

AR: Montrose Settlements Restoration Program  
Administrative Record

Title: Consent Decree with CBS Corporation

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25 UNITED STATES DISTRICT COURT  
 26 CENTRAL DISTRICT OF CALIFORNIA  
 27 WESTERN DIVISION

28 UNITED STATES OF AMERICA and  
 STATE OF CALIFORNIA,

Plaintiffs,

v.

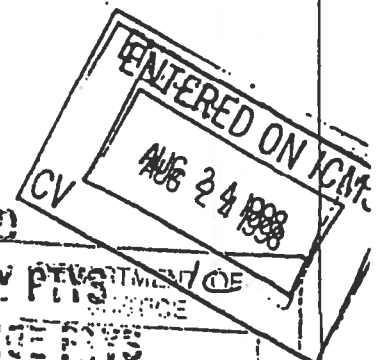
MONTROSE CHEMICAL CORPORATION  
 OF CALIFORNIA, et al.,

Defendants.

AND RELATED COUNTER, CROSS,  
 AND THIRD PARTY ACTIONS.

NO. CV 90-3122-AAH (JRx)

CONSENT DECREE WITH CBS  
 CORPORATION



AUG 24 1999

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1 damages, including damage assessment costs and related response  
2 costs, for injury to, destruction of, and loss of natural  
3 resources resulting from releases of hazardous substances,  
4 specifically including dichlorodiphenyltrichloroethane and its  
5 metabolites (hereafter collectively "DDT"), and polychlorinated  
6 biphenyls (hereafter "PCBs"), from facilities in and around Los  
7 Angeles, California, into the environment, and for response costs  
8 incurred and to be incurred by EPA in connection with releases of  
9 hazardous substances into the environment from the Montrose  
10 Chemical Corporation site located at 20201 South Normandie  
11 Avenue, Los Angeles, California. The original complaint was  
12 amended on June 28, 1990, and again on August 16, 1991 ("Second  
13 Amended Complaint" or "Complaint").

14 CBS filed its answer to the Complaint, its counterclaims  
15 against the State, and cross-claims against co-defendant County  
16 Sanitation District No. 2 of Los Angeles County ("LACSD") on  
17 September 30, 1991, and third party complaints against the City  
18 of Los Angeles and County of Orange as of April 10, 1991.

19 In the First Claim for Relief of the Complaint, plaintiffs  
20 asserted a claim against ten defendants, including CBS, under  
21 Section 107(a)(1-4)(C) of CERCLA, 42 U.S.C. § 9607(a)(1-4)(C),  
22 for the alleged natural resource damages, including damage  
23 assessment costs and related response costs. The Complaint  
24 alleges that CBS operated a plant located at 18020 South Santa Fe  
25 Avenue ("Westinghouse Plant"), in an unincorporated part of Los  
26 Angeles County, California, that repaired and serviced electrical  
27 equipment (including transformers and capacitors). The Complaint  
28 further alleges, on information and belief, that CBS, in the

1 operation of the Westinghouse Plant, discharged wastewater  
2 containing hazardous substances, including PCBs, from the  
3 Westinghouse Plant into the LACSD collection system that conveys  
4 wastewater to the Joint Water Pollution Control Plant ("JWPCP")  
5 through the White's Point Outfall into the San Pedro Channel, and  
6 that such discharges caused injury to natural resources.

7 In the Second Claim for Relief of the Complaint, the United  
8 States asserts a claim for recovery of costs incurred and to be  
9 incurred by EPA in response to the release or threatened release  
10 of hazardous substances into the environment at and/or from the  
11 Montrose DDT Plant Property, as that term is defined and used  
12 herein, pursuant to Section 107(a)(1-4)(A) of CERCLA, 42 U.S.C. §  
13 9607(a)(1-4)(A). The Second Claim for Relief, brought at the  
14 request of and on behalf of EPA, does not allege liability on the  
15 part of CBS.

16 EPA is the lead agency with regard to the conduct of  
17 response activities at the Montrose NPL Site, as that term is  
18 defined and used herein. The State, through its agencies DTSC  
19 and the Regional Board, also participates in Montrose NPL Site  
20 response activities consistent with Subpart F of CERCLA's  
21 National Contingency Plan ("NCP"), 40 C.F.R. §§ 300.500 -  
22 300.525, and both DTSC and the Regional Board have incurred  
23 response costs in connection therewith.

24 CERCLA and the NCP require that a site investigation gather  
25 the data necessary to assess the threat to human health and the  
26 environment of actual or threatened releases of hazardous  
27 substances from a facility, to include any place where a  
28 hazardous substance has come to be located. Consistent with

1 those requirements, EPA's continuing investigation of the  
2 Montrose NPL Site indicates that the Montrose NPL Site is  
3 contaminated significantly by DDT and other hazardous substances  
4 released during the manufacture of DDT, with DDT and those other  
5 hazardous substances present at the Montrose NPL Site in soil,  
6 groundwater, storm water channel sediments, and sediments in  
7 portions of LACSD's Joint Outfall ("J.O.") "D" and District 5  
8 Interceptor sewer lines. As a result of the ongoing  
9 investigation of the Montrose NPL Site, a series of response  
10 activities is currently underway, including a remedial  
11 investigation and a feasibility study ("RI/FS") of the DDT  
12 contaminated soil and groundwater underlying the Montrose DDT  
13 Plant Property and surrounding areas of the Montrose NPL Site,  
14 the conduct of a time-critical removal action at the Montrose NPL  
15 Site to investigate and remove Montrose DDT from soil in  
16 residential areas within four blocks of the Montrose DDT Plant  
17 Property, the conduct of an Engineering Evaluation and Cost  
18 Analysis ("EE/CA") to investigate the aerial fallout of DDT dust  
19 emitted from the former Montrose DDT plant on residential and  
20 commercial areas in close proximity to the Montrose DDT Plant  
21 Property, and the conduct of a removal action to remove DDT  
22 contaminated sediments from the J.O. "D" sewer adjacent to and  
23 downstream of the Montrose DDT Plant Property.

24 In addition, as a result of information developed and  
25 assembled, inter alia, in connection with the Trustees' damage  
26 assessment relating to DDT and PCB contamination of the offshore  
27 area alleged in the First Claim for Relief in this action, EPA  
28 began an investigation of that portion of the Montrose NRD Area

1 comprised of the offshore area contaminated by DDT and PCBs  
2 released into the LACSD sewer lines and subsequently deposited in  
3 the sediments of the Palos Verdes shelf near the White's Point  
4 Outfall ("the Palos Verdes Shelf Investigation"). EPA's Palos  
5 Verdes Shelf Investigation includes the effluent-affected DDT and  
6 PCB contaminated sediment described and discussed in Lee, H., The  
7 Distribution and Character of Contaminated Effluent-Affected  
8 Sediment, Palos Verdes Margin, Southern California (October  
9 1994). For purposes of this Decree, the term "Montrose NPL Site"  
10 has been defined to include the area comprising the Palos Verdes  
11 Shelf Investigation. As of May 18, 1998, EPA had not extended  
12 either its Palos Verdes Shelf Investigation or its investigation  
13 of releases from the Montrose DDT Plant Property to include the  
14 Los Angeles and the Long Beach Harbors (other than the  
15 Consolidated Slip in Los Angeles Harbor).

16 EPA is conducting the Palos Verdes Shelf Investigation under  
17 the authority of CERCLA to determine the nature and extent of  
18 contamination of the Palos Verdes shelf, to assess effects of the  
19 contamination on the environment and human health, and to  
20 determine whether to select response actions, if any, to address  
21 the contamination. By its letter of May 27, 1997, EPA invited CBS  
22 to participate in the Palos Verdes Shelf Technical Advisory  
23 Committee ("TAC"), a group formed to assist EPA in its Palos  
24 Verdes Shelf Investigation. EPA has provided to CBS, in the TAC,  
25 inter alia, its draft Human Health Risk Assessment ("HHRA") and,  
26 in response to EPA's request, CBS has provided EPA with written  
27 comments on EPA's HHRA. In discovery, EPA has provided drafts of  
28 both its EE/CA and Environmental Risk Assessment ("ERA") with

1 respect to its Palos Verdes Shelf Investigation, and depositions  
2 have been taken concerning EPA's Palos Verdes Shelf  
3 Investigation, its draft EE/CA and its draft HHRA.

4 EPA has conducted a preliminary evaluation under CERCLA of  
5 contamination in the Santa Monica Bay (hereafter referred to as  
6 "the Santa Monica Bay CERCLIS Site"), which included an  
7 evaluation of portions of the Palos Verdes shelf. On September  
8 17, 1990, after the filing of this action, EPA determined that it  
9 would conduct no further investigation or response activities  
10 under CERCLA regarding the Santa Monica Bay CERCLIS Site. EPA's  
11 "no further action" determination may be reconsidered by EPA; DDT  
12 contamination on the Palos Verdes shelf was excluded from EPA's  
13 preliminary evaluation of the Santa Monica Bay CERCLIS Site.

14 On August 21, 1997, EPA provided notice of its rulemaking  
15 proposing to add the contaminated sediments on the sea floor of  
16 the Palos Verdes shelf to the Montrose NPL Site. See 62 Fed.  
17 Reg. 44430, August 21, 1997. CBS submitted written comments to  
18 that proposed rulemaking, through its counsel, on October 16,  
19 1997.

20 By its letter of October 17, 1997, EPA notified CBS that it  
21 was potentially responsible under CERCLA for response costs and  
22 other costs incurred or to be incurred by EPA with respect to the  
23 alleged Palos Verdes shelf contamination.

24 Thereafter, on November 21, 1997, plaintiffs filed a Motion  
25 for Leave To File and Serve a Third Amended Complaint. By that  
26 motion, plaintiffs sought permission to add to the Second Claim  
27 for Relief of the Complaint allegations concerning recovery of  
28 response costs incurred or to be incurred by EPA in connection

1 with its Palos Verdes Shelf Investigation, to add DTSC as a  
2 plaintiff to the Second Claim for Relief, and to add CBS as a  
3 defendant to the Second Claim for Relief as so amended. CBS  
4 filed its Memorandum in Opposition to Plaintiffs' Motion for  
5 Leave To Amend Their Complaint, with supporting papers, on  
6 January 20, 1998.

7 Without limiting plaintiffs' position at trial, plaintiffs'  
8 current estimate of total damages and costs for settlement  
9 purposes with all parties is between \$225 million and \$250  
10 million. Plaintiffs' explanation of the bases for their estimate  
11 is found in the "Introduction" to the Amended Consent Decree with  
12 the Settling Local Governmental Entities, lodged with the Court  
13 on March 25, 1997, Plaintiffs' Interrogatory Responses to the  
14 Special Master's May 28, 1997 Civil Minute Order, as Corrected on  
15 June 3, 1997, dated June 17, 1997, and the transcripts of the  
16 Federal Rule of Civil Procedure 30(b)(6) deposition of the  
17 plaintiffs ordered by the Court on October 6, 1997. For the  
18 purposes of settlement, the payment of \$9.5 million by CBS is  
19 reasonable.

20 In determining the settlement amount paid for EPA/DTSC  
21 response costs and for the Trustees' damage assessment costs and  
22 natural resource damages, the United States and the State have  
23 considered the current estimates of potential costs and damages  
24 and the proportional relationship between the amount to be paid  
25 in settlement and potential costs and damages. In addition, the  
26 United States and the State have considered the nature of CBS's  
27 operations at the Westinghouse Plant, the litigation risks and  
28 associated costs from continuing to prosecute this case against

1 CBS, the total amount of available settlement funds from the  
2 settlement with Potlatch Corporation and Simpson Paper Company,  
3 and from the settlement with the Settling Local Governmental  
4 Entities, the expenses incurred by the Trustees in connection  
5 with the characterization of the effluent-affected DDT and PCB  
6 contaminated sediment deposit on the Palos Verdes shelf and the  
7 assessment of the effect of contaminated sediments on the  
8 environment and the usefulness of much of their work to EPA;  
9 EPA's current estimate of the expenses associated with conducting  
10 response activity with respect to the Palos Verdes shelf; and the  
11 Trustees' current estimates of the funds required to plan and  
12 conduct biological restoration programs designed to aid in the  
13 recovery of injured trust resources.

14 In addition to the factors discussed in the preceding  
15 paragraph, plaintiffs have also considered the relative  
16 volumetric contribution of hazardous substances by CBS and the  
17 other defendants to the Palos Verdes shelf. In entering the  
18 consent decree relating to defendants Potlatch Corporation and  
19 Simpson Paper Company, the District Court quoted the plaintiffs'  
20 estimates of the contributions of the generator defendants as  
21 follows:

22 Potlatch/Simpson -- 4,500 pounds of PCBs discharged;

23 Westinghouse [CBS]-- 38,000 pounds of PCBs discharged;

24 DDT Defendants -- 5,500,000 pounds of DDT discharged.

25 United States v. Montrose Chemical Corp. of California, 793 F.  
26 Supp. 237, 240 (C.D. Cal. 1992). Since 1992, plaintiffs have  
27 continued to evaluate the estimates of the volume of PCBs  
28 allegedly discharged by CBS. Although plaintiffs and CBS

1 disagree over the actual volume of PCBs allegedly discharged by  
2 CBS from the Westinghouse Plant, and there are facts that remain  
3 in dispute, plaintiffs currently believe that facts elicited  
4 during discovery indicate that the 38,000 pounds originally  
5 estimated by plaintiffs is an overestimate of the actual amount  
6 of PCBs which CBS discharged. See, e.g., CBS Corporation's  
7 Memorandum in Opposition to Plaintiff's Motion for Leave To Amend  
8 Their Complaint, dated January 20, 1998, and the exhibits  
9 attached thereto, and CBS Corporation's Supplemental Response to  
10 Interrogatories Nos. 1-5 in the United States of America's Second  
11 Set of Interrogatories to CBS Corporation, dated May 4, 1998.

12 Plaintiffs are currently aware of no facts that indicate  
13 that CBS has released any PCBs from the Westinghouse Plant into  
14 the Joint Outfall System other than into that portion of the  
15 Joint Outfall System known as JO "A" and JO "G". Plaintiffs are  
16 also currently aware of no facts that indicate that CBS has  
17 released any PCBs from the Westinghouse Plant to the Los Angeles  
18 Harbor, the Long Beach Harbor or the Santa Monica Bay, save and  
19 except only such PCBs, if any, which were conveyed to the  
20 sediments of the Palos Verdes shelf through the Joint Outfall  
21 System.

22 The United States and the State also have agreed on the  
23 application of the settlement funds between EPA/DTSC response  
24 costs relating to the Montrose NPL Site (as defined herein to  
25 include the effluent-affected sediments on the Palos Verdes  
26 shelf) and the Trustees' damage assessment costs and natural  
27 resource damages relating to the Montrose NRD Area. The United  
28 States and the State have agreed that CBS should pay a total of

1 \$2.25 million to the Trustees to resolve any alleged liability of  
2 CBS for Natural Resource Damages and should pay a total of \$7.25  
3 million to EPA and DTSC to resolve any potential liability of CBS  
4 for Response Costs.

5 All claims against CBS, including claims for costs, damages,  
6 contribution and other claims, are addressed and covered by this  
7 Decree. This Decree resolves CBS's liability to the United  
8 States, on behalf of the Federal Trustees, and the State, on  
9 behalf of the State Trustees, for Natural Resource Damages and  
10 liability to the United States (including EPA) and the State  
11 (including DTSC and the Regional Board) for Response Costs, and  
12 provides contribution protection to CBS for all matters addressed  
13 herein. Except where otherwise specifically stated, this Decree  
14 is intended to cover all past and future claims for Response  
15 Costs which the United States and the State (through its  
16 authorized agencies) may have against CBS.

17 This settlement is made in good faith after arm's-length  
18 negotiations conducted under the supervision of Special Master  
19 Harry V. Peetris pursuant to Pretrial Order No. 1. Entry of this  
20 Decree is the most appropriate means to resolve the matters  
21 covered herein and is fair, reasonable and in the public  
22 interest.

23 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

24 JURISDICTION AND VENUE

25 1. The Parties to this Decree agree that the Court has  
26 personal jurisdiction over the Parties and has jurisdiction over  
27 the subject matter of this action and the Parties to this Decree  
28 pursuant to 28 U.S.C. §§ 1331, 1345 and 1367, and Sections 106,

1 107 and 113(b) of CERCLA, 42 U.S.C. §§ 9606, 9607 and 9613(b),  
2 and the principles of supplemental jurisdiction. The Parties  
3 waive all objections and defenses that they may have to  
4 jurisdiction of the Court or to venue in this District and to  
5 service of process.

6 APPLICABILITY OF DECREE

7 2. The provisions of this Decree, including the covenants  
8 not to sue and contribution protection, shall be binding on,  
9 apply to, and inure to the benefit of the United States and the  
10 State, to CBS, including their past, present and future  
11 officials, directors, officers, employees, agents, predecessors,  
12 successors and assigns. No change in the ownership or  
13 organizational form or status of CBS shall affect its rights or  
14 obligations under this Decree.

15 EFFECT OF SETTLEMENT/ENTRY OF JUDGMENT

16 3. This Decree was negotiated and executed by the Parties  
17 hereto in good faith at arm's length to avoid the continuation of  
18 expensive and protracted litigation and is a fair and equitable  
19 settlement of claims which were vigorously contested. CBS does  
20 not admit any of plaintiffs' statements, allegations or claims  
21 set forth herein and denies any liability whatsoever for their  
22 claims against CBS set forth in both the Complaint and in the  
23 proposed Third Amended Complaint. This Decree should not  
24 constitute or be interpreted, construed or used as evidence of  
25 any admission of liability, law or fact. Except as otherwise  
26 provided in the Federal Rules of Evidence, this Decree is not  
27 admissible in evidence against CBS by any person or entity not a  
28 party to the Decree in any judicial or administrative proceeding.

1 Nothing in this Decree is intended to affect the authority or  
2 jurisdiction of EPA to take action beyond the boundaries of the  
3 Montrose NPL Site.

4 4. Upon approval and entry of this Decree by the Court,  
5 this Decree shall constitute a final judgment between and among  
6 the United States and the State, and CBS.

7 DEFINITIONS

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

13 A. "Damage Assessment Costs" shall mean all costs  
14 associated with the planning, design, implementation and  
15 oversight of the Trustees' damage assessment process, which  
16 addresses the fact, extent and quantification of the injury to,  
17 destruction of or loss of natural resources and the services  
18 provided by these resources resulting from releases of hazardous  
19 substances alleged in the First Claim for Relief in the  
20 Complaint, and with the planning of restoration or replacement of  
21 such natural resources and the services provided by those  
22 resources, or the planning of the acquisition of equivalent  
23 resources or services, and any other costs necessary to carry out  
24 the Trustees' responsibilities with respect to those natural  
25 resources, including all related enforcement costs.

26 B. "Date of Execution of this Decree" shall mean the date  
27 by which this Decree has been signed by all of the following:  
28 the authorized representative(s) of CBS, of the State, and of the

1 EPA, and by the Assistant Attorney General of the Environment and  
2 Natural Resources Division of the United States Department of  
3 Justice.

4 C. "Date of Initial Approval of this Decree" shall mean  
5 the date on which this Decree has been initially approved and  
6 signed by the United States District Court.

7 D. "Date of Final Approval of this Decree" shall mean the  
8 later of (1) the date on which the District Court has approved  
9 and entered this Decree as a judgment and all applicable appeal  
10 periods have expired without an appeal being filed, or (2) if an  
11 appeal is taken, the date on which the District Court's judgment  
12 is affirmed and there is no further right to appellate review.

13 E. "Joint Outfall System" shall mean that wastewater  
14 collection, treatment and disposal facility of certain county  
15 sanitation districts of Los Angeles County discharging effluent  
16 through the White's Point Outfall and consisting of the Joint  
17 Water Pollution Control Plant and the associated sewers, pumping  
18 plants, inland water reclamation plants, treatment plants,  
19 treatment plant outfall sewers and incidental sanitation works  
20 operated pursuant to the 1995 Amended Joint Outfall Agreement by  
21 LACSD and as defined therein, including subsequent modifications  
22 to that system, as contemplated by that agreement.

23 F. "Montrose DDT Plant Property" shall mean for purposes  
24 of this Decree the thirteen (13) acre parcel at 20201 South  
25 Normandie Avenue, Los Angeles, California 90044, which is the  
26 site of Montrose Chemical Corporation of California's former DDT  
27 production and formulation plant.

28

1       G.    "Montrose NPL Site" for purposes of this Decree,  
2 includes, but is not limited to, the Montrose DDT Plant Property  
3 and any other areas impacted by releases of hazardous substances  
4 from the Montrose DDT Plant Property as determined by EPA,  
5 including but not limited to: the real property located at 1401  
6 West Del Amo Boulevard, Los Angeles, California, and owned by  
7 Jones Chemicals, Inc.; those portions of the Normandie Avenue  
8 Ditch adjacent to and south of 20201 South Normandie Avenue; the  
9 Kenwood Drain; the Torrance Lateral; the Dominguez Channel (from  
10 Laguna Dominguez to the Consolidated Slip); the portion of the  
11 Los Angeles Harbor known as the Consolidated Slip from the mouth  
12 of the Dominguez Channel south to, but not including or  
13 proceeding beyond, Pier 200B and Pier 200Y; the LACSD's J.O. "D"  
14 sewer from manholes D33 to D5 (approximately Francisco Street to  
15 234th Street); the District 5 Interceptor sewer from manholes  
16 A475 to A442 (approximately Francisco Street to Sepulveda  
17 Boulevard); the real property on which the sewer rights-of-way  
18 are located for those portions of the District 5 Interceptor and  
19 J.O. "D" sewer identified above; the real property burdened by  
20 the adjacent railroad right-of-way for those portions of the  
21 District 5 Interceptor and J.O. "D" sewer identified above; the  
22 "Montrose CERCLA Removal Site" as defined in EPA Region IX's  
23 Unilateral Administrative Order 95-18, Findings of Fact at § 3, ¶  
24 2, dated June 7, 1995; those areas of the Palos Verdes shelf  
25 where effluent-affected DDT- and/or PCB-contaminated sediments  
26 have come to be located; and any other areas that are or that EPA  
27 determines to be part of the Palos Verdes Shelf Investigation  
28 (including any portions of the Santa Monica Bay or Los

1 Angeles/Long Beach Harbors should EPA in the future determine  
2 that those areas are part of the Palos Verdes Shelf  
3 Investigation).

4 H. "Montrose NRD Area" for purposes of this Decree shall  
5 mean the areas in and around the Channel Islands, the Palos  
6 Verdes shelf, the San Pedro Channel including Santa Catalina  
7 Island, the Los Angeles and Long Beach Harbors as described in  
8 the Complaint and as described in the draft Damage Assessment  
9 Plan and draft Injury Determination Plan published by the  
10 Trustees on February 6, 1990 and March 8, 1991, respectively,  
11 Santa Monica Bay, and San Pedro Bay.

12 I. "Parties" shall mean each of the signatories to this  
13 Decree.

14 J. "Natural Resource Damages" shall mean damages,  
15 including loss of use, restoration costs, resource replacement  
16 costs or equivalent resource values, Damage Assessment Costs, and  
17 any other costs incurred or to be incurred by the Trustees or any  
18 other person pursuant to Trustee approval, authorization or  
19 direction, with respect to injury to, destruction of, or loss of  
20 any and all natural resources in and around the Montrose NPL Site  
21 and the Montrose NRD Area.

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

1 L. "Westinghouse Plant" for purposes of this Decree shall  
2 refer to the real property, buildings, improvements, clarifiers,  
3 sumps, drains and any other "facility" as defined in Section  
4 101(9) of CERCLA, 42 U.S.C. § 9601(9), located at or beneath  
5 18020 So. Santa Fe Avenue, Compton, CA 90221.

6 M. "Date of Lodging of the Decree" shall mean the date that  
7 this Decree is filed with the Court for lodging.

8 NATURAL RESOURCE CLAIM PAYMENTS

9 6. A. Within ten (10) business days of the Date of Lodging  
10 of the Decree, CBS shall pay to the Trustees a total sum of \$2.25  
11 million (the "NRD Settlement Amount") for the promises and  
12 undertaking of the United States and the State of California.

13 B. CBS shall make the NRD Settlement Amount payment  
14 required by Paragraph 6.A by depositing the NRD Settlement Amount  
15 into an escrow account (the "Escrow") bearing interest on  
16 commercially reasonable terms, in a federally-chartered bank with  
17 an office in the State of California. CBS shall bear all costs  
18 of establishing and maintaining the Escrow. CBS shall notify  
19 plaintiffs in writing of the creation and funding of the Escrow  
20 immediately after the above payment has been made, and provide on  
21 request all documentation concerning the account, including any  
22 agreements concerning the determination of interest rates.

23 C. The NRD Settlement Amount paid into the Escrow shall  
24 remain in the Escrow and may not be withdrawn except to make the  
25 payment required by Paragraph 7 of this Decree or unless a final  
26 judicial determination by the District Court is made that entry  
27 of this Decree will not be approved and all applicable appeal  
28 periods have expired without an appeal, or if an appeal is taken,

1 the date on which the District Court spreads the mandate issued  
2 by the appellate court not approving the Decree. In the event  
3 that final judicial approval is not obtained, the Trustees'  
4 settlement amount paid into the Escrow and all accrued interest  
5 shall be returned to CBS.

6 7. Within ten (10) business days after Final Approval of  
7 this Decree, the NRD Settlement Amount, together with all  
8 interest thereon, shall be paid to the Trustees, payment to be  
9 made as follows:

10 A. CBS shall cause the NRD Settlement Amount on  
11 deposit in the Escrow to be paid into the Registry of the Court,  
12 United States District Court for the Central District of  
13 California, to be administered by the Registry of the Court for  
14 the Trustees. This payment shall be made in the manner specified  
15 in Subparagraph 7.B below, and the NRD Settlement Amount and any  
16 interest thereon shall be administered and disbursed as provided  
17 in Subparagraphs 7.C and 7.D below.

18 B. The payment described in Paragraph 7.A shall be  
19 made by certified or bank check or warrant payable to the "Clerk,  
20 United States District Court." The check or warrant shall  
21 include on its face a statement that it is a payment in Civil  
22 Action No. CV 90-3122 AAH (JRx) (C.D. Cal.), and shall be sent  
23 to:

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

27 CBS, as Escrow holder, shall cause copies of the check or warrant  
28 and of any transmittal letter accompanying the check or warrant

1 to be sent to the Trustees as provided in Paragraph 27 of this  
2 Decree.

3 C. The Registry of the Court shall administer all  
4 amounts paid under Paragraph 7.A in an interest bearing joint  
5 account ("Registry Account") as provided in the Order Directing  
6 the Deposit of Settlement Amount into the Registry of the Court  
7 ("Deposit Order") issued by the District Court pursuant to Rule  
8 67 of the Federal Rules of Civil Procedure, 28 U.S.C. § 2041, and  
9 Local Rule 22 of the Local Rules for the Central District of  
10 California. The Deposit Order shall be attached to this Decree  
11 and shall be entered by the District Court at the time of entry  
12 of this Decree.

13 D. All settlement funds and all interest accrued  
14 thereon in the Registry Account shall be held in the name of the  
15 "Clerk, United States District Court," for the benefit of the  
16 Trustees. All disbursements from the Registry Account shall be  
17 made to the Trustees by order of the Court in accordance with the  
18 provisions of 28 U.S.C. § 2042 and the Local Rules for the  
19 Central District of California.

20 COVENANTS NOT TO SUE FOR NATURAL RESOURCE DAMAGES

21 8. Except as specifically provided in Paragraphs 9 and 10  
22 of this Decree, the United States, the State, and agencies or  
23 instrumentalities thereof, each hereby covenants not to sue or to  
24 take any other civil or administrative action against CBS for any  
25 and all civil or administrative liability to the United States,  
26 the State, and agencies or instrumentalities thereof, for Natural  
27 Resource Damages under CERCLA, 42 U.S.C. §§ 9601, et seq., or  
28 under any other federal, state or common law.

1           RESERVATION OF RIGHTS FOR NATURAL RESOURCE DAMAGES

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

13           B.   Each of the following shall not be considered to be  
14 Unknown Conditions or New Information within the meaning of  
15 Paragraph 9.A (1) or (2): (1) an increase solely in the Trustees'  
16 assessment of the magnitude of the injury, destruction or loss to  
17 natural resources, or in the estimated or actual Natural Resource  
18 Damages; (2) a determination by the Trustees that a previously  
19 identified natural resource injury was caused by CBS's alleged  
20 release of a hazardous substance, including hazardous substances  
21 other than PCBs or DDT; or (3) any Natural Resource Damages  
22 arising from any future release of hazardous substances now  
23 present in the sediments of the Palos Verdes shelf, to the extent  
24 that the release resulted from:

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

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

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

7 (d) any act of God; or

8 (e) an earthquake.

9 C. CBS reserves its right to contest any claims allowed by  
10 Paragraph 9.A of this Decree, and CBS does not by consenting to  
11 this Decree waive any defenses to such claims, except that CBS  
12 covenants not to assert, and may not maintain, any defense based  
13 upon principles of waiver, res judicata, collateral estoppel,  
14 issue preclusion, claim splitting, or other defense based upon  
15 the contention that the claims that are allowed by Paragraph 9.A  
16 of this Decree were or should have been brought in the instant  
17 case. In the event that the Trustees institute proceedings under  
18 Paragraph 9.A of this Decree, CBS reserves its right to assert  
19 potential cross-claims, counterclaims or third party claims  
20 against the United States or the State, or any employee, officer,  
21 agency or instrumentality thereof, relating to such claims  
22 asserted by the Trustees pursuant to Paragraph 9.A. Nothing in  
23 this Decree shall be deemed to constitute preauthorization of a  
24 claim within the meaning of Section 111 of CERCLA, 42 U.S.C. §  
25 9611.

26 D. In addition to defenses that may be asserted by CBS  
27 pursuant to Paragraph 9.C above, and a defense that a future  
28 release of hazardous substances now present in the sediments of

1 the Palos Verdes shelf was the result of conditions or  
2 information known to the Trustees on the Date of Lodging of this  
3 Decree, CBS will not be liable for Natural Resource Damages  
4 arising from a future release of hazardous substances now present  
5 in the sediments of the Palos Verdes shelf, to the extent that  
6 the release resulted from: (1) LACSD's sampling activities (by  
7 coring, trawling, or otherwise); (2) LACSD's institution of full  
8 secondary treatment of wastewater at the JWPCP and the discharge  
9 of such wastewater through the White's Point Outfall; (3) any  
10 response activity or similar activity performed by or at the  
11 direction of any Federal or State governmental body or any other  
12 person; (4) any act of God; or (5) an earthquake.

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

17 A. claims based on a failure by CBS to satisfy the  
18 requirements of this Decree;

19 B. claims for criminal liability; and

20 C. claims arising from the past, present or future  
21 disposal, release or threat of release of hazardous substances  
22 that do not involve the Montrose NRD Area and/or the Montrose NPL  
23 Site.

24 PAYMENTS WITH RESPECT TO RESPONSE ACTIVITIES

25 11. A. Within ten (10) business days of the Date of  
26 Lodging of the Decree, CBS shall pay to the Environmental  
27 Protection Agency and the State of California Department of Toxic  
28 Substances Control a total sum of \$7.25 million (the "Response

1 Settlement Amount") for the promises and undertaking of the  
2 United States and the State of California.

3       B. CBS shall make the Response Settlement Amount payment  
4 required by Paragraph 11.A by depositing the Response Settlement  
5 Amount into an escrow account (the "Response Costs Escrow")  
6 bearing interest on commercially reasonable terms, in a  
7 federally-chartered bank with an office in the State of  
8 California. CBS shall bear all costs of establishing and  
9 maintaining the Response Costs Escrow. CBS shall notify  
10 plaintiffs in writing of the creation and funding of the Response  
11 Costs Escrow immediately after the above payment has been made,  
12 and provide on request all documentation concerning the account,  
13 including any agreements concerning the determination of interest  
14 rates.

15       C. The Response Settlement Amount paid into the Escrow  
16 shall remain in the Response Costs Escrow and may not be  
17 withdrawn except to make the payment required by Paragraph 11 of  
18 this Decree or unless a final judicial determination by the  
19 District Court is made that entry of this Decree will not be  
20 approved and all applicable appeal periods have expired without  
21 an appeal, or if an appeal is taken, the date on which the  
22 District Court spreads the mandate issued by the appellate court  
23 not approving the Decree. In the event that final judicial  
24 approval is not obtained, the Response Settlement Amount paid  
25 into the Response Costs Escrow and all accrued interest shall be  
26 returned to CBS.

27       D. Within ten (10) business days after the Date of Final  
28 Approval of this Decree, CBS shall pay to the State from the

1 Response Costs Escrow the sum of \$150,000 together with a pro  
2 rata share of all interest that has accrued on that amount since  
3 the Date of Lodging of this Decree. The payment to the State  
4 shall be made by certified check made payable to "Cashier,  
5 California Department of Toxic Substances Control," and shall  
6 bear on its face this case name and number. Payment shall be  
7 mailed to:

8 Department of Toxic Substances Control  
9 Accounting/Cashier  
400 P Street, 4th Floor  
10 P.O. Box 806  
Sacramento, CA 95812-0806

11 Notice of said payment shall be given to the State as provided in  
12 Paragraph 27 of this Decree.

13 E. The payment to the United States shall be in the sum of  
14 \$7.1 million together with a pro rata share of all interest that  
15 has accrued on this amount. Within ten (10) business days after  
16 the Date of Final Approval of this Decree, CBS shall make  
17 payments from the Response Costs Escrow as follows: 1) \$7 million  
18 together with all interest that has accrued on that amount to  
19 the "United States Environmental Protection Agency, Palos Verdes  
20 Shelf Special Account;" and 2) \$100,000 for past response costs  
21 incurred by EPA with respect to the Montrose NPL Site for deposit  
22 in the Hazardous Substance Superfund. Payments to the United  
23 States shall be made by Electronic Funds Transfer ("EFT" or "wire  
24 transfer") in accordance with instructions provided by the United  
25 States to CBS at the time of Lodging of the Decree. Any EFT  
26 received after 11:00 A.M. (Eastern Time) will be credited on the  
27 next business day. CBS shall send notice of the EFT to  
28 plaintiffs as provided in Paragraph 27 of this Decree. All

1 payments to the United States under this Paragraph 11.E shall  
2 reference the Montrose Chemical Corporation of California  
3 Superfund Site, Site # 9T26, DOJ Case # 90-11-3-511, and U.S.A.O.  
4 file number 9003085.

5 F. If the United States or the State must bring an action to  
6 collect the payments required under this Paragraph 11, CBS shall  
7 reimburse the United States and the State for all costs of such  
8 action, including but not limited to attorney's fees.

9 COVENANT NOT TO SUE FOR MONTROSE NPL SITE

10 RESPONSE ACTIVITIES AND COSTS AND RESERVATION OF RIGHTS

11 12. Except as specifically provided in Paragraphs 13 and 14  
12 of this Decree, the United States, the State, and agencies and  
13 instrumentalities thereof, each hereby covenants not to sue or  
14 take administrative action against CBS, to compel response  
15 activities or to recover Response Costs incurred or to be  
16 incurred in the future in connection with the Montrose NPL Site  
17 including, but not limited to, costs for studies and evaluations  
18 of the area covered by response activities under CERCLA Sections  
19 106 and 107, 42 U.S.C. §§ 9606 and 9607, or pursuant to the  
20 California Hazardous Substance Account Act, California Health and  
21 Safety Code §§ 25300, et seq., or any other state statute or  
22 state common law. In addition, the United States, the State, and  
23 agencies and instrumentalities thereof, each hereby covenants not  
24 to sue or take administrative action against CBS, to compel  
25 response activities or to recover Response Costs incurred or to  
26 be incurred in the future in connection with the Montrose NPL  
27 Site under the Resource Conservation and Recovery Act ("RCRA")  
28 Sections 3008(h), 3013 or 7003, 42 U.S.C. §§ 6928(h), 6934 or

1 6973, or California Health and Safety Code § 25187. The State,  
2 and agencies and instrumentalities thereof, each hereby further  
3 covenants not to sue or take administrative action against CBS,  
4 to compel response activities or to recover Response Costs  
5 incurred or to be incurred in the future in connection with the  
6 Montrose NPL Site under Section 7002 of RCRA, 42 U.S.C. § 6972.

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

- 15 A. any and all claims against CBS based upon or resulting  
16 from a failure to meet a requirement of this Decree;
- 17 B. claims for criminal liability;
- 18 C. claims for violations of any other federal or state law  
19 or permit; or
- 20 D. claims arising from the presence of a hazardous  
21 substance at any location outside of the Montrose NPL Site,  
22 including but not limited to the Del Amo NPL Site as it may be  
23 defined by EPA.

24 14. A. In addition to the reservations set out in  
25 Paragraph 13, the United States and the State reserve, and this  
26 Decree is without prejudice to, the right to institute  
27 proceedings in this action or in a new action seeking to compel  
28 CBS to take a response action or reimburse the United States or

1 the State for additional Response Costs if subsequent to the Date  
2 of Lodging of this Decree:

3 1. the United States or the State receives, in whole  
4 or in part, information unknown to EPA, DTSC or the Regional  
5 Board as of the Date of Lodging of this Decree, indicating that  
6 after the Date of Lodging of this Decree CBS released one or more  
7 hazardous substances that come to be located at the Palos Verdes  
8 shelf, and that EPA, DTSC or the Regional Board determines may be  
9 a threat to human health or the environment, provided that the  
10 foregoing shall not be deemed to apply to any re-exposure or  
11 resuspension on the Palos Verdes shelf of the DDT or PCB-  
12 contaminated sediments currently located there, including but not  
13 limited to, such re-exposure or resuspension of sediments  
14 resulting from:

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

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

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

23 (d) any act of God; or

24 (e) an earthquake.

25 2. the United States or the State discovers a  
26 condition at the Montrose NPL Site, that EPA, DTSC or the  
27 Regional Board determines may be a threat to human health or  
28

1 welfare or the environment, and that was unknown to EPA, DTSC or  
2 the Regional Board prior to the Date of Lodging of this Decree.

3 B. CBS reserves its right to contest any claims allowed by  
4 Paragraphs 14.A.1 or 14.A.2 of this Decree, and CBS does not by  
5 consenting to this Decree waive any defenses to such claims,  
6 except that CBS covenants not to assert, and may not maintain,  
7 any defense based upon principles of waiver, res judicata,  
8 collateral estoppel, issue preclusion, claim splitting or other  
9 defense based upon the contention that the claims that are  
10 allowed by Paragraphs 14.A.1 or 14.A.2 of this Decree were or  
11 should have been brought in the instant case. In the event that  
12 the United States or the State institutes proceedings under  
13 Paragraphs 14.A.1 or 14.A.2 of this Decree, CBS reserves the  
14 right to assert potential cross-claims, counterclaims or third  
15 party claims against the United States, the State, or any  
16 employee, officer, agency or instrumentality thereof, relating to  
17 such claims asserted by the United States or the State, and the  
18 agencies or instrumentalities thereof. Nothing in this Decree  
19 shall be deemed to constitute preauthorization of a claim within  
20 the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40  
21 C.F.R. § 300.700(d).

#### 22 COVENANTS BY CBS

23 15. A. Subject to Paragraph 9.C, CBS hereby covenants not  
24 to sue or to assert any administrative claim or cause of action  
25 of any kind against the United States, or any employee, officer,  
26 agency or instrumentality thereof, and/or against the State, or  
27 any employee, officer, agency or instrumentality thereof (but not  
28 including counties, cities, local governmental entities or

1 sanitation districts), for Natural Resource Damages including,  
2 but not limited to, the counterclaims asserted in CBS's Answer to  
3 the Complaint in this action, claims arising pursuant to any  
4 other federal law, state law or common law, including, but not  
5 limited to, any direct or indirect claim pursuant to Section 112  
6 of CERCLA, 42 U.S.C. § 9612, against the Hazardous Substance  
7 Superfund, any claim pursuant to Section 113(f) of CERCLA, 42  
8 U.S.C. § 9613(f), for contribution, any claim pursuant to the  
9 Federal Tort Claims Act, 28 U.S.C. §§ 1346(b) and 2671, et seq.,  
10 or any claim arising from any express or implied contract  
11 pursuant to 28 U.S.C. § 1346(a)(2) or 28 U.S.C. § 1491(a)(1).

12 B. Subject to Paragraph 14.B, CBS hereby covenants not to  
13 sue and agrees not to assert any administrative claim or cause of  
14 action of any kind against the United States, or any employee,  
15 officer, agency or instrumentality thereof, and/or the State, or  
16 any employee, officer, agency or instrumentality thereof (but not  
17 including counties, cities, local governmental entities or  
18 sanitation districts) with respect to the Montrose NPL Site,  
19 including but not limited to (1) any direct or indirect claim for  
20 reimbursement from the Hazardous Substance Superfund established  
21 pursuant to 26 U.S.C. § 9507, under CERCLA Sections 106(b)(2),  
22 111, 112 or 113, 42 U.S.C. §§ 9606(b)(2), 9611, 9612 or 9613, any  
23 claim pursuant to the Federal Tort Claims Act, 28 U.S.C. §§  
24 1346(b) and 2671 et seq., or any claim arising from any express  
25 or implied contract pursuant to 28 U.S.C. § 1346(a)(2) or 28  
26 U.S.C. § 1491(a)(1), or any claim pursuant to the California  
27 Hazardous Substance Account Act, California Health and Safety  
28 Code §§ 25300, et seq., or under any other provision of law; (2)

1 any claim with respect to the Montrose NPL Site under CERCLA  
2 Sections 107 or 113, 42 U.S.C. §§ 9607 or 9613, against the  
3 United States, including any department, agency or  
4 instrumentality of the United States and/or the State, or any  
5 employee, officer, agency or instrumentality thereof (but not  
6 including counties, cities, local governmental entities or  
7 sanitation districts); or (3) any claims arising out of response  
8 activities at the Montrose NPL Site. Nothing in this Decree  
9 shall be deemed to constitute preauthorization of a claim within  
10 the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40  
11 C.F.R. § 300.700(d).

12 C. In addition, CBS hereby covenants not to oppose entry of  
13 the Amended Consent Decree lodged with the Court on March 25,  
14 1997, or any other consent decree or settlement relating to any  
15 entities that are a party in this matter as of May 18, 1998, or  
16 any other consent decree that is lodged with the Court as of the  
17 Date of Lodging of this Decree. CBS further covenants not to  
18 assist any non-settling defendant in the defense of, or in the  
19 prosecution of any counterclaim in, the above-captioned case.  
20 Nothing that CBS submits to the Court in support of entry of this  
21 Decree, or in any appellate proceedings thereon, shall be  
22 considered as such assistance.

23 PENALTIES FOR LATE PAYMENTS

24 16. If the payments required of CBS by Paragraphs 6, 7 and  
25 11 of this Decree are not made by the dates specified in those  
26 Paragraphs, CBS shall be liable, in addition to the payments  
27 specified in Paragraphs 6, 7, and 11, for the following amounts  
28 for each day of delay in payment:

| <u>Days of Delay</u> | <u>Payment Per Day of Delay</u> |
|----------------------|---------------------------------|
| 1-14                 | \$ 2500/day                     |
| 15-60                | \$ 3750/day                     |
| Beyond 60 Days       | \$ 5000/day                     |

Payments due under this Paragraph 16 shall be paid by certified or bank check or warrant and disbursed, 50% to the United States and 50% to the State, to the addressees identified in Paragraph 27. Stipulated penalties due under this Paragraph 16 are due within thirty (30) days following receipt by CBS 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 CBS subsequent to the Date of Lodging of this Decree, with notice to the United States or the State.

17. Payments due under Paragraph 16 shall be in addition to any other remedies or sanctions that may be available to the United States and the State on account of CBS's failure to comply with the terms of this Decree, provided that a failure by CBS to make timely payment as provided in this Decree shall not constitute a material default unless the delay in payment exceeds thirty (30) days from the due date provided in this Decree.

#### RETENTION OF RECORDS

18. A. Until five years after the entry of this Decree, CBS shall preserve and retain all records and documents now in its possession or control or which come into its possession or control, that relate to the identification, nature and quantity of hazardous substances at the Westinghouse Plant, the nature and extent of alleged releases of hazardous substances from the

1 Westinghouse Plant, or the alleged release of any hazardous  
2 substance to or from the Montrose NPL Site and the Montrose NRD  
3 Area. At the conclusion of this document retention period, CBS  
4 shall notify the United States and the State at least ninety (90)  
5 days prior to the destruction of any such records or documents,  
6 and upon request by the United States and the State, CBS shall  
7 produce or make available for their inspection any such records  
8 or documents at a mutually convenient time and place agreed upon  
9 by the Parties.

10 B. Until the Date of Final Approval of this Decree, CBS  
11 shall retain all records and documents produced or responsive to  
12 plaintiffs' requests for production of documents (as written) in  
13 the above-captioned matter. Thereafter, CBS shall notify the  
14 United States and the State at least ninety (90) days prior to  
15 the destruction of any such records or documents, and upon  
16 request by the United States and the State, CBS shall produce or  
17 make available for their inspection any such records or documents  
18 at a mutually convenient time and place agreed upon by the  
19 Parties.

20 C. In addition to the opportunity to obtain documents at  
21 the conclusion of the retention periods set forth in Paragraphs  
22 18.A and 18.B, the United States and the State may request, at  
23 any time during such retention periods, that CBS make available  
24 for their inspection, or at CBS's option produce, any documents  
25 retained pursuant to Paragraphs 18.A or B. CBS shall produce or  
26 make available for inspection such documents at a mutually  
27 convenient time and place after the request is made.

28

1       D. With respect to the obligation to retain records and to  
2 produce or make them available for inspection as set forth in  
3 Paragraphs 18.A, B, and C, CBS may assert that certain documents,  
4 records and other information are privileged under the attorney  
5 client privilege, or any other privilege recognized under state  
6 or federal law. If plaintiffs request any privileged documents -  
7 - either (1) at the time CBS provides notice of intent to destroy  
8 documents at the conclusion of the retention periods from  
9 paragraph 18.A or 18.B, or (2) pursuant to plaintiffs' request  
10 under Paragraph 18.C -- CBS shall provide the United States and  
11 the State with the following information relating to any  
12 documents that are requested and withheld as privileged: (1)  
13 title of document or record; (2) date of document or record; (3)  
14 name and position of the author of the document or record; (4)  
15 description of the subject of the document or record; and (5) the  
16 specific basis for the privilege asserted. The privilege log  
17 relating to the subject documents must be produced to the  
18 plaintiffs at a mutually convenient time and place after  
19 plaintiffs request the documents that are withheld. CBS shall  
20 retain the documents that are withheld as privileged, until any  
21 privilege disputes relating to those documents are resolved. If  
22 plaintiffs do not request any particular privileged documents,  
23 CBS need not produce a privilege log for such non-requested  
24 documents.

#### 25                               VOIDABILITY

26       19. In the event that a final judicial determination is  
27 made by the District Court or, upon appellate review, by a higher  
28 court, that the entry of this Decree shall not be approved, this

1 Decree and the settlement embodied herein shall automatically be  
2 voided. If this Decree is voided pursuant to this Paragraph, the  
3 terms hereof may not be used as evidence in any litigation or  
4 other proceeding. Effective May 18, 1998, and in anticipation of  
5 the execution of the Decree, plaintiffs and CBS agree that all  
6 outstanding discovery and motions between plaintiffs and CBS in  
7 the litigation are stayed. In the event that this Decree is  
8 voided pursuant to this paragraph, plaintiffs agree that CBS  
9 alone may reopen, only as to issues relating to CBS: any expert  
10 depositions in the litigation that occurred on or after May 18,  
11 1998; any expert depositions commenced but not completed by CBS  
12 as of May 18, 1998; any depositions of representatives of Science  
13 Applications International Corporation or the United States Army  
14 Corps of Engineers Waterways Experiment Station; or depositions  
15 of any other person whose deposition is noticed by any defendant  
16 after May 18, 1998. With respect to the above depositions, CBS  
17 will undertake to avoid undue repetition of testimony previously  
18 elicited from these deponents by the other parties to this  
19 litigation and undue expense. Nothing in this Paragraph shall be  
20 interpreted to allow any other party to this litigation to reopen  
21 any of the aforementioned depositions or to conduct additional  
22 examination of the above-identified deponents.

23 COMPLIANCE WITH OTHER LAWS

24 20. This Decree shall not be construed in any way to affect  
25 any past, current or future obligation of CBS or any other person  
26 or entity to comply with any federal, state or local law.

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RETENTION OF JURISDICTION

21. 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.

AUTHORIZED REPRESENTATIVE

22. The undersigned representative of CBS 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

23. 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

24. The Parties acknowledge that this Decree will be subject to a 30-day public comment period as provided in 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. CBS consents to the entry of this Decree by the Court without further notice.

1                                    PROTECTION AGAINST CLAIMS

2            25. The United States and the State acknowledge and agree  
3 that the payments to be made by CBS pursuant to this Decree  
4 represent a good faith settlement and compromise of disputed  
5 claims and that the settlement represents a fair, reasonable and  
6 equitable discharge for the matters addressed in this Decree.  
7 With regard to any costs, damages, actions or other claims  
8 against CBS for matters addressed in this Decree, CBS is entitled  
9 to, as of the Date of Initial Approval of this Decree, such  
10 protection as is provided in Section 113(f) of CERCLA, 42 U.S.C.  
11 § 9613(f), and all other provisions of federal or state statutes  
12 or of common law which limit or extinguish its liability to  
13 persons not party to this Decree. The "matters addressed" in this  
14 Decree are all claims against CBS including claims for costs,  
15 damages, contribution and other claims for: (1) Natural Resource  
16 Damages; and (2) Response Costs. No contribution protection is  
17 provided pursuant to this Decree for any claim for Response Costs  
18 under CERCLA incurred in connection with the presence, release or  
19 threatened release of a hazardous substance outside the Montrose  
20 NPL Site. Any rights CBS may have to obtain contribution or  
21 otherwise recover costs or damages from persons not party to this  
22 Decree are preserved.

23            26. The Trustees have determined that the payment to be  
24 made pursuant to Paragraphs 6 and 7 of this Decree is an  
25 appropriate action necessary to protect and restore the natural  
26 resources damaged by the release of DDT, PCBs and other hazardous  
27 substances alleged in the First Claim for Relief in the Complaint  
28

1 and that the payment satisfies the requirements of Section  
2 122(j)(2) of CERCLA, 42 U.S.C. § 9622(j)(2).

3 NOTICE

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

7 Notice to the United States and the State:

8 Chief  
9 Environmental Enforcement Section  
10 U.S. Department of Justice  
11 1425 New York Ave, N.W.  
12 Washington, D.C. 20005  
13 Facsimile No. (202) 514-2583  
14 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

15 Notice to CBS shall be provided to:

16 Louis J. Briskman, Esq.  
17 General Counsel  
18 CBS Corporation  
19 51 West 52nd Street  
New York, NY 10019  
Facsimile No. (212) 597-4031

20 Charles B. Cohler, Esq.  
21 Lasky, Haas & Cohler  
22 Professional Corporation  
505 Sansome Street, 12<sup>th</sup> Floor  
San Francisco, CA 94111-3183  
Facsimile No. (415) 981-4025

23 Each party to this Decree may change the person(s) it has  
24 designated to receive notice for that party, or the addresses for  
25 such notice, by filing a written notice of such change with the  
26 Court and serving said notice on each of the other Parties to  
27 this Decree, or in accordance with the provisions of the Order  
28

1 Re: Discovery Coordination and Service List entered June 26,  
2 1992, and any amendment thereto.

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

6 ENTIRE AGREEMENT

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

12 EFFECTIVE DATE

13 30. This Decree shall be effective upon the date which this  
14 Decree has been initially approved and signed by the United  
15 States District Court.

16 31. By signature below, all Parties consent to this Decree.

17 ORDER

18 THE FOREGOING Decree among plaintiffs the United States and  
19 the State of California and CBS is hereby APPROVED. There being  
20 no just reason for delay, this Court expressly directs, pursuant  
21 to Rule 54(b), Federal Rules of Civil Procedure, ENTRY OF FINAL  
22 JUDGMENT in accordance with the terms of this Decree this 19  
23 DAY of August, 199~~8~~<sup>9</sup>; each party hereto shall bear its own  
24 costs and attorney's fees except as specifically provided herein.

25  
26 

27 A. ANDREW HAUK  
28 Senior United States District Judge  
and  
Chief Judge Emeritus

1 FOR THE UNITED STATES OF AMERICA:

2 WE HEREBY CONSENT to the entry of the Consent Decree in  
3 United States, et al. v. Montrose Chemical Corporation of  
4 California, et al., No. CV 90-3122-AAH (JRx), subject to the  
5 public notice and comment requirements of 28 C.F.R. § 50.7.  
6

7 DATE: 11/8/98

Lois J. Schiffer  
8 LOIS J. SCHIFFER  
9 Assistant Attorney General  
10 Environment and Natural Resources  
Division  
United States Department of Justice

11 DATE: 7-11-98

Adam M. Kushner  
12 ADAM M. KUSHNER  
13 STEVEN O'ROURKE  
14 Environmental Enforcement Section  
15 Environment and Natural Resources  
16 Division  
United States Department of Justice  
Post Office Box 7611  
Washington, D.C. 20044  
(202) 514-4046

17 DATE: 9-18-98

Keith Takata  
18 KEITH TAKATA  
19 Director, Superfund Division  
20 United States Environmental  
21 Protection Agency  
22 Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

23 DATE: 9/18/98

John B. Lyons  
24 JOHN B. LYONS  
25 Assistant Regional Counsel  
26 United States Environmental  
27 Protection Agency  
28 Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

1 FOR THE CALIFORNIA DEPARTMENT OF FISH AND GAME:

2 WE HEREBY CONSENT to the entry of the Consent Decree in  
3 United States, et al. v. Montrose Chemical Corporation of  
4 California, et al., No. CV 90-3122-AAH (JRx), subject to the  
5 public notice and comment requirements of 28 C.F.R. § 50.7.  
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8 DATE: Sept. 11, 1988

Jacqueline E. Schafer  
JACQUELINE E. SCHAFER  
Director of California  
Department of Fish and Game

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1 FOR THE CALIFORNIA STATE LANDS COMMISSION:  
2 WE HEREBY CONSENT to the entry of the Consent Decree in  
3 United States, et al. v. Montrose Chemical Corporation of  
4 California, et al., No. CV 90-3122-AAH (JRx), subject to the  
5 public notice and comment requirements of 28 .F.R. § 50.7.

6 DATE: 8/19/98  
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Robert C. Hight  
8 ROBERT C. HIGHT  
9 Executive Officer of the State  
10 Lands Commission  
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1 FOR THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION:

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

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7 DATE: 8/28/98

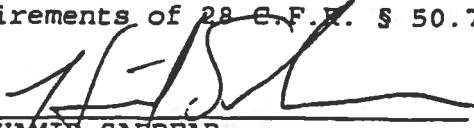
Patricia J. Megason  
PATRICIA J. MEGASON  
Director California Department of  
Parks and Recreation

1 FOR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL:

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

6 DATE:

7 9/8/98

8   
9 HAMID SAEBFAR

10 Chief, Site Mitigation Cleanup  
11 Operations, Southern California  
12 Branch A  
13 California Department of Toxic  
14 Substances Control  
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1 FOR THE CALIFORNIA, REGIONAL WATER QUALITY CONTROL BOARD, LOS  
2 ANGELES REGION:

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

7 DATE: August 19, 1998

Dennis A. Dickerson

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

1 FOR CBS CORPORATION:

2 WE HEREBY CONSENT to the entry of the Consent Decree in  
3 United States, et al. v. Montrose Chemical Corporation of  
4 California, et al., NO. CV 90-3122-AAH (JRx).

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7 DATE: September 1, 1998

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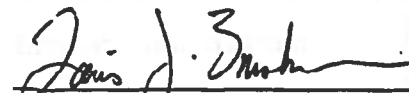
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LOUIS J. BRISKMAN  
General Counsel  
CBS Corporation  
51 West 52nd Street  
New York, New York 10019