

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

In the Matter of:

BKK Landfills and
Leachate Treatment Plant
2210 South Asuza Avenue
West Covina, California 91792

Settling Respondents:

American Honda Motor Co., Inc.
Anadarko Petroleum Corporation
(for RME Petroleum Company)
Atlantic Richfield Company
Bayer CropScience, Inc., as legal successor
to Stauffer Chemical Company
Chemical Waste Management, Inc.
Chevron Environmental Management
Company, on behalf of Chevron U.S.A., Inc.,
Texaco Exploration and Production, and
Texaco, Inc.
The City of Los Angeles, acting by and through
the Los Angeles Department of
Water and Power
ConocoPhillips Company
Ducommun Aerostructures, Inc., as successor
by merger of Aerochem, Inc., and AHF-
Ducommun Incorporated
Exxon Mobil Corporation, for itself, its
subsidiary ExxonMobil Oil Corporation and its
other subsidiaries and affiliates
General Motors Corporation
Honeywell International, Inc., on behalf of
Honeywell Aerospace and Honeywell Turbo
Technologies
National Steel and Shipbuilding Company

Docket No. I/SE-D 04/05-004

**FIFTH INTERIM SETTLEMENT
AGREEMENT**

Health and Safety Code
Section 25355.5(a)(1)(C)

- 1 Northrop Grumman Corporation)
- 2 Quemetco, Inc.)
- 3 Rohr, Inc.)
- 4 Shell Oil Company)
- 5 Southern California Edison)
- 6 Thums Long Beach Company)
- 7 Union Carbide Corporation)
- 8 Union Oil Company of California)
- 9 Washington Mutual Bank, F.A.)
- 10 Western Waste Industries, Inc.)
- 11 Xerox Corporation)
- 12 _____)

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The State Department of Toxic Substances Control (DTSC) and the Settling Respondents described above (collectively, the Parties) enter into this Fifth Interim Settlement Agreement and agree, as follows:

1. DTSC issued an Imminent and Substantial Endangerment Order and Remedial Action Order (ISE Order) on December 2, 2004, which became effective on December 9, 2004. The ISE Order concerns the BKK Sanitary Landfills and Leachate Treatment Plant in West Covina, California, as described in Section 1.2 of the ISE Order (the Site). With the exception of ConocoPhillips Company, Northrop Grumman Corporation and Union Carbide Corporation, the Settling Respondents or associated entities were named as respondents in the ISE Order. On March 14, 2005, the Parties entered into the Interim Consent Agreement, which was the first interim settlement agreement between the Parties. On April 15, 2005, the Parties entered into the Interim Settlement Agreement, which was the second interim settlement agreement between the Parties. On May 16, 2005, the Parties entered into the Second Interim Settlement Agreement, which was the third interim settlement between the Parties. On June 15, 2005, the Parties entered into the Third Interim Settlement Agreement, which was the fourth interim settlement between the Parties.

1 On July 13, 2005, the Parties entered into the Fourth Interim Settlement Agreement, which was the
2 fifth settlement between the Parties.

3 2. This Fifth Interim Settlement Agreement is entered by the Parties pursuant to Health
4 and Safety Code section 25355.5(a)(1)(C). Health and Safety Code section 25355.5(a) (1) (C)
5 authorizes DTSC to enter into an enforceable settlement agreement with a responsible party for a
6 site.

7 3. To facilitate ongoing settlement discussions concerning the ISE Order, the Settling
8 Respondents have agreed to advance to DTSC another Five Hundred Thousand Dollars
9 (\$500,000) to fund certain emergency response activities at the Site.

10 4. Accordingly, the Settling Respondents shall pay DTSC the sum of \$500,000, by
11 August 15, 2005. The Settling Respondents shall send a check made payable to the
12 Department of Toxic Substances Control to:

13 Accounting Office
14 Department of Toxic Substances Control
15 1001 I Street, 21st Floor
16 P.O. Box 806
Sacramento, California 95812-0806

17 A photocopy of the check shall be sent to:

18 Marilee Hanson, Esq.
19 Office of Legal Counsel and Investigations
20 Department of Toxic Substances Control
1001 I Street, 21st Floor
P.O. Box 806
Sacramento, California 95812-0806

21 On the check, the Settling Respondents shall state "BKK Future Costs."

22 5. DTSC stipulates that the payment to be made under this Fifth Interim Settlement
23 Agreement is to fund "response costs" at the Site as defined under the Comprehensive
24 Environmental Response, Compensation and Liability Act (CERCLA) and the State Hazardous
25 Substances Account Act (HSAA), and that those response costs are consistent with the National
26 Contingency Plan (NCP).

1 6. Upon receipt of the Settling Respondents' advance payment, DTSC:

2 (a) shall, subject to the terms of this paragraph, deem the Settling Respondents
3 named in the ISE Order to be in compliance with the ISE Order from its effective date through
4 September 10, 2005, or until such time as compliance with the ISE Order is addressed by an
5 executed future settlement agreement, whichever occurs first. However, in the event that
6 compliance with the ISE Order is not addressed by an executed future settlement agreement on or
7 before September 10, 2005, the Parties agree that the compliance determination referenced above
8 shall no longer apply to the period from the effective date of the ISE Order through March 14, 2005,
9 and the Preliminary Notice of Noncompliance issued to Settling Respondents named in the ISE
10 Order on February 10, 2005, shall apply to the period from the effective date of the ISE Order
11 through March 14, 2005, and as applicable after September 10, 2005; and

12 (b) agrees not to initiate any enforcement action against the Settling Respondents
13 with respect to the Site from this Fifth Interim Settlement Agreement's effective date through
14 September 10, 2005, except any enforcement action that is necessary to address imminent and
15 substantial endangerment or emergency conditions at the Site (including, but not limited to, acts or
16 occurrences such as fire, earthquake, explosion, landslide or imminent human exposure to
17 hazardous substances caused by the release or threatened release of hazardous substances) that
18 arise from this Fifth Interim Settlement Agreement's effective date through September 10, 2005.

19 7. This Fifth Interim Settlement Agreement is an interim agreement that has been
20 negotiated for the limited purpose of facilitating additional settlement discussions concerning the
21 ISE Order during August and through September 10, 2005. This Fifth Interim Settlement
22 Agreement does not constitute compliance with or satisfaction of the ISE Order or the HSAA for any
23 periods other than the compliance periods as identified in Paragraph 6 (a) above. This Fifth Interim
24 Settlement Agreement is also not a release from liability for any conditions or claims arising as a
25 result of past, current, or future operations of the Settling Respondents.

26 8. The Settling Respondents' advance payment to DTSC shall be reflected in any future
27 settlement agreement concerning the ISE Order. If DTSC and the Settling Respondents are
28 unable to reach any further settlement concerning the ISE Order, the Settling Respondents'

1 advance payment to DTSC shall be treated as a credit to be applied towards the Settling
2 Respondents' liability with respect to the Site, if any.

3 9. The effective date of this Fifth Interim Settlement Agreement is the date that it is signed
4 by DTSC.

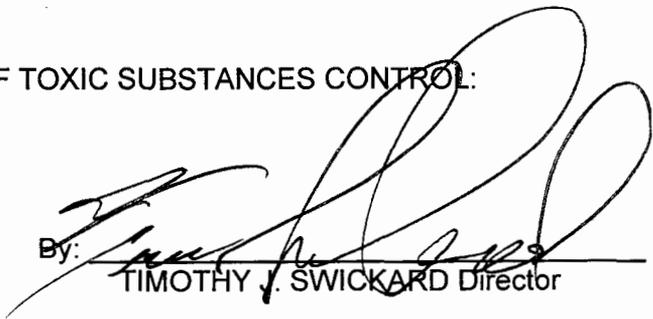
5 10. This Fifth Interim Settlement Agreement constitutes the entire agreement between the
6 Parties and may not be amended, supplemented, or modified, except in writing that is signed by
7 both the Parties. Nothing in this Fifth Interim Settlement Agreement shall be deemed to be an
8 admission of liability or of any fact by the Settling Respondents with respect to the Site.

9 11. Each undersigned representative of the Parties certifies that he is fully authorized to
10 enter into the terms and conditions of this Fifth Interim Settlement Agreement and to execute
11 and legally bind the Parties to this Fifth Interim Settlement Agreement.

12 12. This Fifth Interim Settlement Agreement may be executed and delivered in any
13 number of counterparts, each of which when executed and delivered shall be deemed to be an
14 original, but such counterparts shall together constitute one and the same document.

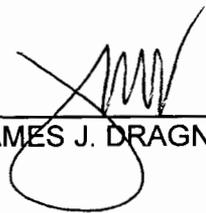
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16 FOR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL:

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19 Dated: 8-15-05

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21 By: 
TIMOTHY J. SWICKARD Director

22 FOR THE STIPULATING RESPONDENTS:

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24 Dated: 8-1-05

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26 By: 
JAMES J. DRAGNA, Esq.