

1 are located at the NHOU Site and/or has arranged for the disposal
2 of hazardous substances at a facility located at the NHOU Site.

3 K. "Parties" shall mean the United States, the State of
4 California, and the Settling Defendants.

5 L. "Past Basin-wide Response Costs" shall mean Basin-wide
6 Response Costs incurred by EPA prior to and including April 30,
7 1992 and Basin-wide Response Costs incurred by the State prior to
8 and including December 31, 1993.

9 M. "Plaintiffs" shall mean the United States and the State
10 of California.

11 N. "Releasees" shall mean Settling Defendants and their
12 officers, directors, employees and agents, and where the Settling
13 Defendant is a trustee, its successor trustees appointed to carry
14 out the purposes of said trust; and where the Settling Defendant
15 is a corporate entity, its corporate successors to potential
16 liability for the NHOU Site. "Releasees" shall also mean the
17 entities associated with one or more of the Settling Defendants
18 as set forth in Appendix 1 to this Consent Decree. However,
19 Releasees shall not include any person or entity with liability
20 for the NHOU Site independent of that person's or entity's
21 association with a Settling Defendant.

22 O. "Settling Defendants" shall mean

23 1. Defendants AlliedSignal, Inc., Hawker Pacific,
24 Inc., Peggy M. Wagner, Joseph Basinger, California Car Hikers
25 Service, Inc., and Los Angeles By-Products Co.;

26 2. The following parties who were not sued by the
27 governments, and who, as described below, are related to one or
28 more of the other defendants, or third party defendants, or to

1 the property where such other defendant(s) or third party
2 defendant(s) operate or operated in the past:

3 a. Textron, Inc., related to third party
4 defendant HR Textron, Inc.;

5 b. Sundstrand Corporation, Joan O'Brien, William
6 E. Tolson, Gary O'Brien, and Jean W. Blomberg, related to the
7 property in Pacoima, California where third party defendant HR
8 Textron operates;

9 c. Sam Adlen, related to defendant California Car
10 Hikers Service, Inc.;

11 d. The Los Angeles County Metropolitan
12 Transportation Authority, related to the property in Sun Valley,
13 California where defendant California Car Hikers Service, Inc.
14 operates; and

15 e. Unitrode, Inc. and U.S. Mikrotec Components,
16 related to the property in Sun Valley, California, where third
17 party defendant AVX Filters Corporation operates.

18 3. Third party defendants, who have not been sued by
19 the governments, Parker-Hannifin Corporation, Inchcape, Inc.,
20 Crown Disposal Company, Inc., Western Waste Industries, Browning-
21 Ferris Industries of California, Inc., E.I. DuPont De Nemours, HR
22 Textron, Inc., AVX Filters Corporation, Price Pfister, Inc.,
23 Nupla Corporation, Chase Chemical Company, Inc., Holchem, Inc.,
24 Herman and Isabel Benjamin, and the Benjamin Family Trust.

25 4. Third party defendants Parker-Hannifin Corporation
26 and Inchcape, Inc. were brought into this litigation by third
27 party complaints filed by Hawker Pacific, Inc., Gordon and Peggy
28 Wagner and Joseph Basinger. Those parties have entered into a

1 separate Settlement Agreement, a copy of which is attached as
2 Exhibit A, which shall govern as between and among them to the
3 extent their respective rights, obligations and releases set
4 forth in said Settlement Agreement differ from and/or are greater
5 than those contained in this Consent Decree.

6 P. "State" shall mean the State of California.

7 Q. "United States" shall mean the United States of
8 America.

9 R. "1987 NHOU ROD" shall mean the EPA Record of Decision
10 relating to the North Hollywood Operable Unit of the San Fernando
11 Valley Area 1/North Hollywood Area National Priorities List site
12 that was signed in September 1987 by the EPA Region IX Deputy
13 Regional Administrator, acting for the Regional Administrator,
14 and all attachments thereto.

15 S. "1987 NHOU ROD Response Costs" shall mean all past and
16 future costs that the Plaintiffs or any other person have
17 incurred or will incur for implementation of the remedy selected
18 in the 1987 NHOU ROD.

19 III. JURISDICTION

20 This Court has jurisdiction over the subject matter of this
21 action pursuant to 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C.
22 §§ 9606, 9607, and 9613(b). This Court also has personal
23 jurisdiction over the Settling Defendants. Solely for the
24 purposes of this Consent Decree, the Settling Defendants waive
25 all objections and defenses that they may have to jurisdiction of
26 this Court or to venue in this District and shall not challenge
27 the entry of this Consent Decree or this Court's jurisdiction to
28 enter and enforce this Consent Decree.

1 IV. PARTIES BOUND

2 This Consent Decree is binding upon the Plaintiffs, and upon
3 the Settling Defendants and their heirs, successors, and assigns.
4 Any change in ownership or corporate or other legal status,
5 including but not limited to any transfer of assets or real or
6 personal property, shall in no way alter the status or
7 responsibilities of the Settling Defendants under this Consent
8 Decree.

9 V. REIMBURSEMENT OF RESPONSE COSTS AND RELATED OBLIGATIONS

10 A. PAYMENT OF RESPONSE COSTS. Except as otherwise
11 provided in Paragraph V.F, within thirty (30) days of entry of
12 this Consent Decree, each Settling Defendant shall pay the
13 settlement amount it is obligated to pay pursuant to Paragraph
14 V.F below to the United States and to the State for 1987 NHOU ROD
15 Response Costs and Past Basin-wide Response Costs.

16 B. FORM OF PAYMENT. Payment to the United States by each
17 Settling Defendant shall be made in accordance with instructions
18 provided by Plaintiff United States to the Settling Defendants
19 upon execution of the Consent Decree. Of the total amount to be
20 paid to EPA pursuant to this Consent Decree, \$ 2,961,540 shall be
21 deposited in the EPA Hazardous Substance Superfund as
22 reimbursement for past response costs incurred at or in
23 connection with the Site as of the Effective Date of this Consent
24 Decree, and \$ 1,850,960 ("the Remainder") and any Interest
25 payments shall be deposited in the NHOU Special Account to be
26 retained and used to conduct or finance the response action at or
27 in connection with the Site. Any balance remaining in the NHOU
28 Special Account after completion of the response at or in

1 connection with the Site shall be deposited in the EPA Hazardous
2 Substance Superfund. Payment to the State shall be made in the
3 form of a certified check or cashier's check made payable to
4 "Cashier, Department of Toxic Substances Control," and shall be
5 forwarded to:

6 Department of Toxic Substances Control
7 State of California
8 Accounting Office
400 P Street, 4th Floor
9 Sacramento, California 95814

10 Each Settling Defendant shall send a transmittal letter with the
11 check referencing the North Hollywood Operable Unit/San Fernando
12 Valley Area 1 Site, Project Nos. 300126 and 300287. Each
13 Settling Defendant shall also send a copy of its check and
14 transmittal letter to the State as specified in Section XI.

15 C. FAILURE TO MAKE TIMELY PAYMENTS

16 1. Interest on Late Payments. In the event that any
17 payments required under Section V are not made when due, Interest
18 on the unpaid amount shall begin to accrue thirty (30) days after
19 the effective date of this Consent Decree, at the rate specified
20 in Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), through the
21 date of payment.

22 2. Stipulated Penalties. If any amounts due to the
23 Plaintiffs under this Consent Decree are not paid by the required
24 date, the delinquent Settling Defendant shall pay as a stipulated
25 penalty, in addition to the interest required by Section V.C.1
26 above, \$1000 for the first 30 days and \$5,000 thereafter per day
27 that such payment is late. Stipulated penalties are due and
28 payable within thirty (30) days of the delinquent Settling
Defendant's receipt from either Plaintiff of a demand for payment

1 of the penalties. All payments of stipulated penalties to the
2 United States shall be made in the form of a certified check or
3 cashier's check made payable to "EPA Hazardous Substance
4 Superfund," and shall be forwarded to:

5 U.S. Environmental Protection Agency, Region IX
6 Superfund Accounting
7 P.O. Box 360863M
Pittsburgh, Pennsylvania 15251
Attention: Collection Officer for Superfund

8 The delinquent Settling Defendant shall send a transmittal letter
9 with the check referencing the North Hollywood Operable Unit/San
10 Fernando Valley Area 1 Site and the civil action number 93-6490-
11 MRP(Tx), and shall also state that the funds are to be applied to
12 site spill identifier numbers N1 and 59. The delinquent Settling
13 Defendant shall also send copies of the check and transmittal
14 letter to the United States as specified in Section XI. All
15 payments of stipulated penalties to the State shall be made in
16 the form and manner specified in Section V.B above. Penalties
17 shall accrue as provided above regardless of whether Plaintiffs
18 have notified the delinquent Settling Defendant of the violation
19 or made a demand for payment, but need only be paid upon demand.
20 However, payment shall be considered timely with respect to each
21 Settling Defendant so long as the Settling Defendant has given
22 timely instructions to a competent financial institution for the
23 subject Electronic Funds Transfer ("EFT") to be made in a timely
24 manner, and has promptly upon the transfer obtained a written
25 verification from the financial institution that the EFT was made
26 in accordance with the Settling Defendant's instructions.

27 D. COLLECTION ACTIONS. If either Plaintiff must bring an
28 action to collect any payment required by this Consent Decree,

1 the delinquent Settling Defendant shall reimburse the Plaintiff
2 bringing the action for all costs of such action, including but
3 not limited to costs of attorney time.

4 E. RELATION TO OTHER REMEDIES. Payments made under
5 Section V shall be in addition to any other remedies or sanctions
6 available to the Plaintiffs by virtue of a delinquent Settling
7 Defendant's failure to make timely payments required by this
8 Consent Decree.

9 F. PAYMENT SCHEDULE. The Settling Defendants shall pay
10 the United States and the State the following sums, when and in
11 the manner described in Sections V.A and V.B, above.

	<u>United States</u>	<u>State of California</u>
12		
13 AlliedSignal, Inc.	\$ 2,990,000	\$ 156,000
14 Hawker Pacific, Inc.	\$ 382,500	\$ 40,950
15 Parker-Hannifin Corporation	\$ 150,000	
16 Inchcape, Inc.	\$ 150,000	
17 Peggy M. Wagner and Joseph Basinger	\$ 150,000	\$ 9,000
18 California Car Hikers Service		
19	\$ 271,800	\$ 16,200
20 Los Angeles County Metropolitan Transp. Authority	\$ 28,200	\$ 1,800
21 Los Angeles By-Products 22 Co.	\$ 526,020	\$ 31,680
23 Crown Disposal Company, Inc.	\$ 33,280	\$ 1,920
24 Western Waste Industries	\$ 15,600	\$ 900
25 Browning-Ferris Industries	\$ 15,600	\$ 900
26 E.I. DuPont De Nemours	\$ 15,600	\$ 900
27 HR Textron, Inc.	\$ 10,400	\$ 600
28 AVX Filters Corporation	\$ 10,400	\$ 600

1	Price Pfister, Inc.	\$	5,200	\$	300
2	Nupla Corporation	\$	15,600	\$	900
3	Herman and Isabel Benjamin and/or The Benjamin Family Trust	\$	42,300	\$	2,700

4 In lieu of the lump sum settlement payment specified in
5 Paragraph F above, AlliedSignal, Inc. may make payments as
6 follows:

7 AlliedSignal, Inc. shall pay \$ 1,000,000 to the United
8 States and \$ 64,000 to the State when and in the manner described
9 in Sections V.A. and B above in accordance with instructions
10 provided by Plaintiff United States to the Settling Defendants
11 upon execution of the Consent Decree. AlliedSignal, Inc. shall
12 pay the balance of the amount described in Section V.F above as
13 follows: On or before the first anniversary of the entry of this
14 Consent Decree, AlliedSignal, Inc. shall pay \$ 1,000,000 plus
15 \$ 89,700 in interest to the United States and \$ 46,000 plus
16 \$ 4,140 in interest to the State; and, on or before the second
17 anniversary of the Effective Date of this Consent Decree,
18 AlliedSignal, Inc. shall pay the remaining \$ 990,000 to the
19 United States and the remaining \$ 46,000 to the State.

20 G. ADDITIONAL OBLIGATIONS OF ALLIEDSIGNAL, INC.

21 In addition to reimbursing the United States and the State
22 for response costs as set forth in this Section, AlliedSignal,
23 Inc. shall complete the work described in the Addendum to
24 Remedial Action Plan for Shallow Soils Impacted by Volatile
25 Organic Compounds (Hydrologue, August 1, 1994). AlliedSignal,
26 Inc. shall complete such work under the primary direction and
27 oversight of the Los Angeles Regional Water Quality Control
28 Board, and under the general oversight of the United States

1 pursuant to its cooperative agreements with the State Water
2 Resources Control Board for RWQCB investigations. Such work is
3 anticipated to cause AlliedSignal, Inc. to incur costs in the
4 approximate amount of \$ 500,000; however, AlliedSignal, Inc.
5 shall complete such work notwithstanding whether its costs to
6 perform the work are greater or less than \$ 500,000.

7 VI. COVENANTS NOT TO SUE AND RESERVATIONS OF RIGHTS

8 A. PLAINTIFFS' COVENANT NOT TO SUE. In consideration of
9 the settlement payments that will be made by Settling Defendants
10 under the terms of the Consent Decree, and except as specifically
11 provided in Sections VI.B, VI.C, VI.E, and VI.F, the Plaintiffs
12 covenant not to sue or to take administrative action against
13 Settling Defendants and such additional Releasees as are defined
14 in Section II, pursuant to Sections 106 and 107(a) of CERCLA and
15 Section 7003 of the Resource Conservation and Recovery Act and
16 comparable state law, including but not limited to the California
17 Hazardous Substance Account Act, Health and Safety Code Section
18 25300, et seq., and/or common law with regard to all 1987 NHO
19 ROD Response Costs and all Past Basin-wide Response Costs.

20 1. The covenant not to sue shall take effect as to
21 each Settling Defendant and such additional Releasees as are
22 defined in Section II upon the receipt by Plaintiffs of the
23 payments of that Settling Defendant required by Section V, except
24 as follows:

25 a. As to AlliedSignal, Inc., the covenant not to
26 sue shall take effect upon the receipt by the Plaintiffs of the
27 initial payments required by Section V of AlliedSignal, Inc.

28 b. As to Los Angeles By-Products Co., the

1 covenant not to sue shall take effect upon payment of the total
2 of the amounts due from Los Angeles By-Products, Inc. and the
3 following third party defendants: Crown Disposal Company, Inc.,
4 Western Waste Industries, Browning-Ferris Industries of
5 California, Inc., E.I. DuPont De Nemours, HR Textron, Inc., AVX
6 Filters Corporation, Price Pfister, Inc., Nupla Corporation, and
7 Herman and Isabel Benjamin and/or the Benjamin Family Trust.

8 c. As to Hawker Pacific, Inc., the covenant not
9 to sue shall take effect upon payment of the total of the amounts
10 due from Hawker Pacific, Inc., Parker-Hannifin Corporation and
11 Inchcape, Inc.

12 d. As to Sundstrand Corporation, Joan O'Brien,
13 William E. Tolson, Gary O'Brien, Jean W. Blomberg, and Textron,
14 Inc., the covenant not to sue shall take effect upon payment of
15 the amount due from HR Textron, Inc.

16 e. As to California Car Hikers Service, Inc. and
17 Sam Adlen, the covenant not to sue shall take effect upon payment
18 of the total of the amounts due from California Car Hikers
19 Service, Inc. and the Los Angeles County Metropolitan
20 Transportation Authority.

21 f. As to Unitrode, Inc. and U.S. Mikrotec
22 Components, the covenant not to sue shall take effect upon
23 payment of the amount due from AVX Filters Corporation.

24 g. As to Holchem, Inc. and Chase Chemical
25 Company, Inc., the covenant not to sue shall take effect upon
26 payment of the amounts due from Herman and Isabel Benjamin and/or
27 the Benjamin Family Trust.

28 h. As to Peggy M. Wagner and Joseph Basinger, the

1 covenant not to sue shall take effect upon payment of the amounts
2 due from both of them.

3 2. The covenant not to sue as to each Settling
4 Defendant is conditioned upon the Settling Defendant making all
5 of the payments required of that Settling Defendant by this
6 Consent Decree, except as described in Section VI.A.1.b-g, and as
7 follows:

8 As to AlliedSignal, Inc., the covenant not to sue is
9 also conditioned upon completion of its obligations under Section
10 V.G.

11 3. The covenant not to sue extends only to the
12 Settling Defendants and the Releasees as defined in Section II,
13 and does not extend to any other person. In the event of any
14 breach by a Settling Defendant of its obligations under this
15 Consent Decree, the covenant not to sue shall remain in effect as
16 to the other Settling Defendants and Releasees despite said
17 breach, except as to Los Angeles By-Products Co., as described in
18 Section VI.A.1.b; Hawker Pacific, Inc. as described in Section
19 VI.A.1.c; Sundstrand Corporation, Joan O'Brien, William E.
20 Tolson, Gary O'Brien, Jean W. Blomberg, and Textron, Inc. as
21 described in Section VI.A.1.d; California Car Hikers Service,
22 Inc. and Sam Adlen as described in Section VI.A.1.e; Unitrode,
23 Inc. and U.S. Mikrotek Components as described in Section
24 VI.A.1.f; and except also as to Herman and Isabel Benjamin and
25 the Benjamin Family Trust as described in Section VI.A.1.g, as
26 between whom the obligation to pay \$ 45,000 is joint and several;
27 and Peggy M. Wagner and Joseph Basinger as described in Section
28 VI.A.1.h, as between whom the obligation to pay \$ 150,000 is

1 joint and several.

2 B. PLAINTIFFS' PRE-CERTIFICATION RESERVATIONS.

3 Notwithstanding any other provision of this Consent Decree, the
4 Plaintiffs reserve, and this Consent Decree is without prejudice
5 to, the right to institute proceedings in this action or in a new
6 action, or to issue an administrative order seeking to compel the
7 Settling Defendants (i) to perform further response actions
8 relating to the NHOU Site or (ii) to reimburse Plaintiffs for
9 costs of response related to such further response actions, if
10 prior to the Certification of Completion:

- 11 1. conditions at the NHOU Site, previously unknown to
12 the Plaintiffs, are discovered, or
- 13 2. information, previously unknown to the Plaintiffs,
14 is received, in whole or in part,

15 and these previously unknown conditions or information together
16 with any other relevant information indicates that any remedial
17 action taken at the NHOU Site is not protective of human health
18 or the environment. As of the date of entry of this Consent
19 Decree, EPA agrees that the interim remedial measures being
20 implemented at the NHOU Site under the 1987 NHOU ROD are
21 protective of human health and the environment.

22 C. PLAINTIFFS' POST-CERTIFICATION RESERVATIONS.

23 Notwithstanding any other provision of this Consent Decree, the
24 Plaintiffs reserve, and this Consent Decree is without prejudice
25 to, the right to institute proceedings in this action or in a new
26 action, or to issue an administrative order seeking to compel the
27 Settling Defendants (i) to perform further response actions
28 relating to the NHOU Site or (ii) to reimburse the Plaintiffs for