

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

**THIRD INTERIM SETTLEMENT  
AGREEMENT**

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

- 1 Northrop Grumman Systems 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 )
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The State Department of Toxic Substances Control (DTSC) and the Settling Respondents described above (collectively, the Parties) enter into this Third 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 Systems 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.

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

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

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

11                   Accounting Office  
12                   Department of Toxic Substances Control  
13                   1001 I Street, 21<sup>st</sup> Floor  
14                   P.O. Box 806  
15                   Sacramento, California 95812-0806

16           A photocopy of the check shall be sent to:

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

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

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

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

          (a) shall, subject to the terms of this paragraph, deem the Settling Respondents  
named in the ISE Order to be in compliance with the ISE Order from its effective date through

1 July 12, 2005, or until such time as compliance with the ISE Order is addressed by an executed  
2 future settlement agreement, whichever occurs first. However, in the event that compliance with  
3 the ISE Order is not addressed by an executed future settlement agreement on or before  
4 July 12, 2005, the Parties agree that the compliance determination referenced above shall no  
5 longer apply to the period from the effective date of the ISE Order through March 14, 2005, and the  
6 Preliminary Notice of Noncompliance issued to Settling Respondents named in the ISE Order on  
7 February 10, 2005, shall apply to the period from the effective date of the ISE Order through  
8 March 14, 2005, and as applicable after July 12, 2005; and

9 (b) agrees not to initiate any enforcement action against the Settling Respondents  
10 with respect to the Site from this third Interim Settlement Agreement's effective date through July  
11 12, 2005, except any enforcement action that is necessary to address imminent and substantial  
12 endangerment or emergency conditions at the Site (including, but not limited to, acts or occurrences  
13 such as fire, earthquake, explosion, landslide or imminent human exposure to hazardous  
14 substances caused by the release or threatened release of hazardous substances) that arise from  
15 this Third Interim Settlement Agreement's effective date through July 12, 2005.

16 7. This Third Interim Settlement Agreement is an interim agreement that has been  
17 negotiated for the limited purpose of facilitating additional settlement discussions concerning the  
18 ISE Order during June and through July 12, 2005. This Third Interim Settlement Agreement does  
19 not constitute compliance with or satisfaction of the ISE Order or the HSAA for any periods other  
20 than the compliance periods as identified in Paragraph 6 (a) above. This Third Interim Settlement  
21 Agreement is also not a release from liability for any conditions or claims arising as a result of past,  
22 current, or future operations of the Settling Respondents.

23 8. The Settling Respondents' advance payment to DTSC shall be reflected in any future  
24 settlement agreement concerning the ISE Order. If DTSC and the Settling Respondents are  
25 unable to reach any further settlement concerning the ISE Order, the Settling Respondents'  
26 advance payment to DTSC shall be treated as a credit to be applied towards the Settling  
27 Respondents' liability with respect to the Site, if any.  
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1 9. The effective date of this Third Interim Settlement Agreement is the date that it is signed  
2 by DTSC.

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

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

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

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14 FOR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL:

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17 Dated: 6/15/05

By: //original signed by//  
B.B. BLEVINS, Director

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19 FOR THE STIPULATING RESPONDENTS:

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22 Dated: 6/14/05

By: // original signed by//  
JAMES J. DRAGNA, Esq.