claim brought by it for matters related to this Settlement Agreement, notify the 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 the EPA in writing within 10 days after service of the complaint or claim upon it. In addition, each Respondent shall notify the 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.

105. In any subsequent administrative or judicial proceeding initiated by the EPA, or by the United States on behalf of the EPA, for injunctive relief, recovery of response costs, or other relief relating to the Site, the 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 the EPA set forth in Section XIX (Covenant Not to Sue by the EPA).

106. 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 the EPA receives from such Respondent the payment(s) required by Section XVIII (Payment of Response Costs) and, if any, Section XVI (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 102 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 the EPA gives notice to the 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 the EPA.

XXIV. INDEMNIFICATION

107. The 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 the Respondents, their officers, directors, employees, agents, contractors,

subcontractors, and representatives in carrying out actions pursuant to this Settlement Agreement. In addition, the 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 the 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 the Respondents in carrying out activities pursuant to this Settlement Agreement. Neither the Respondents nor any such contractor shall be considered an agent of the United States.

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

109. The 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 the Respondents and any person for performance of Work on or relating to the Site. In addition, the 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 the Respondents and any person for performance of Work on or relating to the Site.

XXV. INSURANCE

110. At least 30 days prior to commencing any on-Site Work under this Settlement Agreement, the Respondents shall secure, and shall maintain for the duration of this Settlement Agreement, commercial general liability insurance with limits of one million dollars, for any one occurrence, and automobile insurance with limits of one million dollars, combined single limit, naming the EPA as an additional insured with respect to all liability arising out of the activities performed by or on behalf of the Respondents pursuant to this Order. Within the same period, the Respondents shall provide the EPA with certificates of such insurance and a copy of each insurance policy. The 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, the 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 the Respondents in furtherance of this Settlement Agreement. If the Respondents demonstrate by evidence satisfactory to the 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 the Respondents need provide only that portion of the insurance described above which is not maintained by such contractor or subcontractor.

XXVI. FINANCIAL ASSURANCE

111. Within 30 days after the Effective Date, the Respondents shall establish and maintain financial security for the benefit of the EPA in the amount of four million dollars in one or more of the following forms, in order to secure the full and final completion of Work by the 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 the EPA, issued by financial institution(s) acceptable in all respects to the EPA equaling the total estimated cost of the Work;

c. a trust fund administered by a trustee acceptable in all respects to the EPA;

d. a policy of insurance issued by an insurance carrier acceptable in all respects to the 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 the Respondents, or by one or more unrelated companies that have a substantial business relationship with at least one of the 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

f. a demonstration of sufficient financial resources to pay for the Work made by one or more of the Respondents, which shall consist of a demonstration that any such Respondent satisfies the requirements of 40 C.F.R. Part 264.143(f).

112. Any and all financial assurance instruments provided pursuant to this Section shall be in form and substance satisfactory to the EPA, determined in the EPA's sole discretion. In the event that the 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, the Respondents shall, within 30 days after receipt of notice of the EPA's determination, obtain and present to the EPA for approval one of the other forms of financial assurance listed in Paragraph 111, above. In addition, if at any time the EPA notifies the Respondents that the anticipated cost of completing the Work has increased, then, within 30 days after such notification, the Respondents shall obtain and present to the EPA for approval a revised form of financial assurance (otherwise acceptable under this Section) that reflects such cost increase. The Respondents' inability to demonstrate financial ability to complete the Work shall in no way excuse performance of any activities required under this Settlement Agreement.

113. If, after the Effective Date, the Respondents can show that the estimated cost to complete the remaining Work has diminished below the amount set forth in Paragraph 111 of this Section, the 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. The Respondents shall submit a proposal for such reduction to the EPA, in accordance with the requirements of this Section, and may reduce the amount of the security after receiving written approval from the EPA. In the event of a dispute, the Respondents may seek dispute resolution pursuant to Section XV (Dispute Resolution). The Respondents may reduce the amount of security in accordance with the EPA's written decision resolving the dispute.

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

XXVII. INTEGRATION/APPENDICES

115. This Settlement Agreement and its appendices and any deliverables, technical memoranda, specifications, schedules, documents, plans, reports (other than progress reports), etc. that will be developed pursuant to this Settlement Agreement and become incorporated into and enforceable under this Settlement Agreement 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:

"Appendix A" is the SOW.

"Appendix B" is the map of the Site.

XXVIII. EFFECTIVE DATE AND SUBSEQUENT MODIFICATION

116. This Settlement Agreement shall be effective 5 days after the Settlement Agreement is signed by the Regional Administrator or his/her delegatee.

117. This Settlement Agreement may be amended by mutual agreement of the EPA and the Respondents. Amendments shall be in writing and shall be effective when signed by the EPA. EPA Remedial Project Managers do not have the authority to sign amendments to the Settlement Agreement.

118. No informal advice, guidance, suggestion, or comment by the EPA RPM or other EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by the Respondents shall relieve the 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.

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XXIX. NOTICE OF COMPLETION OF WORK

119. When the EPA determines 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 but not limited to payment of Future Response Costs and record retention, the EPA will provide written notice to the Respondents. If the EPA determines that any Work has not been completed in accordance with this Settlement Agreement, the EPA will notify the Respondents, provide a list of the deficiencies, and require that the Respondents modify the SOW and SAPs if appropriate in order to correct such deficiencies, in accordance with Paragraph 43 (Modification of the RI/FS Work Plan). Failure by the Respondents to implement the approved modified SOW or SAPs shall be a violation of this Settlement Agreement.

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Agreed this ___ day of _____, 2015.

For Respondent Atlantic Richfield Company

By: _____

Title: _____

Agreed this ___ day of _____, 2015.

For Respondent Columbia Falls Aluminum Company

By: _____

Title: _____

It is so ORDERED AND AGREED this _____ day of _____, 2015.

U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 8

By: _____ Date: _____
Julie DalSoglio
Director, Montana Office

By: _____ Date: _____
Kelcey Land
Director, Technical Enforcement Program
Office of Enforcement, Compliance
and Environmental Justice

By: _____ Date: _____
Andrea Madigan
Acting Supervisory Attorney, Legal Enforcement Program
Office of Enforcement, Compliance
and Environmental Justice

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