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MAR 15 2001
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

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MAR 14 2001
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

UNITED STATES OF AMERICA and STATE OF CALIFORNIA, Plaintiffs, v. MONTROSE CHEMICAL CORP. OF CALIFORNIA, et al., Defendants. AND RELATED COUNTER, CROSS, AND THIRD PARTY ACTIONS.	NO. CV 90-3122-R PARTIAL CONSENT DECREE WITH MONTROSE CHEMICAL CORPORATION OF CALIFORNIA, AVENTIS CROPSCIENCE USA, INC., CHRIS-CRAFT INDUSTRIES, INC., AND ATKEMIX THIRTY SEVEN, INC. (RELATING TO OFFSHORE MATTERS AND DEPARTMENT OF JUSTICE COSTS)

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CONSENT DECREE

This Consent Decree ("Decree") is made and entered into by and among the United States of America ("the United States"), on behalf of the National Oceanic and Atmospheric Administration ("NOAA"), the Department of the Interior ("DOI") and the United States Environmental Protection Agency ("EPA"); and the State Lands Commission, the Department of Fish and Game, the Department of Parks and Recreation, the Department of Toxic Substances Control ("DTSC"), the California Regional Water Quality Control Board, Los Angeles Region ("Regional Board"), the California Hazardous Substance Account as defined in California Health and Safety Code section 25330, the California Hazardous Substance Cleanup Fund as defined in California Health and Safety Code section 25385.3 and the California Toxic Substances Control Account as defined in California Health and Safety Code section 25173.6 (hereinafter collectively referred to as the "State"); and Defendants, Counter-claimants, Cross-claimants and Third-party Plaintiffs Montrose Chemical Corporation of California ("Montrose"), Aventis CropScience USA Inc. (formerly known as Rhone-Poulenc Inc.) ("Aventis"), Chris-Craft Industries, Inc., ("Chris-Craft") and Atkemix Thirty Seven, Inc. ("Atkemix-37") (collectively, the "DDT Defendants"). This Decree is not intended to affect in any way the United States' and the State's claims against any entity other than the Released Parties (as defined below).

INTRODUCTION

A. The United States, on behalf of NOAA and DOI in their capacities as natural resource trustees (hereafter the "Federal Trustees"), and on behalf of EPA, and the State, on behalf of the State Lands Commission, the Department of Fish and Game and the Department of Parks and Recreation in their capacities as natural resource trustees (hereafter the "State Trustees") (the Federal Trustees and State Trustees collectively are referred to as "the Trustees"), filed the original complaint in this action on June 18, 1990, under Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9607, seeking, inter alia,

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recovery of damages, including damage assessment costs and related response costs, for injury to, destruction of, and loss of natural resources resulting from releases of hazardous substances, specifically including dichlorodiphenyltrichloroethane and its metabolites (hereafter collectively "DDT"), and polychlorinated biphenyls (hereafter "PCBs"), from facilities in and around Los Angeles, California, into the environment, and for response costs incurred and for declaratory judgment for response costs to be incurred by EPA in connection with releases of hazardous substances into the environment at and from the Montrose Chemical Corporation Plant Property located at 20201 South Normandie Avenue, Los Angeles, California. The original complaint was amended on June 28, 1990, again on August 16, 1991, and again on December 8, 1999 ("Third Amended Complaint").

B. In the First Claim for Relief of the complaints, the United States and the State assert a claim against ten defendants, including the four DDT Defendants, under Section 107(a)(1-4)(C) of CERCLA, 42 U.S.C. § 9607(a)(1-4)(C), for alleged natural resource damages, including damage assessment costs and related response costs. The complaints allege that the DDT Defendants are and/or were owners and/or operators of the Montrose DDT manufacturing and formulation plant at 20201 Normandie Avenue, Los Angeles, California. The complaints further allege, among other things, that the Montrose Plant discharged wastewater containing hazardous substances, including DDT, into the County Sanitation District No. 2 of Los Angeles County ("LACSD") and the collection system that conveys wastewater to the Joint Water Pollution Control Plant ("JWPCP") through the White's Point Outfall into the San Pedro Channel, that Montrose engaged in direct ocean dumping of DDT-containing wastes, and that DDT discharged into the air from the Montrose Plant Property (as defined herein) was deposited at Los Angeles and Long Beach Harbors and the San Pedro Channel, and that such discharges caused injury to natural resources.

C. In the Second Claim for Relief of the complaints, the United States and DTSC assert a claim for recovery of costs incurred and declaratory judgment for costs to

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be incurred by EPA and DTSC in response to the release or threatened release of hazardous substances into the environment at and/or from the Montrose Plant Property (as defined herein) pursuant to Section 107(a)(1-4)(A) of CERCLA, 42 U.S.C. § 9607(a)(1-4)(A). The Third Amended Complaint specified that the second claim included costs incurred and declaratory judgment for costs to be incurred by EPA and DTSC in connection with, among other things, the White's Point Outfall leading to the San Pedro Channel, the Palos Verdes shelf, the Consolidated Slip, and the ocean dump sites used for disposal of Montrose waste.

D. In 1990 and 1991, the DDT Defendants answered the original complaint, counterclaimed against the Plaintiffs, cross-claimed against co-defendant LACSD and filed third party complaints against the City of Los Angeles and approximately 150 other local governmental entities who have since settled with the United States and the State (collectively, the "Settling Local Governmental Entities" or "SLGEs"). The District Court's approval of such settlements is the subject of a pending appeal by the DDT Defendants.

E. On April 24, 2000, the Court entered an order granting Plaintiffs' Motion for Partial Summary Judgment holding Montrose, Atkemix-37, and Aventis liable under CERCLA Section 107 for past and future response costs not inconsistent with the National Contingency Plan related to portions of the Onshore Areas (as defined herein).

F. On September 20, 2000, the Court entered an order granting Plaintiffs' Motion for Partial Summary Judgment holding Montrose and Aventis liable under CERCLA Section 107 for past and future response costs not inconsistent with the National Contingency Plan related to the Palos Verdes shelf.

G. Pursuant to a Partial Consent Decree that was entered by the Court on October 20, 2000, the DDT Defendants have already paid $5.125 million as reimbursement and settlement of claims for past response costs incurred by the United States and DTSC as defined therein. In addition, Montrose previously paid

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$1,354,612.37 as reimbursement of past response costs incurred by the United States with respect to portions of the Onshore Areas.

H. Plaintiffs have previously settled with all other parties, including the SLGEs, CBS Corporation, and Potlatch/Simpson, for natural resource damages and response costs.

I. Trial in this action between Plaintiffs and the DDT Defendants commenced on October 17, 2000.

J. Subject to the reservations and re-openers in this Decree, this Decree finally and fully resolves all present and future liability of the Released Parties to the United States on behalf of the Federal Trustees, and the State on behalf of the State Trustees, for Natural Resource Damages (as defined herein). Subject to the reservations and re-openers in this Decree, this Decree finally and fully resolves all present and future liability of the Released Parties to the United States (including EPA) and DTSC and the Regional Board for Response Costs and for DOJ Costs (as those terms are defined herein). The Released Parties also receive contribution protection for all matters addressed herein.

K. This Consent Decree does not resolve the Released Parties' liability to EPA or DTSC for any matter related to the Onshore Areas (except DOJ Costs). EPA has not selected final remedies for portions of the Onshore Areas, including: the neighborhoods, the DNAPL, the storm water pathway, and on-property and near-property soils.

L. On August 21, 1997, EPA provided notice of its rulemaking proposing to amend the Montrose Chemical NPL listing to include the effluent-affected DDT and PCB contaminated sediments on the Palos Verdes shelf. See 62 Fed. Reg. 44430, August 21, 1997. The DDT Defendants submitted written comments to that proposed rulemaking, through their counsel, on October 16, 1997. The United States believes that the DDT and PCB contaminated sediments are already included as part of the Montrose Chemical NPL Site but has agreed to take no action relying on that position until the above-noted

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rulemaking is concluded. No action taken by the United States in that rulemaking shall affect the covenants not to sue contained in this Decree.

M. EPA is conducting the Palos Verdes shelf investigation under the authority of CERCLA to determine the nature and extent of contamination of the Palos Verdes shelf, to assess effects of the contamination on the environment and human health, and to determine whether to select response actions, if any, to address the contamination. Subject to the reservations and re-openers in this Decree, this Decree resolves the Released Parties' potential liability for any costs associated with such response actions.

N. EPA has investigated a broad range of response alternatives for the Palos Verdes shelf. EPA ultimately decided to focus its investigations on the no action, institutional controls and in-place capping alternatives. In March 2000, EPA proposed an institutional controls program for public comment. EPA is also continuing to evaluate capping as a potential response action for the Palos Verdes shelf. Subject to the reservations and re-openers in this Decree, this Decree resolves the Released Parties' potential liability for any costs associated with such response actions.

O. The Trustees will use all damages to (1) reimburse past and future Damage Assessment Costs, and (2) restore, replace, or acquire the equivalent of the injured natural resources and/or the services provided by such resources. The Trustees will use the damages for restoration of injured natural resources, including bald eagles, peregrine falcons and other marine birds, fish and the habitats upon which they depend, as well as providing for implementation of restoration projects intended to compensate the public for lost use of natural resources. The Trustees will undertake a restoration planning process to determine which restoration projects will most effectively restore the injured resources as well as compensate for lost use of those resources. The details for specific projects will be contained in a draft restoration plan. A final restoration plan will be prepared and implemented by the Trustees after providing public notice, opportunity for public input and consideration of public comments.

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P. The United States and the State also have agreed on an allocation of the settlement amount between EPA/DTSC Response Costs and the Trustees' damage assessment costs and Natural Resource Damages. The United States and the State have agreed that the DDT Defendants shall pay a total of $30 million to the Trustees to resolve any potential liability of Released Parties for Natural Resource Damages and shall pay a total of $43 million to EPA and DTSC to resolve any potential liability of the Released Parties for Response Costs. None of the settlement amount nor any of the interest earned thereon shall be used for or credited to the Onshore Areas. As specified in Paragraph 11.C, the United States and the State have agreed that, under certain conditions, $10 million of this $43 million may be used either (1) by DTSC for response actions or (2) by the Trustees for natural resource restoration.

Q. This settlement is made in good faith after arm's-length negotiations conducted under the supervision of Special Master John Francis Carroll. The United States, State of California, and DDT Defendants agree, and this Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith, that settlement of this matter and entry of this Decree will avoid further complicated litigation between the Parties, is the most appropriate means to resolve the matters covered herein, and is fair, reasonable and in the public interest.

NOW, THEREFORE, with the consent of the Parties to this Decree, it is hereby **ORDERED, ADJUDGED AND DECREED**:

JURISDICTION AND VENUE

1. This Court has personal jurisdiction over the Parties. This Court has personal jurisdiction over the non-DDT-Defendant Released Parties, which submit to this Court's jurisdiction for purposes related to implementation of this Consent Decree. This Court has jurisdiction over the subject matter of this action and the Parties to this Decree pursuant to 28 U.S.C. §§ 1331, 1345, 1651 and 1367, and Sections 106, 107 and 113(b) of CERCLA, 42 U.S.C. §§ 9606, 9607 and 9613(b), and the principles of supplemental jurisdiction. The Parties and the Released Parties waive all objections and defenses that

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they may have to jurisdiction of the Court or to venue in this District and to service of process. The Released Parties consent to and shall not challenge entry of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

APPLICABILITY OF DECREE

2. The provisions of this Decree, including the covenants not to sue and contribution protection, shall be binding on, apply to, and inure to the benefit of the United States, the State, the DDT Defendants and their successors and assigns, and for the purposes of Paragraphs 8 through 10, 12 through 15, and 27, the Released Parties, their successors and assigns. No change in the ownership or organizational form or status of the Released Parties shall affect their rights or obligations under this Decree.

EFFECT OF SETTLEMENT/ENTRY OF JUDGMENT

3. This Decree was negotiated and executed by the Parties hereto in good faith at arm's length to avoid the continuation of expensive and protracted litigation and is a fair and equitable settlement of claims which were vigorously contested. The DDT Defendants do not admit any of Plaintiffs' allegations or claims set forth herein and deny any liability whatsoever for Plaintiffs' claims against the DDT Defendants set forth in the complaints. The Released Parties do not admit that any area other than the Montrose Plant Property has been impacted by hazardous substance releases from the Montrose Plant Property. This Decree should not constitute or be interpreted, construed or used as evidence of any admission of liability, law or fact. Except as otherwise provided in the Federal Rules of Evidence, this Consent Decree is not admissible in evidence against any Party by any person or entity not a Party to the Decree in any judicial or administrative proceeding.

4. Upon approval and entry of this Decree by the Court, this Decree shall constitute a final judgment between and among the United States and the State, and the DDT Defendants regarding the matters addressed and resolved by this Decree.

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DEFINITIONS

5. This Decree incorporates the definitions set forth in Section 101 of CERCLA, 42 U.S.C. § 9601, including but not limited to the definitions of the terms "release" and "response." In addition, whenever the following terms are used in this Decree, they shall have the following meanings:

A. "Damage Assessment Costs" shall mean all costs associated with the planning, design, implementation and oversight of the Trustees' damage assessment process, which addresses the extent and quantification of the injury to, destruction of or loss of natural resources and the services provided by these resources resulting from releases of hazardous substances alleged in the First Claim for Relief of the complaints, and with the planning of restoration or replacement of such natural resources and the services provided by those resources, or the planning of the acquisition of equivalent resources or services, and any other costs necessary to carry out the Trustees' responsibilities with respect to those natural resources, including all related enforcement costs, including without limitation all costs and interest thereon identified in the expert reports submitted in this action by Plaintiffs' expert Wiley Wright, C.P.A.

B. "Date of Entry of this Decree" shall mean the date on which the District Court has approved and entered this Decree as a judgment.

C. "Date of Final Approval of this Decree" shall mean the later of (1) the date on which the District Court has approved and entered this Decree as a judgment and all applicable appeal periods have expired without an appeal being filed, or (2) if an appeal is taken, the date on which the District Court's judgment is affirmed and there is no further right to appellate review. However, if no party appears in District Court to oppose entry of this Decree, then the Date of Final Approval of this Decree shall mean the Date of Entry of this Decree.

D. "Date of Lodging of this Decree" shall mean the date that this Decree is lodged, or a copy of it is filed, with the Court.

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E. "DOJ Costs" means costs incurred by or through the United States Department of Justice ("DOJ") in this action; however, the term "DOJ Costs" does not include 1) any costs incurred to enforce this Decree, 2) any response costs that may be incurred by or through DOJ with respect to Onshore Areas after the Date of Entry of this Decree or 3) any response costs that may be incurred by or through DOJ with respect to proceedings initiated under Paragraphs 9 or 14 of this Decree.

F. "Montrose Plant Property" shall mean for purposes of this Decree the thirteen (13) acre parcel at 20201 South Normandie Avenue, Los Angeles, California at which, among other things, Montrose Chemical Corporation of California operated a DDT manufacturing and, later, a formulation plant.

G. "Natural Resource Damages" shall mean damages, including loss of use, restoration costs, resource replacement costs or equivalent resource values, Damage Assessment Costs, and any other costs that have been incurred in the past or will be incurred in the future by the Trustees or any other person pursuant to Trustee approval, authorization or direction, with respect to injury to, destruction of, or loss of any and all natural resources in and around the Offshore Areas.

H. "Offshore Areas" for purposes of this Decree shall mean all of the following areas to which hazardous substances, including without limitation DDT, originating from the Montrose Plant Property or the Stauffer Dominguez Plant Property have or may come to be located: the areas in and around Santa Catalina and the other Channel Islands, the Palos Verdes shelf including the Palos Verdes Slope, the San Pedro Channel, the White's Point Outfall, the Long Beach Harbor and the Los Angeles Harbor (excluding Consolidated Slip as defined in Paragraph 5.I below), Santa Monica Bay and San Pedro Bay, those offshore areas described in the February 6, 1990 draft Damage Assessment Plan and/or the March 8, 1991 draft Injury Determination Plan published by the Trustees (excluding Consolidated Slip as defined in Paragraph 5.I below), any ocean dumpsites used for disposing of wastes from the Montrose Plant Property and any offshore areas to which hazardous substances, including without limitation DDT, aerially

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or otherwise originating from the Montrose Plant Property or the Stauffer Dominguez Plant Property have or may come to be located.

I. "Onshore Areas," for purposes of this Consent Decree only, shall mean the Montrose Plant Property and the areas that EPA or DTSC has investigated or may investigate in the future (excluding Offshore Areas, as defined above) because EPA or DTSC believes that hazardous substances may have come to be located there from the Montrose Plant Property, including, without limitation, the following: the real property located at 1401 West Del Amo Blvd., Los Angeles, California and owned by Jones Inc; groundwater contaminated by hazardous substances at or emanating from the Montrose Plant Property; those portions of the Normandie Avenue Ditch adjacent to and south of 20201 Normandie Avenue; the Kenwood Drain; the Torrance Lateral; the Dominguez Channel (from Laguna Dominguez to the Consolidated Slip); the LACSD J.O. "D" sewer from manholes D33 to D 5 (approximately Francisco St. to 234th St.); the LACSD District 5 Interceptor sewer from manholes A475 to A442 (approximately Francisco St. to Sepulveda Blvd.); the real property on which the sewer rights-of-way are located for those portions of the District 5 Interceptor and J.O. "D" sewer identified above; the real property burdened by the adjacent railroad rights-of-way for those portions of the District 5 Interceptor and J.O. "D" sewers identified above; the area bounded by Del Amo Blvd., Western Ave., Torrance Blvd. and Normandie Ave.; the area bounded by Normandie Ave., Del Amo Blvd., Vermont Ave., and Torrance Blvd; and the portion of the Los Angeles Harbor known as the Consolidated Slip from the mouth of the Dominguez Channel south to but not extending beyond Pier 200B and 200Y.

J. "Parties" shall mean the United States, the State, and the DDT Defendants.

K. "Released Parties" shall mean the DDT Defendants, their predecessor or successor entities, and direct or indirect parents or subsidiaries, to the extent of any derivative liability attributable to any such entities, and further includes any of such entities' current or former officers, directors, and employees, provided and to the extent that any such individuals were acting within the scope of their duties and in their capacity

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as officers, directors, or employees; and, for the purposes of Paragraphs 8, 9, 10, and 12, 13, 14, 15, and 27, "Released Parties" includes Stauffer Management Company, Imperial Chemical Industries PLC, ICI International Investments, Inc., Zeneca Inc., Zeneca Holdings, Inc., Stauffer Chemical Company (a former corporation organized under the laws of the State of Delaware), Rhodia Inc., Aventis CropScience USA LP, together with their predecessor or successor entities, and direct or indirect parents or subsidiaries, to the extent of any derivative liability attributable to any such entities, and further includes any of such entities' current or former officers, directors, and employees, provided and to the extent that any such individuals were acting within the scope of their duties and in their capacity as officers, directors, or employees.

L. "Response Costs" shall mean for purposes of this Decree all costs of response as provided in Section 107(a)(1-4)(A), (B) and (D) of CERCLA, 42 U.S.C. § 9607(a)(1-4)(A), (B) and (D), and as defined in Section 101(25) of CERCLA, 42 U.S.C. § 9601(25), that the United States (including EPA), or the State (including DTSC or the Regional Board), or any other person have incurred in the past or will incur in the future with respect to the Offshore Areas.

M. "Stauffer Dominguez Plant Property" shall mean that real property located at 20720 South Wilmington Avenue, Dominguez, California and formerly occupied by Stauffer Chemical Company.

N. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

DDT DEFENDANTS' PAYMENT;

ESTABLISHMENT OF ESCROW ACCOUNT

6 A. The DDT Defendants shall pay to Plaintiffs $73 million plus any interest earned on that amount in the Escrow (as defined below).

B. Within ten (10) business days of the Date of Lodging of this Decree, the DDT Defendants shall create an escrow account (the "Escrow") bearing interest on commercially reasonable terms, in a federally-chartered bank with an office in the State

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of California, and pay into the Escrow a total sum of $50 million (the "First Escrowed Settlement Amount"). The DDT Defendants shall bear all costs of establishing and maintaining the Escrow. The DDT Defendants shall notify Plaintiffs in writing of the creation and funding of the Escrow immediately after the above payment has been made, and provide on request all documentation concerning the account, including any agreements concerning the determination of interest rates.

C. On or before May 1, 2001, the DDT Defendants shall pay an additional $23 million into the Escrow (the "Second Escrowed Settlement Amount").

D. The First and Second Escrowed Settlement Amounts paid into the Escrow shall remain in the Escrow and may not be withdrawn except to make the payments required by Paragraph 7 and/or 11 of this Decree or unless a final judicial determination by the District Court is made that entry of this Decree will not be approved and all applicable appeal periods have expired without an appeal, or if an appeal is taken, the date on which the District Court spreads the mandate issued by the appellate court not approving the Decree. In the event that final judicial approval is not obtained, the settlement amount paid into the Escrow and all accrued interest shall be returned to the DDT Defendants.

NATURAL RESOURCE DAMAGES PAYMENTS

7. A. Within ten (10) business days after the Date of Final Approval of this Decree, or on May 11, 2001, whichever date is later, the DDT Defendants shall make a payment of the sum of $30 million from the Escrow account together with a proportional share of accrued interest to the Department of the Interior, on behalf of the State Trustees and the Federal Trustees, by Electronic Funds Transfer ("EFT") in accordance with instructions to be provided to the DDT Defendants by the Trustees. Transmittal letters indicating that the EFT and escrow and payment disbursements have occurred shall be sent to the Parties in accordance with Paragraph 29 of this Decree and to:

Charles McKinley, Esq.
Office of the Solicitor
U.S. Department of the Interior
600 Harrison Street, Suite 545
San Francisco, CA 94197-1373

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and

Bruce Nesslage
DOI Restoration Fund Manager
1849 "C" Street, N.W.
Mail Stop 4449
Washington, D.C. 20240

The EFT and transmittal letters shall reflect that the payment is being made to the "Natural Resources Damage Assessment and Restoration Fund, Account No. 14X5198." The Department of the Interior will assign these funds a special project number to allow the funds to be maintained as a segregated account within the Department of the Interior Natural Resource Damage Assessment and Restoration Fund (the "Montrose NRD Account").

B. The Department of the Interior shall, in accordance with law, manage and invest funds in the Montrose NRD Account. Any return on investments or interest accrued on the Account shall be used by the Natural Resource Trustees to address injuries to natural resources caused by releases of hazardous substances at or from the Montrose Plant Property. The Department of the Interior shall not make any charge against the Montrose NRD Account for any investment or management services provided.

C. The Department of the Interior shall hold all funds in the Montrose NRD Account, including return on investments or accrued interest, subject to the provisions of this Decree and any memorandum of understanding entered into by the Natural Resource Trustees. The Natural Resource Trustees retain the ultimate authority and responsibility to use funds received for Natural Resource Damages in accordance with the provisions of CERCLA, 42 U.S.C. §§ 9601, et seq., this Decree, and other relevant federal and state law governing use of recoveries for Natural Resource Damages to address those injured resources described in the Introduction.

COVENANTS NOT TO SUE FOR NATURAL RESOURCE DAMAGES

8. Except as specifically provided in Paragraphs 9 and 10 of this Decree, the United States, the State, and agencies or instrumentalities thereof, each hereby covenants not to sue or to take any other civil or administrative action against the Released Parties

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for any and all civil or administrative liability to the United States, the State, and agencies or instrumentalities thereof, for Natural Resource Damages under CERCLA, 42 U.S.C. §§ 9601, et seq., or under any other federal, state or common law.

RESERVATION OF RIGHTS FOR NATURAL RESOURCE DAMAGES

9. A. Notwithstanding any other provision of this Decree, the Trustees reserve the right to institute proceedings against the Released Parties in this action or in a new action seeking recovery of Natural Resource Damages, based on (1) injury to, destruction of, or loss of natural resources resulting from conditions which were unknown to the Trustees on the Date of Lodging of this Decree ("Unknown Conditions"); or (2) information received by the Trustees after the Date of Lodging of this Decree which indicates there is injury to, destruction of, or loss of natural resources, of a type unknown to the Trustees as of the Date of Lodging of this Decree ("New Information")

B. Each of the following shall not be considered to be Unknown Conditions or New Information within the meaning of Paragraph 9.A (1) or (2): (1) an increase solely in the Trustees' assessment of the magnitude of the injury, destruction or loss to natural resources, or in the estimated or actual Natural Resource Damages; (2) a determination by the Trustees that a previously identified natural resource injury was caused by any DDT Defendant's release of a hazardous substance, including hazardous substances other than PCBs or DDT; or (3) any Natural Resource Damages arising from any re-exposure or resuspension on the Offshore Areas of the DDT- or PCB-contaminated sediments currently located there, including but not limited to, such re-exposure or resuspension of sediments resulting from:

(a) LACSD's sampling activities (by coring, trawling or otherwise);

(b) LACSD's institution of full secondary treatment of wastewater at the JWPCP and the discharge of such wastewater through the White's Point Outfall;

(c) any response activity or similar activity performed by or at the direction of any Federal or State governmental body or any other person;

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(d) any act of God; or

(e) an earthquake.

C. The Released Parties reserve their right to contest any claims allowed by Paragraph 9.A of this Decree, and the Released Parties do not by consenting to this Decree waive any defenses to such claims, except that the Released Parties covenant not to assert, and may not maintain, any defense based upon principles of waiver, res judicata, collateral estoppel, issue preclusion, claim splitting, or other defense based upon the contention that the claims that are allowed by Paragraph 9.A of this Decree were or should have been brought in the instant case. In the event that the Trustees institute proceedings under Paragraph 9.A of this Decree, the Released Parties reserve the right to assert potential cross-claims, counterclaims or third party claims against the United States or the State, or any employee, officer, agency or instrumentality thereof, relating solely to such claims asserted by the Trustees pursuant to Paragraph 9.A. Nothing in this Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611.

D. In addition to defenses that may be asserted by Released Parties pursuant to Paragraph 9.C above, and a defense that a future release of hazardous substances now present in the sediments of the Offshore Areas was the result of conditions or information known to the Trustees on the Date of Lodging of this Decree, the Released Parties will not be liable for Natural Resource Damages arising from a future release of hazardous substances now present in the sediments of the Offshore Areas, including but not limited to any release resulting from: (1) LACSD's sampling activities (by coring, trawling, or otherwise); (2) LACSD's institution of full secondary treatment of wastewater at the JWPCP and the discharge of such wastewater through the White's Point Outfall; (3) any response activity or similar activity performed by or at the direction of any Federal or State governmental body or any other person; (4) any act of God; or (5) an earthquake.

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10. Notwithstanding any other provision of this Decree, the covenants not to sue in Paragraph 8 shall apply only to matters addressed in Paragraph 8 and specifically shall not apply to the following claims:

A. claims based on a failure by the DDT Defendants to satisfy the requirements of this Decree;

B. claims for criminal liability; and

C. claims arising from the past, present or future disposal, release or threat of release of hazardous substances that do not involve the Offshore Areas.

PAYMENTS WITH RESPECT TO RESPONSE ACTIVITIES

11. A. Within ten (10) business days after the Date of Final Approval of this Decree, or on May 11, 2001, whichever date is later, the DDT Defendants shall pay to EPA the sum of $33 million from the Escrow account together with a proportional share of the accrued interest. The DDT Defendants shall make this payment to "the United States Environmental Protection Agency, Montrose Chemical National Priorities List Superfund Site-Palos Verdes Shelf Operable Unit Special Account." The payment to EPA shall be made by Electronic Funds Transfer ("EFT" or "wire transfer") in accordance with instructions provided by the United States to the DDT Defendants at the time of Lodging of the Decree. Any EFT received after 11:00 A.M. (Eastern Time) will be credited on the next business day. The DDT Defendants shall send notice of the EFT to Plaintiffs as provided in Paragraph 29 of this Decree. All payments to the United States under this Paragraph shall reference the Montrose Chemical Corporation of California Superfund Site, Site # 9T26, DOJ Case # 90-11-3-511, and U.S.A.F.I. file number 9003085. The amounts paid to EPA pursuant to this Consent Decree and deposited into the above-referenced EPA special account shall be retained and used to conduct or finance response actions at or in connection with the Palos Verdes shelf, or transferred by EPA to the Hazardous Substance Superfund.

B. Within ten (10) business days after the Date of Final Approval of this Decree, or on May 11, 2001, whichever date is later, the DDT Defendants shall make a

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payment of $10 million from the Escrow (together with a proportional share of the accrued interest) into a Court Registry Account ("the Court Registry Account"). The payment shall be made by certified or bank check payable to "Clerk, United States District Court." The check shall include on its face a statement that it is a payment in Civil Action NO. CV 90-3122-R (C.D. Cal.) and shall be sent to:

Office of the Clerk
United States District Court for the
Central District of California
312 North Spring Street
Los Angeles, CA 90012-4793.

The DDT Defendants shall send notice of this payment to Plaintiffs as provided in Paragraph 29 of this Decree. The Registry of Court shall administer the amount transferred by the DDT Defendants in an interest bearing account as provided in the Order Directing the Deposit of Settlement Amounts Into the Registry of Court ("Deposit Order") issued by this Court pursuant to Rule 67 of the Federal Rules of Civil Procedure, 28 U.S.C. Section 2041, and Local Rule 22 of the Local Rules for the Central District of California. The Deposit Order shall be lodged concurrently with the lodging of this Decree and shall be entered by the Court at the time of entry of this Decree. All funds and all interest accrued thereon in the Court Registry Account shall be held in the name of the "Clerk, United States District Court" for the benefit of the United States and State. Upon joint application by the United States and the State and upon order of this Court, monies in the Court Registry Account shall be disbursed consistent with Paragraph 11.C below.

C. In the event EPA selects an in-situ remedial action for the Palos Verdes Shelf (e.g. capping, dredging or biological treatment) and if the Record of Decision includes an operation and maintenance requirement, then all funds retained in the Court Registry Account (established under Paragraph 11.B above), including interest, shall be paid from the Court Registry Account to DTSC for the State's use in implementing operation and maintenance actions with respect to such in-situ remedial action. Or in the event EPA makes a response action selection determination to not select any in-situ response action

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(either in a Record of Decision which would not require operation and maintenance or in a Removal Action Memorandum), then all funds retained in the Court Registry Account (established under Paragraph 11.B above), including interest, shall be paid from the Court Registry Account to the Trustees. Otherwise, the funds shall be paid from the Court Registry Account (established under Paragraph 11.B above), including interest, to the United States Environmental Protection Agency, Montrose Chemical National Priorities List Superfund Site-Palos Verdes Shelf Operable Unit Special Account to be used by EPA as specified in Paragraph 11.A. above.

COVENANT NOT TO SUE FOR RESPONSE ACTIVITIES AND COSTS RELATING TO THE OFFSHORE AREAS AND RESERVATION OF RIGHTS

12. Except as specifically provided in Paragraphs 13 and 14 of this Decree, the United States, the State, and agencies and instrumentalities thereof, each hereby covenants not to sue or to take any other civil or administrative action against the Released Parties to compel response activities relating to the Offshore Areas, to recover DOJ Costs, or to recover Response Costs, including but not limited to, costs for studies and evaluations of the area covered by response activities under CERCLA Sections 106 and 107, 42 U.S.C. §§ 9606 and 9607, or pursuant to the California Hazardous Substance Account Act, California Health and Safety Code §§ 25300, et seq., or any other state statute or state common law. In addition, the United States, the State, and agencies and instrumentalities thereof, each hereby covenants not to sue or take administrative action against the Released Parties to compel response activities with respect to the Offshore Areas, recover DOJ Costs, or recover Response Costs under the Resource Conservation and Recovery Act ("RCRA") Sections 3008(h), 3013, or 7003, 42 U.S.C. §§ 6928(h), 6934, or 6973, or California Health and Safety Code § 25187. The State, and agencies and instrumentalities thereof, each hereby further covenants not to sue or take administrative action against the Released Parties to compel response activities with

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respect to the Offshore Areas or to recover Response Costs under Section 7002 of RCRA, 42 U.S.C. § 6972.

13. The covenants set forth in Paragraph 12 pertain only to matters expressly specified therein, and extend only to the Released Parties. Any claim or defense which the United States or the State has against any other person or entity is expressly reserved. The United States and the State reserve, and this Decree is without prejudice to, all other rights and claims against Released Parties with respect to all other matters, including but not limited to, the following:

A. any and all claims against the DDT Defendants based upon or resulting from a failure to meet a requirement of this Decree;

B. claims for criminal liability;

C. claims for violations of any other federal or state law;

D. claims arising from the presence of a hazardous substance at any location outside of the Offshore Areas (as defined herein), including but not limited to the Onshore Areas (as defined herein), the Stauffer Dominguez Plant Property and the proposed Del Amo NPL Site, as it may be defined by EPA.

14. A. In addition to the reservations set out in Paragraph 13, the United States and the State reserve, and this Decree is without prejudice to, the right to institute proceedings in this action or in a new action seeking to compel the Released Parties to take a response action or reimburse the United States or the State for additional Response Costs if, subsequent to the Date of Lodging of this Decree, the United States or the State:

1. receives, in whole or in part, information unknown to EPA, DTSC or the Regional Board as of the Date of Lodging of this Decree, indicating that after the Date of Lodging of this Decree one or more of the Released Parties released one or more hazardous substances that come to be located at the Offshore Areas, and that EPA, DTSC or the Regional Board determines may be a threat to human health or the environment, provided that the foregoing shall not be deemed to apply to any re-exposure or resuspension on the Offshore Areas of the DDT- or PCB-contaminated sediments

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currently located there; including but not limited to, such re-exposure or resuspension of sediments resulting from:

(a) LACSD's sampling activities (by coring, trawling or otherwise);

(b) LACSD's institution of full secondary treatment of wastewater at the JWPCP and the discharge of such wastewater through the White's Point Outfall;

(c) any response activity or similar activity performed by or at the direction of any Federal or State governmental body or any other person;

(d) any act of God; or

(e) an earthquake.

2. discovers a condition at the Offshore Areas, that EPA, DTSC or the Regional Board determines may be a threat to human health or welfare or the environment, and that was unknown to EPA, DTSC or the Regional Board prior to the Date of Lodging of this Decree.

B. The DDT Defendants reserve their right to contest any claims allowed by Paragraphs 14.A.1 or 14.A.2 of this Decree, and the DDT Defendants do not by consenting to this Decree waive any defenses to such claims, except that the DDT Defendants covenant not to assert, and may not maintain, any defense based upon principles of waiver, res judicata, collateral estoppel, issue preclusion, claim splitting or other defense based upon the contention that the claims that are allowed by Paragraphs 14.A.1. or 14.A.2 of this Decree were or should have been brought in the instant case. In the event that the United States or the State institutes proceedings under Paragraphs 14.A.1 or 14.A.2 of this Decree, the DDT Defendants reserve the right to assert potential cross-claims, counterclaims or third party claims against the United States, the State, or any employee, officer, agency or instrumentality thereof, relating to such claims asserted by the United States or the State, and the agencies or instrumentalities thereof. Nothing in this Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700 (d).

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COVENANTS BY RELEASED PARTIES

15. A. Subject to Paragraph 9.C, the Released Parties hereby covenant not to sue or to assert any civil or administrative claim or cause of action against the United States, or any employee, officer, agency or instrumentality thereof, and/or against the State, or any employee, officer, agency or instrumentality thereof (but not including counties, cities, local governmental entities or sanitation districts), for any matters relating to Natural Resource Damages including, but not limited to, the counterclaims asserted in the DDT Defendants' answer to any of the complaints in this action, claims arising pursuant to any other federal law, state law or common law, including, but not limited to, any direct or indirect claim pursuant to Section 112 of CERCLA, 42 U.S.C. § 9612, against the Hazardous Substance Superfund, any claim pursuant to Section 113(f) of CERCLA, 42 U.S.C. § 9613(f), for contribution, any claim pursuant to the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b) and 2671, et seq., or any claim arising from any express or implied contract pursuant to 28 U.S.C. § 1346(a)(2) or 28 U.S.C. § 1491(a)(1).

B. Subject to Paragraph 14.B, the Released Parties hereby covenant not to sue and agree not to assert any civil or administrative claim or cause of action against the United States, or any employee, officer, agency or instrumentality thereof, and/or the State, or any employee, officer, agency or instrumentality thereof (but not including counties, cities, local governmental entities or sanitation districts) with respect to the Offshore Areas or this Decree, including but not limited to (1) any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established pursuant to 26 U.S.C. § 9507, under CERCLA Sections 106(b)(2), 111, 112 or 113, 42 U.S.C. §§ 9606(b)(2), 9611, 9612 or 9613, any claim pursuant to the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b) and 2671 et seq., or any claim arising from any express or implied contract pursuant to 28 U.S.C. § 1346(a)(2) or 28 U.S.C. § 1491(a)(1), or any claim pursuant to the California Hazardous Substance Account Act, California Health and Safety Code §§ 25300, et seq., or under any other provision of law; (2) any claim with respect to the Offshore Areas under CERCLA Sections 107 or 113, 42 U.S.C. §§ 9607 or

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9613, against the United States, including any department, agency or instrumentality of the United States and/or the State, or any employee, officer, agency or instrumentality thereof (but not including counties, cities, local governmental entities or sanitation districts); or (3) any claims arising out of response activities at the Offshore Areas. Nothing in this Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

C. DDT Defendants covenant to and shall, within ten (10) days after the Date of Final Approval of this Decree, dismiss and withdraw their appeal to the Ninth Circuit of this Court's entry of the Amended Consent Decree with the Settling Local Governmental Entities, the Amended Consent Decree with Potlatch/Simpson and the Consent Decree with CBS (collectively, Case No. 99-56895).

D. The DDT Defendants covenant to and hereby do dismiss with prejudice, effective upon the Date of Final Approval of this Decree, any and all counterclaims that have been asserted at any time in this action. Pursuant to Federal Rule of Civil Procedure 41(a)(1), all parties stipulate to the dismissal with prejudice of all counterclaims that have been asserted at any time in this action. Pursuant to Federal Rule of Civil Procedure 41(a)(2) and (c), the Court hereby orders that on the Date of Final Approval of this Decree, all counterclaims that have been asserted at any time in this action are dismissed with prejudice. No party hereto shall appeal the Court's disposition of any of the counterclaims in this action. Nothing herein shall preclude the Released Parties from asserting claims permitted by Paragraph 9.C. and 14.B.

E. The Released Parties covenant not to raise, in any future administrative or judicial proceeding or otherwise, and hereby waive, any argument that any portion of the settlement amounts paid pursuant to this Decree should be used for or credited towards any response actions relating to the Onshore Areas. Defendants shall not object to the manner in which Plaintiffs use, distribute, or credit the settlement amounts. No portion of the settlement amounts paid pursuant to this Decree shall be credited towards any future response costs relating to the Onshore Areas.

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F. The Released Parties hereby covenant not to sue or to assert any civil or administrative claim or cause of action against any other signatory to a settlement with the United States and State of California that has previously been approved by the United States District Court in this action, or any employee, officer, agency or instrumentality of such a signatory, for any matter relating to Natural Resource Damages, Response Costs, or DOJ Costs, including but not limited to any claim under Sections 107 or 113(f) of CERCLA (42 U.S.C. Section 9607 and Section 9613(f)), to the same extent the Released Parties are protected against claims in Paragraph 27. Notwithstanding the foregoing, the scope of this covenant not to sue is limited to suits or civil or administrative actions for Natural Resource Damages, Response Costs, or DOJ Costs encompassed by the covenants contained in Paragraphs 8 and 12 above but which for whatever reason are not encompassed by the covenants not to sue given by the United States and the State of California to the signatories to the prior settlements.

G. The covenants set forth in Paragraph 15.A-15.E pertain only to matters expressly specified therein, and extend only to the United States and State. The Released Parties reserve, and this Decree is without prejudice to, all other rights, claims and defenses against the United States or State, including without limitation, in response to claims brought pursuant to Paragraphs 10 and 13.

MISCELLANEOUS PROVISIONS

16. On October 18, 2000, the Court took under submission the issue of liability of the DDT Defendants for certain onshore areas to which hazardous substances from the Montrose Plant are alleged to have been released. On October 27, 2000, the Court took under submission the issue of the alleged liability of Chris-Craft as an operator of the Montrose Plant. The Court may render judgment on these two issues regardless of whether this Consent Decree is approved. No Party may make any motion to the Court prior to the Court's rendering judgment on the foregoing two issues except for motions to enter and enforce this Decree. The DDT Defendants shall not seek from the Court in this action any review or relief with respect to EPA's or DTSC's conduct with regard to the

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Onshore Areas, including without limitation, EPA's or DTSC's investigations, determinations, decisions, or response actions. The foregoing sentence, however, shall not apply should the United States or the State seek, after the Date of Lodging of this Decree, additional relief not sought in this action before the Date of Lodging of this Decree, nor shall it prevent the DDT Defendants from pursuing review or relief in a separate action.

17. By lodging this Decree, the United States, State of California, and the DDT Defendants jointly request that the Court vacate, and by entry of this Decree as an order of the Court, the Court orders the vacatur of, the following orders: the portion of Civil Minute Order dated June 26, 2000 (entered July 5, 2000) relating to Motion # 2; Order Re: Sanctions Against State of California, dated August 1, 2000; June 5, 2000 Order Denying Plaintiffs Motion to Vacate Order to EPA, and September 19, 2000 Order Granting Defendants' Motion for Sanctions for Failure to Comply With Court Orders (entered September 20, 2000). Such vacatur shall become effective on the Date of Final Approval of this Decree. Such Orders shall have no precedential effect in any state or federal administrative or judicial proceeding. The DDT Defendants hereby waive and release any claim for fees and/or costs to which they could claim entitlement under any of the foregoing orders and agree that upon Final Approval of this Decree, these orders are a nullity for all purposes.

PENALTIES FOR LATE PAYMENTS

18. A. If the payments required of the DDT Defendants by Paragraphs 6, 7 and 11 of this Decree are not made by the dates specified in those Paragraphs, the DDT Defendants shall be liable, in addition to the payments specified in Paragraphs 6, 7, and 11, for the following amounts for each day of delay in payment:

Days of Delay	Payment Per Day of Delay
1-14	$ 5000/day
15-60	$ 7500/day
Beyond 60 Days	$ 10,000/day

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Payments due under this Paragraph shall be paid by certified or bank check or warrant and disbursed, 50% to the United States and 50% to the State (the latter to be held in trust for the state signatories hereto), to the addressees identified in Paragraph 27. Stipulated penalties due under this Paragraph 18 are due within thirty (30) days following receipt by the DDT Defendants of a written demand by the United States or the State for payment of such stipulated penalties, and shall be made in accordance with instructions provided by the United States or the State to the DDT Defendants subsequent to the Date of Lodging of this Decree, with notice to the United States or the State. .

B. In addition to the remedy provided for in the preceding subparagraph, if the payments required of the DDT Defendants by Paragraphs 6, 7, and 11 of this Decree are not made by the dates specified in those Paragraphs, the DDT Defendants shall be liable, in addition to the payments specified in those Paragraphs, for interest on those amounts at the same rate paid by the Escrow established pursuant to Paragraph 6.

C. In addition to the remedy provided for in the preceding subparagraphs, if the payments required of the DDT Defendants by Paragraphs 6, 7, and 11, of this Decree or by this Paragraph, are not made, the DDT Defendants shall be liable, in addition to the payments specified in those Paragraphs, for any costs and attorneys fees incurred by Plaintiffs in enforcing the terms of this Decree.

19. Payments due under Paragraph 18 shall be in addition to any other remedies or sanctions that may be available to the United States and the State on account of the DDT Defendants' failure to comply with the terms of this Decree.

RETENTION OF RECORDS

20. A. Until five years after the entry of this Decree, each DDT Defendant shall preserve and retain all records and documents now in their possession or control or which come into their possession or control, that relate to the identification, nature and quantity of hazardous substances at the Montrose DDT Plant, the nature and extent of alleged releases of hazardous substances from the Montrose DDT Plant, or the alleged release of any hazardous substance to or from the Offshore Areas. This obligation does

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not apply to records or documents previously exchanged between the DDT Defendants and the United States or the State prior to the Date of Lodging of this Decree. At the conclusion of this document retention period, the DDT Defendants shall notify the United States and the State at least ninety (90) days prior to the destruction of any such records or documents, and upon request by the United States and the State, the DDT Defendants shall produce or make available for their inspection any non-privileged records or documents at a mutually convenient time and place agreed upon by the Parties.

B. In addition to the opportunity to obtain documents at the conclusion of the retention period set forth in Paragraph 20.A, the United States and the State may request, at any time during such retention period, that the DDT Defendants make available for their inspection, or at the DDT Defendants' option produce, any documents retained pursuant to Paragraphs 20.A. DDT Defendants shall produce or make available for inspection non-privileged documents at a mutually convenient time and place after the request is made.

C. With respect to the obligation to retain records and to produce or make them available for inspection as set forth in Paragraph 20.A and B, the DDT Defendants may assert that certain documents, records and other information are privileged under the attorney client privilege, or any other privilege recognized under state or federal law. If Plaintiffs request any privileged documents – either (1) at the time the DDT Defendants provide notice of intent to destroy documents at the conclusion of the retention periods from Paragraph 20.A, or (2) pursuant to Plaintiffs' request under Paragraph 20.B – the DDT Defendants shall provide the United States and the State with the following information relating to any documents that are requested and withheld as privileged: (1) title of document or record; (2) date of document or record; (3) name and position of the author of the document or record; (4) description of the subject of the document or record; and (5) the specific basis for the privilege asserted. The privilege log relating to the subject documents must be produced to the Plaintiffs at a mutually convenient time and place after Plaintiffs request the documents that are withheld. DDT Defendants shall

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retain the documents that are withheld as privileged, until any privilege disputes relating to those documents are resolved. If Plaintiffs do not request any particular privileged documents, the DDT Defendants need not produce a privilege log for such non-requested documents.

E. This Paragraph in no way effects or limits any obligation of the DDT Defendants to retain records under any other administrative or judicial order or agreement, whether such order or agreement is currently extant or created in the future. Further, this Paragraph in no way effects or limits any obligation of the DDT Defendants to retain records under any other judicial, statutory, or common law doctrine that would otherwise require retention of records.

VOIDABILITY

21. In the event that a final judicial determination is made by the District Court or, upon appellate review, by a higher court, that the entry of this Decree in its entirety shall not be approved, this Decree and the settlement embodied herein is voidable at the discretion of any party and the terms hereof may not be used as evidence in any litigation or other proceeding.

COMPLIANCE WITH OTHER LAWS

22. This Decree shall not be construed in any way to affect any past, current or future obligation of the DDT Defendants or any other person or entity to comply with any federal, state or local law.

RETENTION OF JURISDICTION

23. After the Court renders judgment on the issues described in Paragraph 16, the Court shall retain jurisdiction of this matter for the purpose of entering such further order, direction or relief as may be necessary or appropriate for the construction, implementation or enforcement of this Decree or other consent decrees.

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AUTHORIZED REPRESENTATIVE

24. Each of the undersigned representatives of the Released Parties certifies that he or she is fully authorized to enter into the terms and conditions of this Decree and to legally execute and bind that party to this Decree.

MODIFICATION

25. The terms of this Decree may be modified only by a subsequent written agreement signed by all of the Parties signatory hereto, and approved by the Court as a modification to this Decree.

PUBLIC COMMENT

26. The Parties acknowledge that this Decree will be subject to a public comment period of not less than 30 days in accordance with 28 C.F.R. § 50.7. The Parties further acknowledge that this Decree may be the subject of a public meeting as specified in Section 7003 of RCRA, 42 U.S.C. § 6973. The United States and the State reserve the right to withdraw their consent to this Decree if comments received disclose facts or considerations which show that this Decree is inappropriate, improper or inadequate. DDT Defendants consent to the entry of this Decree by the Court without further notice.

PROTECTION AGAINST CLAIMS

27. The United States and the State acknowledge and agree that the payments to be made by the DDT Defendants pursuant to this Decree represent a good faith settlement and compromise of disputed claims and that the settlement represents a fair, reasonable and equitable discharge for the matters addressed in this Decree. With regard to any costs, damages, actions or other claims against the Released Parties for matters addressed in this Decree, the Released Parties are entitled to, as of the Date of Entry of this Decree, such protection as is provided in Section 113(f) of CERCLA, 42 U.S.C. § 9613(f), and all other provisions of federal or state statutes or of common law which limit or extinguish their liability to persons not party to this Decree. The "matters addressed" in this Decree are all claims against the Released Parties including claims for costs, damages, contribution and other claims for: (1) Natural Resource Damages, (2) Response Costs, and

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(3) DOJ Costs. No contribution protection is provided pursuant to this Decree for any claim for response costs under CERCLA incurred in connection with the presence, release or threatened release of a hazardous substance outside the Offshore Areas, as defined herein. Any rights the Released Parties may have to obtain contribution or otherwise recover costs or damages from persons not party to this Decree are preserved, except as provided in Paragraph 15.F.

28. The Trustees have determined that the payment to be made pursuant to Paragraphs 6 and 7 of this Decree is an appropriate action necessary to protect and restore the natural resources damaged by the release of DDT, PCBs and other hazardous substances alleged in the First Claim for Relief of the complaints and that the payment satisfies the requirements of Section 122(j)(2) of CERCLA, 42 U.S.C. § 9622(j)(2).

NOTICE

29. Any notice required hereunder shall be in writing and shall be delivered by hand, facsimile or overnight mail as follows:

Notice to the United States and the State:

As to the United States:
Chief, Environmental Enforcement Section
Environment and Natural Resources Division
DOI Case #90-11-3-511
U.S. Department of Justice
P.O. Box 7611
Washington, D.C. 20044-7611

As to EPA:
John Lyons
Assistant Regional Counsel
U.S. EPA Region 9
Mailcode ORC3
75 Hawthorne St.
San Francisco, CA 94105

As to DTSC:
Barbara Coler
Division Chief, Statewide Cleanup Operations Div.
California Department of Toxic Substances Control
700 Heinz Avenue, Suite 200
Berkeley, CA 94710-2721

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As to State of California:
Supervising Deputy Attorney General
Land Law Section
Office of the Attorney General
300 South Spring Street
Los Angeles, CA 90013
Facsimile No. (213) 897-2801

As to DDT Defendants:
President
Montrose Chemical Corporation of California
600 Ericksen Avenue, Suite 380,
Bainbridge Island, WA 98110

David Mulliken
Latham & Watkins
701 B Street, Suite 2100
San Diego, CA 92101

General Counsel
Chris-Craft Industries, Inc.
767 Fifth Avenue, 46th Floor
New York, N.Y. 10153

Peter Simshauser
Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, CA 90071

Joseph C. Kelly
Vice President and General Counsel
Stauffer Management Company
1800 Concord Pike
P.O. Box 15438
Wilmington, DE 19850-5438

Paul B. Galvani
Ropes & Gray
One International Place
Boston, MA 02110.

Each party to this Decree may change the person(s) it has designated to receive notice for that party, or the addresses for such notice, by filing a written notice of such change with the Court and serving said notice on each of the other Parties to this Decree.

30. This Decree may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

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ENTIRE AGREEMENT

31. This Decree constitutes the entire understanding of the Parties with respect to its subject matter. The fact that any party suggested language different from, or additional to, any language ultimately adopted in this Decree shall not be taken into account in interpreting this Decree.

EFFECTIVE DATE

32. This Decree shall be effective upon the date which this Decree has been entered by the United States District Court.

33. By signature below, all Parties consent to this Decree.

JUDGMENT

THE FOREGOING Consent Decree among Plaintiffs United States and State of California, and the DDT Defendants is hereby APPROVED and ORDERED.

There being no just reason for delay, this Court expressly directs, pursuant to Rule 54(b), Federal Rules of Civil Procedure, ENTRY OF FINAL JUDGMENT in accordance with the terms of this Decree; each party hereto shall bear its own costs and attorney's fees except as specifically provided herein.

IT IS SO ORDERED

DATED: March 14, 2001

THE HONORABLE MANUEL REAL
UNITED STATES DISTRICT JUDGE

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FOR THE UNITED STATES OF AMERICA:

WE HEREBY CONSENT to the entry of the Consent Decree in United States, et al. v. Montrose Chemical Corporation of California, et al., No. CV 90-3122-R, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

Dated: Dec. 18, 2000

LOIS SCHIFFER
Assistant Attorney General
Environment & Natural Resources Division
United States Department of Justice

Dated: 12/7/, 2000

STEVEN O'ROURKE
ANN HURLEY
MICHAEL McNULTY
ADAM KUSHNER
ROBERT KLOTZ
Environmental Enforcement Section
Environment & Natural Resources Division
United States Department of Justice
Attorneys for the United States

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FOR EPA:

Dated: Dec. 14, 2000

KEITH TAKATA
Director of the Superfund Division
United States Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, CA 94105

Dated: 12/14, 2000

KATHLEEN JOHNSON
JOHN J. LYONS
MICHELE BENSON
Office of the Regional Counsel
United States Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, CA 94105

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FOR THE CALIFORNIA DEPARTMENT OF FISH AND GAME:

WE HEREBY CONSENT to the entry of the Consent Decree in United States, et al. v. Montrose Chemical Corporation of California, et al., No. CV 90-3122-R, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

DATE: 12/18/00

ROBERT C. HIGHT
Director of California Department of Fish and Game

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FOR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCE CONTROL:

WE HEREBY CONSENT to the entry of the Consent Decree in United States, et al. v. Montrose Chemical Corporation of California, et al., No. CV 90-3122-R, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

DATE: 12/14/00

Edwin F. Lowry

EDWIN F. LOWRY
Director of California Department of Toxic Substances Control (and on behalf of the California Hazardous Substance Account, the California Hazardous Substance Cleanup Fund, and the California Toxic Substances Control Account)

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FOR THE CALIFORNIA STATE LANDS COMMISSION:

WE HEREBY CONSENT to the entry of the Consent Decree in United States, et al. v. Montrose Chemical Corporation of California, et al., No. CV 90-3122-R, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

DATE: 12-13-00

Paul D. Thayer

PAUL D. THAYER
Executive Officer of the State Lands Commission

ED_006389_00002712-00038

FOR THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION:

WE HEREBY CONSENT to the entry of the Consent Decree in United States, et al. v. Montrose Chemical Corporation of California, et al., No. CV 90-3122-R, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

DATE: 12/14/2000

JOHN "RUSTY" ARELAS
Director California Department of
Parks and Recreation

ED_006389_00002712-00039

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

WE HEREBY CONSENT to the entry of the Consent Decree in United States, et al. v. Montrose Chemical Corporation of California, et al., No. CV 90-3122-R, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

DATE: December 14, 2000

DENNIS A. DICKERSON
Executive Officer
Los Angeles Region, Regional Water Quality Control Board

ED_006389_00002712-00040

FOR DEFENDANTS AND RELEASED PARTIES:

WE HEREBY CONSENT to the entry of the Consent Decree in United States, et al. v. Montrose Chemical Corporation of California, et al., No. CV 90-3122-R.

CHRIS-CRAFT INDUSTRIES, INC.:

DATE: December 7, 2000 By: _____
SIGNATURE

Brian C. Kelly
NAME (printed or typed)

Senior Vice President and General Counsel
TITLE (printed or typed)

ED_006389_00002712-00041

X

AVENTIS CROPSCIENCE USA, INC.:

DATE: 12/11/2000 By: _____
SIGNATURE

Randall A. Jones
NAME (printed or typed)

Asst. Secretary
TITLE (printed or typed)

ED_006389_00002712-00042

ATKEMIX THIRTY-SEVEN, INC.:

DATE: 12/11/00 By: Brian A. Spillen
SIGNATURE

BRIAN A. SPILLEN
NAME (printed or typed)

PRESIDENT
TITLE (printed or typed)

ED_006389_00002712-00043

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA:

DATE: 12/8/00 By: Frank Bachman
SIGNATURE

Frank Bachman
NAME (printed or typed)

President
TITLE (printed or typed)

ED_006389_00002712-00044

STAUFFER MANAGEMENT COMPANY

DATE: 12/11/00 By: _____
SIGNATURE

Brian A Sutter
NAME (printed or typed)

President
TITLE (printed or typed)

ED_006389_00002712-00045

IMPERIAL CHEMICAL INDUSTRIES PLC

DATE: 12 DECEMBER 2000

By: _____
SIGNATURE

M H C HERLIHY
NAME (printed or typed)

GENERAL COUNSEL
TITLE (printed or typed)

ED_006389_00002712-00046

ICI INTERNATIONAL INVESTMENTS, INC.

DATE: 12 DECEMBER 2000

By: _____
SIGNATURE

M H C HERLIHY
NAME (printed or typed)

ATTORNEY-IN-FACT
TITLE (printed or typed)

ED_006389_00002712-00047

ZENECA INC.

DATE: 12/12/00 By: _____
SIGNATURE

Ann Booth-Barbarin
NAME (printed or typed)

Assistant Secretary
TITLE (printed or typed)

ED_006389_00002712-00048

ZENECA HOLDINGS, INC.

DATE: 12/12/00 By: _____
SIGNATURE

John P. Brazzo
NAME (printed or typed)

Assistant Treasurer
TITLE (printed or typed)

ED_006389_00002712-00049

STAUFFER CHEMICAL COMPANY

DATE: 12/11/2000 By: [signature]

SIGNATURE

Randall A. Jones

NAME (printed or typed)

Asst. Secretary for ~~AEX~~ Aventis Crop Science USA Inc. – Corporate Successor to Stauffer Chemical Company

TITLE (printed or typed)

RHODIA INC.

DATE: December 12, 2000 By: John P. Donahue
SIGNATURE

John P. Donahue
NAME (printed or typed)

Senior Vice President, Secretary and General Counsel
TITLE (printed or typed)

ED_006389_00002712-00051

AVENTIS CROPSCIENCE USA LP

DATE: Dec. 11, 2000 By: George S Goodridge
SIGNATURE

George S. Goodridge
NAME (printed or typed)

Assistant Secretary
TITLE (printed or typed)

Aventis CropScience USA LP