

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

Chapter 11

G-I Holdings Inc., et al,

Case Nos. 01-30135 (RG) and 01-38790 (RG)
(Jointly Administered)

Debtors.

UNITED STATES OF AMERICA
Plaintiff,

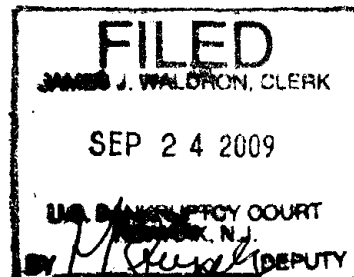
and

THE STATE OF VERMONT,
Plaintiff-Intervenor,

v.

Adversary Proceeding No. 08-2531 (RG)

G-I HOLDINGS INC., et al.,
Defendants.



CONSENT DECREE AND SETTLEMENT AGREEMENT

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WHEREAS on January 5, 2001, G-I Holdings Inc. ("G-I") commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"). G-I is a corporation organized and existing under the laws of the State of Delaware, with a principal place of business located at 1361 Alps Road, Wayne, New Jersey 07470. On August 3, 2001, G-I's subsidiary, ACI Inc. ("ACI") commenced a voluntary case under chapter 11 of the Bankruptcy Code. Thereafter, an order directing the joint administration of G-I's and ACI's chapter 11 cases was entered on October 10, 2001. The cases are administered under the caption In re: G-I Holdings Inc., et al. (f/k/a/ GAF Corporation), Case Nos. 01-30135 and 01-38790 (RG) (Jointly Administered) (the "Bankruptcy Cases"). G-I and ACI continue to be authorized to operate their businesses and to manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

WHEREAS, Plaintiff, the United States of America ("United States"), by the authority of the Attorney General of the United States, and acting at the request of the Administrator of the United States Environmental Protection Agency ("EPA"), filed an Adversary Complaint (the "Complaint") on November 5, 2008, against G-I for declaratory and injunctive relief pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201(a); Section 303 of the Clean Air Act ("CAA § 303"), 42 U.S.C. § 7603; and Section 7003 of the Solid Waste Disposal Act, commonly known as the Resource Conservation and Recovery Act ("RCRA § 7003"), 42 U.S.C. § 6973, in connection with the Vermont Asbestos Group Mine Site ("VAG Site") in Lowell and Eden, Vermont;

WHEREAS, the Complaint requested that the Court direct G-I to take immediate action at the VAG Site to abate conditions that the United States alleges present, or may present, an imminent and substantial endangerment to public health, welfare, and the environment within the

meaning of CAA § 303 and RCRA § 7003 and implementing federal and state regulations;

WHEREAS, the State of Vermont ("Vermont") has worked cooperatively with the United States in seeking injunctive relief at the VAG Site, has alleged causes of action and claims that share a common question of law or fact with the United States' causes of action and claims, and desires to resolve its claims against G-I through participation as a party in this Consent Decree and Settlement Agreement (the "Consent Decree");

WHEREAS, the Ruberoid Company ("Ruberoid") merged into General Aniline & Film Corporation in 1967, and in 1971, General Aniline changed its name to GAF Corporation ("GAF"). GAF Corporation liquidated in 1989 and transferred its building material and roofing assets and liabilities to Edgecliff Inc. G-I is the successor in interest to Edgecliff Inc.;

WHEREAS, in its Complaint, the United States alleges that from 1936 to 1975, G-I's predecessors mined and milled asbestos at the VAG Site by mechanically separating asbestos fibers that are embedded in ore-bearing rock and that a significant portion of the Site acreage is contaminated by asbestos-containing waste material and mill tailings containing nickel and chromium that accumulated during G-I's predecessors' operation and under their direction, and further alleges that prior to the sale of the property, G-I's predecessors failed to take significant action to mitigate or minimize the ongoing environmental and public health consequences of its milling and disposal practices;

WHEREAS, the United States alleges that G-I is liable pursuant to CAA § 303 and RCRA § 7003 as a prior owner and operator of a pollution source; as a person causing or contributing to the alleged pollution; and/or as a person responsible for the past handling, storage, and disposal of solid waste and has requested that this Court enjoin G-I to take immediate action to abate the alleged endangerment to public health, welfare, and the

environment posed by the VAG Site;

WHEREAS, the United States, on behalf of EPA, the United States Department of the Interior ("DOI"), and the National Oceanic and Atmospheric Administration ("NOAA") contends that G-I is liable under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., for response costs incurred and to be incurred by the United States in the course of responding to releases and threats of releases of hazardous substances into the environment and for natural resource damages and costs of assessment incurred and to be incurred by the United States at (i) the VAG Site; (ii) the GAF Chemicals Site, the LCP Chemicals Inc. Superfund Site, and the Diamond Alkali Superfund Site (collectively, the "Linden Sites"); and (iii) nine other Sites where G-I is alleged to be a generator (collectively, the "Generator Sites");

WHEREAS, on October 14, 2008, the United States filed in the Bankruptcy Cases its Proof of Claim and Protective Proof of Claim of the United States of America, on behalf of the United States Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the United States Department of the Interior, Fish and Wildlife Service (Claim No. 1509) (the "US Proof of Claim"), which Proof of Claim asserted a claim for the costs and damages described in the prior paragraph (the "US Monetary Claim");

WHEREAS, the US Proof of Claim states the United States' position that G-I is required by law to perform the injunctive relief sought in the Complaint;

WHEREAS, Vermont contends that G-I is liable (i) under CERCLA for response costs incurred and to be incurred by Vermont in the course of responding to releases and threats of releases of hazardous substances into the environment at and from the VAG Site and for natural resource damages incurred and to be incurred by Vermont at the VAG Site, (ii) under 10 V.S.A.

§§ 1259, 1274, 6601a, 6615, and 6616 for the costs of investigation, removal, and remedial action incurred and to be incurred in the course of responding to releases and threats of releases of hazardous materials into the environment and to the unauthorized discharge of waste into waters of the State at and from the VAG Site, and (iii) for public property destroyed, damaged, or injured by the release of hazardous materials and the unauthorized discharge of waste into waters of the State at and from the VAG Site;

WHEREAS, Vermont filed in the Bankruptcy Cases proofs of claim (Claim Nos. 1157, 1158, and 1159) (the "Vermont Proofs of Claim") for the costs and damages described in the prior paragraph (the "Vermont Claim");

WHEREAS, G-I disputes the amounts and the bases of the liabilities alleged in the United States' and Vermont's Proofs of Claim, and, but for this Consent Decree, would object to the Proofs of Claim, in whole or in part;

WHEREAS, G-I and ACI deny any liability to the United States, EPA, DOI, NOAA, the State of Vermont or any other federal or state agency arising out of the transactions or occurrences alleged in the US Proof of Claim, the Vermont Proof of Claim, the Complaint, or any other submission, filing, or document prepared by the United States or the State of Vermont in connection with this proceeding and denies that conditions at or emanating from the VAG Site present or may present an imminent and substantial endangerment to public health, welfare, or the environment;

WHEREAS, upon being informed of the United States' allegations, G-I has worked cooperatively with the United States and Vermont to reach the settlement set forth in this Consent Decree and to determine and implement abatement measures at the VAG Site in an expedited manner and without resort to litigation;

WHEREAS, the United States, Vermont, and G-I ("the Parties") recognize, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith and at arm's length, and is fair, reasonable, consistent with the goals of the CAA, RCRA, CERCLA, FWPCA, and their implementing regulations;

WHEREAS this Consent Decree is in the public interest and is an appropriate means of resolving these matters; and

WHEREAS the Parties hereto desire to settle, compromise, and resolve certain of their disputes which may have otherwise been the subject of an estimation hearing, without the necessity of an estimation hearing;

NOW, THEREFORE, before the taking of any testimony, without the adjudication or admission of any issue of fact or law except as provided in Section I (Jurisdiction and Venue), and with the consent of the Parties,

IT IS HEREBY ADJUDGED, ORDERED, AND DECREED as follows:

I. JURISDICTION AND VENUE

1. The Bankruptcy Court has jurisdiction over the subject matter of this action pursuant to Section 303 of the Clean Air Act, 42 U.S.C. § 7603; Section 7003 of RCRA, 42 U.S.C. § 6973; Sections 107(a), 107(f) and 113(b) of CERCLA, 42 U.S.C. §§ 9607(a), 9607(f) and 9613(b); Section 311 and 504 of the Federal Water Pollution Control Act ("FWPCA"), 33 U.S.C. §§ 1321 and 1364; and 28 U.S.C. §§ 1331, 1334, 1345, 1355, and 1367, and over the Parties. By appearing and asserting claims in this proceeding, Vermont has submitted to the jurisdiction of this Court for all purposes related to this Consent Decree, including any proceedings to enforce this Consent Decree or to resolve any disputes arising under this Consent Decree, and has agreed to a limited waiver of its sovereign immunity and Eleventh Amendment immunity only to the extent of any proceedings to enforce this Consent Decree or to resolve any disputes arising under this Consent Decree.

2. Venue is proper in the District of New Jersey pursuant to Section 303 of the CAA, 42 U.S.C. § 7603; Section 113(b) of CERCLA, 42 U.S.C. § 9613(b); and 28 U.S.C. §§ 1391(b), 1391(c), 1395(a), and 1409(a), because G-I conducts business in this district and has sought bankruptcy protection here.

II. APPLICABILITY

3. The obligations of this Consent Decree apply to and are binding upon the United States, the State of Vermont, and G-I, as defined herein, and to any of G-I's or ACI's future successors and assigns.

4. In any action to enforce this Consent Decree, G-I shall not raise as a defense the failure by any of its officers, directors, employees, agents, contractors, or corporate affiliates or

subsidiaries to take any actions necessary to comply with the provisions of this Consent Decree that are applicable to such person unless or except as provided in Section XII (Force Majeure).

III. DEFINITIONS

5. Terms Defined by Statute and/or Regulation. Terms used in this Consent Decree that are defined in the CAA, CERCLA, RCRA, FWPCA, the U.S. Bankruptcy Code, 11 U.S.C. § 101, et seq., and Vermont state statutes, or in federal and state regulations promulgated pursuant to those statutes, shall have the meanings assigned to them there, unless otherwise provided in this Consent Decree. In the event that a term is defined in both federal and Vermont statutes or regulations, the term shall have the meaning provided by federal law.

6. Other Defined Terms. Whenever the terms set forth below are used in this Consent Decree, the following definitions shall apply:

a. "Allowed General Unsecured Claim" shall mean a non-priority, general unsecured claim against G-I's estate in the Bankruptcy Cases that is not subject to objection and is allowed in accordance with the provisions of the Bankruptcy Code.

b. "ANR" shall mean the Vermont Agency of Natural Resources.

c. "Asbestos Product" shall mean milled and friable asbestos.

d. "Day" shall mean a calendar day unless expressly stated to be a business day. In computing any period of time under this Consent Decree, when the last day would fall on a Saturday, Sunday, federal holiday, or Vermont holiday the period shall run until the close of business of the next business day.

e. "Dollars" or "\$" shall mean United States dollars and, when used in connection with payment obligations means, unless otherwise specified, payment of the full amount specified without discounting.

- f. "Generator Sites" shall mean the nine sites at which G-I has been identified as a potentially responsible party listed in Paragraph 62 of this Consent Decree.
- g. "G-I" shall mean G-I Holdings Inc.
- h. "G Holdings Entities" shall mean the entities listed on Attachment 4 to this Consent Decree.
- i. "Interest" shall mean the statutory rate of interest set forth at 26 U.S.C. § 9507, compounded annually on October 1 of each year.
- j. "ISP Entities" shall mean the entities listed on Attachment 5 to this Consent Decree.
- k. "Linden Sites" shall mean the GAF Chemicals Site, the LCP Chemicals Inc. Superfund Site, and the Diamond Alkali Superfund Site.
- l. "Lodging Date" shall mean the later of (i) the date that this Consent Decree and Settlement Agreement is initially filed by the United States with the Bankruptcy Court prior to the commencement of the public comment period required by Section XXV hereof, or (ii) the date that the Bankruptcy Court approves G-I's entry into this Consent Decree and authorizes G-I to undertake those obligations set forth therein which are tied to the Lodging Date.
- m. "Monetary Claims" shall mean all claims by the United States or Vermont against G-I for past or future response costs or natural resource damages (including assessment costs) incurred at or in connection with (i) the VAG Site, (ii) the Linden Sites, and/or (iii) the Generator Sites, but shall not include payments by G-I to the Trust as required by Paragraph 10.
- n. "National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Contingency Plan codified at 40 C.F.R. pt. 300.

o. "On-Site Log" shall mean a written daily log maintained by the VAG security guard that contains notations of daily and periodic activity, inspection results, and personal observations of the condition of the VAG Site.

p. "Paragraph" shall mean a portion of this Consent Decree identified by an Arabic numeral.

q. "Part" shall mean a portion of the Consent Decree identified by a capital letter.

r. "Plan Effective Date" shall mean the effective date of any plan of reorganization for G-I and ACI that is confirmed by the Bankruptcy Court.

s. "Preliminary Period" shall mean the period commencing 15 days after the Lodging Date and ending on the last day of the calendar month in which the Plan Effective Date occurs.

t. "Preliminary Period Contribution" shall mean funding provided to the Trust by G-I during the Preliminary Period. The Preliminary Period Contribution shall not exceed \$350,000, including the \$50,000 Initial Contribution required by Paragraph 10.a.

u. "Section" shall mean a portion of this Consent Decree identified by a Roman numeral.

v. "Settlement Year" for numbers greater than one shall mean the twelve-month period commencing on the first day following the conclusion of the prior Settlement Year.

w. "Settlement Year One" shall mean the one-year period commencing on the first day following the end of the Preliminary Period.

x. "Statement of Work" or "SOW" shall mean the Statement of Work attached as Attachment 1 to this Consent Decree and incorporated herein.

y. "Trust Administrative Costs" shall mean the costs of administering the Injunctive Trust and not any of the costs incurred in connection with the Work required under this Consent Decree and the SOW. Trust Administrative Costs shall include (i) the Trustee's compensation and out-of-pocket expenses, other than compensation and out-of-pocket expenses related to the Trustee's meetings with the United States or Vermont, (ii) the necessary costs of accountants or lawyers retained to advise the Trustee, (iii) the costs of any insurance procured by the Trustee, and (iv) the costs incurred in connection with the dispute resolution provisions applicable to the VAG Site under Section XIII of this Consent Decree.

z. "Trust Agreement" shall mean the "Custodial Trust Agreement for the Vermont Asbestos Group Site" attached as Attachment 3 to this Consent Decree and incorporated herein.

aa. "Trustee" shall mean the individual(s) designated by G-I, with the approval of EPA in consultation with Vermont, to administer the Injunctive Trust.

bb. "United States" shall mean, individually and collectively, the United States Environmental Protection Agency ("EPA"), the United States Department of the Interior ("DOI"), the National Oceanic and Atmospheric Administration ("NOAA"), and the Environment and Natural Resources Division of the United States Department of Justice on behalf of EPA, DOI, and/or NOAA.

cc. "VAG Future Response Costs" shall mean all CERCLA costs, or in the case of Vermont costs incurred under analogous state law, including but not limited to direct and indirect costs that the United States, on behalf of EPA or DOJ, or Vermont incurs after October 15, 2008 in connection with the VAG Site and paid pursuant to Section VI (Terms Applicable to Federal and State VAG Monetary Claims). VAG Future Response Costs shall include all costs not

inconsistent with the NCP, which may include, but are not limited to, payroll costs, costs incurred by the United States or Vermont and their representatives (including contractors) under or in connection with a contract or arrangement for technical assistance in connection with the VAG Site, travel costs, laboratory costs, enforcement costs, community relations costs, enforcement and legal support costs, records management costs, technical support costs, interagency and intergovernmental agreement costs (including ATSDR costs), costs under a cooperative agreement with the State, and data management costs.

dd. "VAG Future Response Cost Claim" shall mean the claims of the United States and the claims of the State of Vermont, under CERCLA or any other federal or state law, for reimbursement of VAG Future Response Costs.

ee. "VAG NRD Claims" shall mean the claims of (i) the United States on behalf of DOI and (ii) the State of Vermont under CERCLA and/or any other federal or state law or common law, for injuries to natural resources resulting from releases of hazardous substances relating to the VAG Site.

ff. "VAG NRD Trustees" shall mean DOI and the State of Vermont.

gg. "VAG Site" shall mean the properties located in Eden and Lowell, Vermont encompassing approximately 2500 acres as generally depicted on the VAG Site Map including all areas where mining and milling activities took place and shall also include all locations where materials generated or created at these properties have come to be located.

hh. "VAG Site Map" means that map of the VAG Site depicting, among other things, locations at which certain Work shall be performed, attached as Attachment 2 to this Consent Decree and incorporated herein.

ii. "Work" shall mean all injunctive relief activities G-I or the Trust is required to perform under this Consent Decree and the SOW.

IV. ESTABLISHMENT OF VAG SITE INJUNCTIVE TRUST

7. By no later than five days following the Lodging Date, G-I shall establish an Injunctive Trust (the "Trust" and/or "Trustee") to accomplish the Work required pursuant to Section V of this Consent Decree and shall fund the Trust in accordance with Paragraph 10. The Trust shall select and utilize one or more designated contractors ("Contractor") to implement the Work. G-I's selection of the Trustee and the Trustee's selection of the Contractor(s) shall be subject to written approval by EPA, in consultation with Vermont. The Trust shall perform all Work required by the SOW, and such Work shall be performed in accordance with the SOW. G-I shall provide funds to the Trust on a periodic basis, as provided in Paragraph 10 and in the Trust Agreement, to allow the Trust to timely and fully meet its obligations pursuant to this Consent Decree. All activities undertaken by the Trust pursuant to the Trust Agreement shall be performed in accordance with the requirements of all applicable federal and state laws and regulations.

8. The United States and Vermont have agreed to G-I's proposed use of the Trust solely as a means for securing the Work and solely for the purposes of settlement. The proposed use of a trust by G-I shall in no way convert the United States' CAA § 303 and RCRA § 7003 causes of action into monetary claims, and in the event that this Consent Decree is not approved for any reason, nothing herein shall be construed as a waiver of the United States' or Vermont's rights to pursue any injunctive causes of action they may have against G-I.

9. G-I's obligations with respect to the Trust and the Work shall be to (i) establish the Trust and select the Trustee, subject to approval by EPA in consultation with Vermont; (ii) fund the Trust in accordance with Paragraph 10; and (iii) undertake the tasks specifically assigned to G-I in Part V.H. G-I, EPA, and ANR shall not be or be deemed to be owners, operators, trustees, partners, agents, shareholders, officers, or directors of the Trust. The Trust shall not be deemed to be the successor to any liabilities of G-I or of any other person, provided that the foregoing shall not affect the Trust's obligations under this Consent Decree to perform the Work.

10. G-I shall provide funding to the Trust for purposes of implementing the Work under Section V ("CAA and RCRA Injunctive Relief at the VAG Site"), as set forth below:

- a. Upon the establishment of the Trust, G-I shall transfer an Initial Contribution of \$50,000 to the Trust.
- b. No later than fourteen days after the Lodging Date, the Trustee shall submit to EPA for review and approval work plans for the Work to be performed in accordance with this SOW and the Consent Decree during the Preliminary Period in accordance with Section XI. The work plans shall include an estimate of the cost of performing the Work required under Parts V.A-D planned for the Preliminary Period. Each submittal shall also include appropriate health and safety plans. While EPA is reviewing the plans, the Trust shall diligently proceed to make all necessary preparations for performance of the Work. Within seven days of EPA's approval of each plan, the Trustee shall certify that it is ready and able to perform the Work planned for the Preliminary Period, including having the necessary contractors, permits, and all other preconditions for commencing the planned Work in place. Upon the Trustee's certification, G-I shall transfer funds to the Trust equal to the estimate for performing the Work planned for the

Preliminary Period, less the balance of work funds held by the Trust. In no event shall G-I's total obligation to fund Work during the Preliminary Period exceed \$350,000, including the Initial Contribution but exclusive of Trust Administrative Costs.

c. After the Preliminary Period, G-I shall be obligated to continue funding the Injunctive Trust as set forth and subject to the limitations in the Trust Agreement and as limited by the maximum funding obligations set forth in Paragraph 10.d through 10.k.

d. Settlement Year One Cost Cap. During Settlement Year One, G-I's obligation to provide funding to the Trust, other than for Trust Administrative Costs, shall be limited to the amount of \$1,000,000 less such amounts as were funded to the Trust during the Preliminary Period. Thus, if \$350,000 in funding is provided by G-I to the Trust during the Preliminary Period, the maximum funding G-I shall be obligated to provide to the Trust for Settlement Year One shall be \$650,000.

e. Settlement Years Two-Seven Cost Caps. During each of Settlement Years Two, Three, Four, Five, Six, and Seven, G-I's obligation to provide funding to the Trust, other than for Trust Administrative Costs, shall be limited to an annual cost cap of \$1,000,000.

f. Settlement Year Eight Cost Cap. During Settlement Year Eight, G-I's obligation to provide funding to the Trust, other than for Trust Administrative Costs, shall be limited to \$750,000.

g. Except as set forth in Paragraph 10.k, once the annual cost caps set forth above have been reached, G-I shall be under no further obligation to provide funding to the Injunctive Trust for that Settlement Year.

h. Security Cost Cap. G-I's obligation under this Consent Decree to provide funding to the Trust for Security of On-Site Buildings under Section V.C below shall be subject to an aggregate cost cap of \$250,000.

i. Monitoring/Dust Suppression Cost Cap. G-I's obligation under this Consent Decree to provide funding to the Trust for Air and Meteorological Monitoring and Dust Suppression under Section V.E through G below shall be subject to an aggregate cost cap of \$2,500,000 (the "Monitoring and Dust Suppression Cap").

j. Investigation Cost Cap. G-I's obligation under this Consent Decree to provide funding to the Trust for Investigation of Off-Site Transport, Sale, and Use of Mine Tailings and Crushed Rock under Section V.H below shall be subject to an aggregate cost cap of \$5,000,000.

k. In the event that the total funding provided by G-I to the Trust under this Paragraph 10 in any Settlement Year is less than the annual cap set forth in subparagraphs d, e, or f, the difference between the cost cap and the amount of funding actually provided may be carried over and used in subsequent settlement years, provided, however, that G-I shall have no obligation to fund the Trust after Settlement Year 9, regardless of whether the cost caps have been fully exhausted. Nothing in this Paragraph 10.k shall affect the aggregate cost cap applicable to any category of Work.

11. The Trustee shall provide an annual accounting of all Trust receipts and expenditures, along with documentation adequate to demonstrate that the Trust has met the requirements for completion of injunctive relief and funding under this Consent Decree.

V. CAA AND RCRA INJUNCTIVE RELIEF AT THE VAG SITE

A. Installation and Maintenance of Perimeter Gates, Fencing, and Signage.

12. No later than thirty days after EPA approves the work plan(s) required in Paragraph 10.b, the Trust shall complete installation of signs, chain-link gates, and fencing extending beyond the gates so as to restrict passage around the gates on either side, in accordance with the SOW. The signs, chain-link gates, and fencing shall be installed at the locations identified in the work plan.

13. Beginning immediately upon completion of installation of the chain-link gates, fencing, and signage, the Trust shall begin inspections in accordance with Paragraph 23 to ensure that the perimeter gates and attached fencing are maintained in good operating condition and that the signs remain in place through the termination of injunctive relief pursuant to Section XXIX of this Consent Decree.

B. Installation of "Jersey" Barriers/Access Restrictions.

14. As soon as Site conditions allow following EPA's approval of the work plan(s) required in Paragraph 10.b, but no later than 30 days following such approval, the Trust shall complete measures to prevent vehicular access to the top of the Eden Mine Tailings Pile by installing concrete barriers ("Jersey Barriers" or any other appropriate means to restrict access agreed to by EPA) in accordance with the attached SOW.

15. Beginning immediately upon completion of installation of the Jersey Barriers or the equivalent, the Trust shall implement measures set forth in Paragraph 23 to ensure that the barriers are maintained in good condition, until the termination of injunctive relief pursuant to Section XXIX of this Consent Decree.

C. Security of On-Site Buildings.

16. No later than 30 days after EPA approves the work plan(s) required in Paragraph 10.b, the Trust shall complete measures required to secure the on-site buildings as set forth in the SOW. In addition, the Trust shall remove any readily-identifiable Asbestos Product from the areas around the building perimeters and secure the Asbestos Product on-site, as designated in the SOW. The Trust will also take measures to ensure that the buildings containing Asbestos Product maintain sufficient integrity to prevent a material release of Asbestos Product to the environment.

17. Beginning immediately upon completion of the work in Paragraph 16, the Trust shall implement measures set forth in Paragraph 23 to ensure that the buildings remain secure until the termination of injunctive relief pursuant to Section XXIX of this Consent Decree.

D. VAG Site Security Guard.

18. No later than 14 days after EPA approves the work plan(s) required in Paragraph 10.b, the Trust shall retain an individual or firm to perform security work at the Site ("Security Contractor") and to generally oversee security of the Site as specified in the SOW and the approved work plans until the termination of injunctive relief pursuant to Section XXIX of this Consent Decree. The Trust's selection of the Security Contractor shall be subject to the written approval of EPA, in consultation with Vermont.

19. The Security Contractor shall provide a security presence at the Site based on a seasonal schedule, as specified in the SOW and shall begin work immediately upon selection by the Trust.

20. The Security Contractor shall provide one or more guards to patrol on foot or by vehicle, as appropriate, the designated "patrol circuit" identified in the SOW. The Security

Contractor shall maintain the written results of the patrols in the On-Site Log, as required by the SOW.

21. Operations. The Trust shall install and maintain a mobile office and/or trailer at the VAG Site at a location to be approved by EPA. The trailer shall serve as an operating office and communication center for the Security Contractor while present on-site and as the repository for the On-Site Log(s), all maintenance records, and any other documentation required to be maintained under the terms of this Consent Decree.

22. OSHA Compliance. The contract retaining the Security Contractor shall require the Security Contractor to comply with all applicable Occupational Safety and Health Administration ("OSHA") regulations and Vermont Occupational Safety and Health Administration ("VOSHA") regulations. Nothing contained in this Consent Decree, the SOW, any applicable Work Plan, or Health and Safety Plan ("HASP") shall relieve the Security Contractor of its responsibility in this regard.

23. Physical Inspections. In accordance with a "patrol circuit" as set forth in the SOW, and to the extent reasonably feasible, the Security Contractor shall conduct daily physical inspections of the exterior gates, fencing, and signs and weekly inspections of the Jersey Barriers or equivalent and Site buildings. The Security Contractor shall document in the On-Site Log the inspection results and repairs determined to be necessary to ensure continued compliance with the terms of this Consent Decree until the termination of injunctive relief pursuant to Section XXIX of this Consent Decree.

24. Maintenance of On-Site Log. The Security Contractor shall maintain a written daily log with notations of daily and periodic activity, inspection results, and other observations and

shall make the log available for inspection by EPA, other federal personnel, and Vermont personnel with appropriate identification upon request.

25. Submission of periodic reports. The Security Contractor shall compile and integrate the information collected through patrols and inspections and shall provide it in a quarterly progress report to EPA and Vermont, as set forth in the SOW and in Section X (Recordkeeping and Reporting Requirements). The first quarterly progress report shall be due 45 days after the Lodging Date.

26. Interim Special Reports. The Security Contractor shall provide prompt notice to EPA, Vermont, and the appropriate law enforcement authorities of any unusual activity at the VAG Site, including any breach of security on-site, and shall be responsible for alerting emergency personnel in a prompt manner, as necessary, to address any environmental, public health, or safety emergencies at the VAG Site.

E. Installation and Operation of Meteorological Stations.

27. No later than 30 days after the later of (i) approval by EPA of the work plan required in the SOW (unless Site conditions are not conducive to installation, in which case additional time will be allowed to complete installation) or (ii) Bankruptcy Court approval of the Consent Decree, the Trust shall install three meteorological stations at the VAG Site in the locations designated in the work plan prepared in accordance with the requirements set forth in the SOW. The Trust shall operate such systems from May 1 through November 1 through Settlement Year 8 unless otherwise required by EPA or until the Monitoring and Dust Suppression Cap has been exhausted. The Trust shall only be obligated to perform the Work set forth in this Paragraph, and in Section V.F and G below, prior to the Plan Effective Date to the extent there are funds

remaining within the \$350,000 cost cap for the Preliminary Period after the Work set forth in Section V.A-D above is performed.

F. Installation and Operation of Air Monitoring Stations.

28. As soon as Site conditions allow following the installation of the meteorological stations, but by no later than two weeks following such installation, the Trust shall install air monitoring stations in accordance with the requirements set forth in the SOW, and shall begin conducting air sampling in accordance with the SOW. The Trust shall conduct air monitoring from May 1 through November 1 through Settlement Year 8 unless otherwise required by EPA or until the cost caps for this activity have been exhausted.

G. Dust Suppression.

29. If, at any time, during Settlement Years 1 through 8 or until the Monitoring and Dust Suppression Cap has been exhausted, the analysis of the air monitoring data indicates to EPA that dust suppression measures should be implemented, EPA, in consultation with Vermont, shall direct the Trust to undertake interim dust suppression measures to the extent reasonably practicable under the circumstances. The Parties agree that interim dust suppression is not intended to be a substitute for a final remedy, nor must it be designed to ensure zero dust migration if this degree of dust suppression cannot be reasonably and economically accomplished.

H. Investigation of Off-Site Transport, Sale, and Use of Mine Tailings and Crushed Rock

30. Document Review. By no later than thirty days after the Lodging Date, G-I shall collect, review, and produce to EPA all documents in G-I's custody or control that have not been previously produced to EPA related to the practice of transport, sale, or use of mine tailings or crushed rock off-site during its predecessors' ownership and operation of the VAG Site.

31. Interviews of Individuals with Knowledge of Off-Site Use. By no later than thirty days after the Lodging Date, G-I shall identify former G-I employees and others who may have knowledge of off-site transport, sale, or use of mine tailings or crushed rock, or who may have access to additional documentation of off-site use.

32. Collection and Tabulation of Information. G-I shall prepare a report regarding the results of its document review, consisting of, at a minimum, individual names, addresses, telephone numbers, and other contact information of persons identified pursuant to Paragraph 31. G-I shall submit the report to EPA and Vermont within 30 days of completion of the investigative activities set forth in this Part.

33. Investigation Support. Following the Plan Effective Date, the Trust shall provide funding to Vermont to conduct interviews of former G-I employees and any other person or entity who may have knowledge of off-site transport, sale, or use of mine tailings or crushed rock, and to conduct further investigations related to such off-site usage. The activities to be conducted pursuant to this Paragraph 33 shall be determined in Vermont's discretion, in consultation with EPA, and neither G-I nor the Trust shall have any responsibility for recommending, selecting, conducting, or approving activities to be conducted pursuant to this Paragraph. On a periodic basis, Vermont shall submit invoices to the Trust setting forth the costs incurred in performing investigations pursuant to this Paragraph, along with reasonable documentation of those costs. Within 60 days of receipt of an invoice for investigation costs, the Trustee shall inform Vermont and EPA if it objects to any of the invoiced costs. The Trustee may object to invoiced costs only on the grounds that the invoiced costs are inconsistent with this Consent Decree. If the Trustee does not object to the invoiced costs, the Trustee shall pay those

costs within 90 days of receipt of the invoice, to the extent doing so would not require G-I's funding of the Trust to exceed either an annual cost cap or the aggregate cost cap for offsite investigation activities, as set forth in Paragraph 10. If the Trustee objects to any of the invoiced costs, then the Trustee shall invoke the dispute resolution procedures set forth in Section XIII to resolve the objection. If the Trustee objects to some but not all of the invoiced costs, the Trustee shall pay that portion of the invoice to which the Trustee has no objection within 90 days of receipt of the invoice and shall invoke dispute resolution with respect to the remainder.

34. Sampling and Analysis of Off-Site Material. Following the Bankruptcy Court's approval of the Consent Decree, the Trust shall provide technical support to EPA and/or Vermont for the purpose of characterizing potentially asbestos-containing material at off-site locations. The characterization activities to be conducted could include sampling (including activity based sampling), analysis (field or off-site lab), sample management, validation, data management, reporting, or other activities that EPA or Vermont identify as necessary to support the investigation of off-site material, subject to the cost caps set forth in Paragraph 10. EPA or Vermont's exercise of discretion in the selection of particular characterization activities or locations shall not be subject dispute resolution. The sampling, analysis, or other activities shall be conducted in accordance with accepted EPA methods as part of a Work Plan, Sampling Plan, and Quality Assurance Project Plan ("QAPP"), submitted to and approved by EPA, in consultation with Vermont, according to the procedures set forth in Section XI.

I. Acceptance of Work

35. The Trust shall perform all Work in accordance with one or more work plans, health and safety plans, or QAPPs. Except for health and safety plans, all work plans and QAPPs shall

be approved by EPA in accordance with the procedures set forth in Section XI before the Trust commences any Work described in the applicable work plan or QAPP.

36. Immediately upon receipt, the Trustee shall submit all invoices for Work performed to EPA and ANR, along with a description of the Work performed and any reports or as-built drawings related to the Work performed. The Trustee shall not pay any invoices for Work performed until the Trustee has received from EPA, in consultation with Vermont, notification that EPA agrees that the Work was performed in conformance with the Consent Decree and all documents incorporated herein. EPA will exercise best efforts to review and approve or reject invoices within 30 days of receipt and acknowledges that delays in implementation of the Work may result if invoices are not approved or rejected within 30 days.

37. The obligations of the Trust and the Trustee hereunder are all subject to the cost caps set forth herein and the funding provided by G-I. The Trust shall have no obligations to undertake activities or expend funds beyond the funding provided by G-I.

VI. TERMS APPLICABLE TO FEDERAL AND STATE VAG MONETARY CLAIMS

38. The United States and Vermont have asserted Monetary Claims against G-I at the VAG Site. In order to reach a settlement of these claims without resort to litigation, the Parties have agreed that G-I shall make payments as follows:

39. VAG Past Costs Claim — Reimbursement

a. In full and complete resolution of the claim of the United States for reimbursement of VAG Response Costs incurred on or before October 15, 2008, G-I shall pay EPA the sum of \$154,000 within 60 days after the Plan Effective Date.

b. The cash distribution required by Paragraph 39.a above shall be made by FedWire Electronic Funds Transfer ("EFT" or wire transfer) to the U.S. Department of Justice account in

accordance with current electronic funds transfer procedures. Payment shall be made in accordance with instructions provided to G-I by the Financial Litigation Unit of the Office of the United States Attorney for the District of New Jersey and shall reference Bankruptcy Petition Nos. 01-30135 and 01-38790 and DOJ File Number 90-11-3-07425. Copies of all distributions and related correspondence shall be sent to the addresses set forth below:

Assistant Attorney General
Environment & Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, DC 20044-7611
Ref. DOJ File No. 90-11-3-07425

Sarah Meeks
Enforcement Counsel
Office of Environmental Stewardship
US Environmental Protection Agency, Region 1
One Congress Street, Suite 1100 (SES)
Boston, MA 02114

c. In full and complete resolution of the claim of Vermont for reimbursement of VAG Response Costs incurred on or before October 15, 2008, G-I shall pay Vermont the sum of \$16,800 within 60 days after the Plan Effective Date. G-I shall make the payment required by this Paragraph by official bank check made payable to "State of Vermont – Environmental Cleanup Fund," referencing the name and address of the party making the payment, and Site No. 1995-1825. G-I shall send the check to:

John Schmeltzer
VAG VT ANR Project Manager
VT DEC Waste Management Division
103 South Main Street, West Building
Waterbury, VT 05671-0404

A copy of the payment and related correspondence shall be sent to the address set forth below:

John D. Beling
Assistant Attorney General
Attorney General's Office
109 State Street
Montpelier, VT 05609-10010

40. VAG Future Response Costs Claim. In full and complete resolution of EPA's and Vermont's VAG Future Response Costs Claims, G-I shall make payments for response actions or activities to the United States and Vermont as set forth in Paragraphs 41 and 42.

41. Advance Payments of VAG Future Response Costs. G-I shall make advance payments of VAG Future Response Costs to EPA and/or Vermont upon EPA and/or Vermont's presentation of a Letter of Intent ("LOI"), documenting its readiness to implement response actions for the six-month period following the date of the LOI. Each LOI shall identify the anticipated response actions/activities to be undertaken during the following six months, the timeframe for implementation, and the estimated cost of performing the response actions/activities (VAG Future Response Costs). G-I shall provide funding to EPA and/or Vermont equal to the estimated cost set forth in the LOI, subject to the cost caps set forth in this Paragraph, within 45 days of G-I's receipt of the LOI. The advance payment may be placed in a CERCLA Special Account or Vermont Environmental Contingency Fund Special Account for response actions/activities in connection with the VAG Site. Upon completion of the response actions or activities, EPA and/or Vermont shall provide documentation to G-I indicating that the actions are complete and providing an accounting of the response costs incurred.

a. Cost Cap in Settlement Years One through Four. The total amount of advance payments to EPA and/or Vermont in Settlement Years One through Four shall not exceed an annual cost cap of \$450,000 per year. EPA or Vermont may seek reimbursement of response

costs incurred at the VAG site any time after October 18, 2008 and prior to the Plan Effective Date. Such reimbursement shall occur in Settlement Year One and shall be subject to the \$450,000 cost cap for that year.

b. Settlement Year Five. G-I shall make advance payments to EPA and/or Vermont in Settlement Year Five, not to exceed a cost cap of \$200,000.

c. VAG Advance Payments Annual Rollover. If at the end of each Settlement Year, the VAG Advance Payments are less than the annual cost caps identified above, the annual cost cap in the subsequent year shall be increased by the amount of unexpended funds in the previous year, provided that EPA and/or Vermont have met (and continue to meet) the conditions for Advance Payments as set forth in this Paragraph 41. For example, if EPA and/or Vermont only receive \$400,000 in advance payments in Year Three, the annual cost cap for Year Four will be increased by \$50,000.

d. VAG Advance Payments Post Year Five. If the \$2,000,000 aggregate cap for VAG Advance Payments is not reached by the end of Settlement Year Five, then G-I shall continue to make advance payments after Settlement Year Five, until the full \$2,000,000 has been paid to EPA and/or Vermont. In no event shall G-I's total aggregate obligation to both EPA and Vermont to pay VAG Response Costs Advance Payments exceed \$2,000,000.

42. VAG Future Response Costs Claim.

a. VAG Reimbursement. In Settlement Year Six and later, G-I shall reimburse EPA and Vermont for their actual response costs incurred at or in connection with the VAG Site at the rate of 8.6 percent (i.e., for every thousand dollars that EPA or Vermont incurs in response costs, G-I shall reimburse EPA or Vermont eighty-six dollars) to the extent those costs are not inconsistent

with the NCP or this Consent Decree. The procedures by which EPA and Vermont shall submit costs for reimbursement are set forth in Section VII.

b. Limitations on Reimbursement. G-I shall have no obligation to make any payments to EPA and/or Vermont under this Paragraph 42 until the aggregate VAG Future Response Costs incurred by EPA and Vermont exceed \$23,255,813, and G-I's obligation to reimburse EPA and Vermont for the first \$23,255,813 in VAG Future Response Costs shall be limited to the Advance Payments made pursuant to Paragraph 41.

c. Cost Cap in Settlement Years Six and Seven. G-I's obligation during Settlement Years Six and Seven to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an annual aggregate cap of \$450,000 (i.e. 8.6 percent of \$5,232,558).

d. Cost Cap in Settlement Year Eight and After. G-I's obligation during Settlement Year Eight to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an aggregate cap of \$700,000 (i.e., 8.6 percent of \$8,139,535). G-I's obligation during Settlement Year Nine to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an aggregate cap of \$1,800,000 (i.e., 8.6 percent of \$20,930,232). G-I's obligation during Settlement Years Ten and thereafter to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an annual aggregate cap of \$2,000,000 (i.e., 8.6 percent of \$23,255,813).

e. Costs in Excess of the Annual Cap. If EPA and Vermont's costs during any Settlement Year exceed an annual cap as set forth above, the costs in excess of the cap may be

invoiced during the following Settlement Year; provided however that there shall be no change in the cap for the following Settlement Year.

43. EPA's and Vermont's aggregate total for VAG Future Response Cost Claims shall be capped at \$300 million under this Consent Decree. G-I shall reimburse 8.6 percent of EPA's and Vermont's VAG Future Response Cost Claims as set forth in this Consent Decree. Accordingly, G-I's obligation to reimburse claims for VAG Future Response Costs shall terminate when the sum of the VAG Advance Payments (under Paragraph 41) and the VAG Reimbursement (under Paragraph 42) equals \$25,800,000 (i.e., 8.6 percent of \$300,000,000). In no event shall G-I be obligated to pay more than an aggregate amount of \$25,800,000 to the United States and/or Vermont with respect to VAG Future Response Costs. In the event that VAG Future Response Costs do not equal or exceed \$300,000,000, G-I shall only be required to reimburse the United States and Vermont for VAG Future Response Costs actually incurred. For example and by way of clarification, if the total of all VAG Future Response Costs equals \$100,000,000 then G-I's total liability for VAG Future Response Costs, including both VAG Advance Payments and VAG Reimbursements, shall equal 8.6 percent of \$100,000,000 (i.e., \$8,600,000).

VII. MECHANISM FOR PAYMENT OF VAG FUTURE RESPONSE COSTS

A. United States' VAG Future Response Costs.

44. On a periodic basis the United States shall submit to G-I an invoice for VAG Future Response Costs incurred by the United States that consists of a Region 1 cost summary, which is a line-item summary of costs in dollars by category of costs (including but not limited to payroll, travel, indirect costs, contracts, and interagency agreement costs) incurred on behalf of EPA or its contractors. G-I shall reimburse EPA in an amount equal to 8.6 percent of the response costs incurred during the invoiced period, subject to the limitations set forth in Paragraphs 41, 42, and

43, within ninety days of G-I's receipt of each invoice, except as otherwise provided in Paragraph 54.

45. G-I shall make all payments required by Paragraphs 41 or 42 by official bank checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, EPA Site/Spill ID Number 01ED and DOJ Case Number 90-11-3-07425. G-I shall send the checks for delivery by First Class Mail to:

U.S. Environmental Protection Agency
Superfund Payments
Cincinnati Finance Center
P.O. Box 979076
St. Louis, MO 63197-9000

Copies of all distributions and related correspondence shall be sent to the addresses set forth below:

Assistant Attorney General
Environment & Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, DC 20044-7611
Ref. DOJ File No. 90-11-3-07425

Sarah Meeks
Enforcement Counsel
Office of Environmental Stewardship
US Environmental Protection Agency, Region 1
One Congress Street, Suite 1100 (SES)
Boston, MA 02114

The United States shall notify G-I in writing of any modifications to the foregoing addresses or payment requirements.

46. EPA may, in its sole discretion, direct any portion of any cash distribution received by EPA for VAG Future Response Costs into a site-specific special account established to fund response actions at the VAG Site in the event that future work is anticipated at the VAG Site.

47. G-I may contest payment of any VAG Future Response Costs submitted for reimbursement if it determines that the United States has made an accounting error or if it alleges the costs submitted for reimbursement are inconsistent with the NCP or the terms of this Consent Decree. Such objection shall be made in writing within sixty days of receipt of the invoice and must be sent to the United States pursuant to Section XVI (Notices).

48. Any such objection shall specifically identify the contested VAG Future Response Costs and the basis for objection. In the event of an objection, G-I shall pay all uncontested VAG Future Response Costs to the United States in the manner described in Paragraphs 44 and 45. Simultaneously, G-I shall establish an interest-bearing escrow account in a federally-insured bank and remit to that escrow account funds equivalent to the amount of the contested VAG Future Response Costs. G-I shall send to the United States, as provided in Section XVI (Notices), a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, the identity of the bank and bank account under which the escrow account is established, as well as a bank statement showing the initial balance of the escrow account.

49. Simultaneously with establishment of the escrow account, G-I shall initiate the Dispute Resolution procedures in Section XIII (Dispute Resolution). If the United States prevails in the dispute with respect to any costs, then within five days of the resolution of the dispute, G-I shall pay from the escrow account the disputed costs on which EPA prevailed (with accrued Interest) to the United States in the manner described in Paragraphs 44 and 45. If G-I prevails concerning any aspect of the contested costs, then the amount of the disputed costs on which G-I prevailed shall be disbursed to G-I from the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XIII

(Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding G-I's obligation to reimburse the United States for VAG Future Response Costs.

50. In the event that the payments required by Paragraphs 41 and 42 are not made within forty-five days of G-I's receipt of an LOI pursuant to Paragraph 41 or within ninety days of G-I's receipt of an invoice under Paragraph 44, G-I shall pay Interest on the unpaid balance. The Interest to be paid on each payment shall begin to accrue on the day following the due date and shall accrue through the date of G-I's payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of G-I's failure to make timely payments. G-I shall make all payments required by this Paragraph in the manner described in Paragraph 45.

B. Future Vermont Response Costs.

51. On a periodic basis, Vermont shall submit to G-I an invoice of VAG Future Response Costs incurred by Vermont that consists of a Vermont ANR cost summary, which is a line-item summary of costs in dollars by category of costs (including but not limited to payroll, travel, indirect costs, and contracts) incurred by Vermont and its contractors. G-I shall reimburse Vermont in an amount equal to 8.6 percent of the response costs incurred during the invoiced period, subject to the limitations set forth in Paragraphs 41, 42, and 43, within ninety days of G-I's receipt of each invoice, except as otherwise provided in Paragraph 54.

52. G-I shall make all payments required by Paragraph 51 by official bank check(s) made payable to "State of Vermont – Environmental Cleanup Fund," referencing the name and address of the party making the payment, and Site No. 1995-1825. G-I shall send the check(s) for delivery by First Class Mail to:

John Schmeltzer
VAG VT ANR Project Manager
VT DEC Waste Management Division
103 South Main Street, West Building
Waterbury, VT 05671-0404

Copies of all distributions and related correspondence shall be sent to the address set forth below:

John D. Beling
Assistant Attorney General
Attorney General's Office
109 State Street
Montpelier, VT 05609-10010

Vermont shall notify G-I in writing of any modifications to the foregoing addresses or payment requirements.

53. Except as otherwise provided in this Consent Decree, Vermont may, in its sole discretion, direct any portion of any cash distribution received into a site-specific special account established to fund response activities at the VAG Site in the event that future work is anticipated at the VAG Site.

54. G-I may contest payment to Vermont of any VAG Future Response Costs if it determines that Vermont has made an accounting error or if it alleges that a cost item submitted for reimbursement is inconsistent with the NCP or the terms of this Consent Decree. Such objection shall be made in writing within sixty days of receipt of the invoice and must be sent to Vermont pursuant to Section XVI (Notices).

55. Any such objection shall specifically identify the contested Vermont VAG Future Response Costs and the basis for objection. In the event of an objection, G-I shall within ninety days from the receipt of the invoice pay all uncontested Vermont VAG Future Response Costs in the manner described in Paragraph 52. Simultaneously, G-I shall establish an interest-bearing

escrow account in a federally-insured bank and remit to that escrow account funds equivalent to the amount of the contested VAG Future Response Costs. G-I shall send to Vermont, as provided in Section XVI (Notices), a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, information containing the identity of the bank and bank account under which the escrow account is established as well as a bank statement showing the initial balance of the escrow account.

56. Simultaneously with establishment of the escrow account, G-I shall initiate the Dispute Resolution procedures in Section XIII (Dispute Resolution). If Vermont prevails in the dispute, then within five days of the resolution of the dispute, G-I shall pay from the escrow account the amount of the disputed costs on which Vermont prevailed (with accrued Interest) to Vermont in the manner described in Paragraph 52. If G-I prevails concerning any aspect of the contested costs, then the amount of the disputed costs on which G-I prevailed shall be disbursed to G-I from the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XIII (Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding G-I's obligation to reimburse Vermont for VAG Future Response Costs.

57. In the event that the payments to Vermont required by Paragraphs 41 and 42 are not made within forty-five days of G-I's receipt of an LOI pursuant to Paragraph 41 or within ninety days of G-I's receipt of an invoice under Paragraph 44, G-I shall pay Interest on the unpaid balance. The Interest to be paid shall begin to accrue on the day following the due date and shall accrue through the date of G-I's payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to Vermont by virtue of G-I's failure

to make timely payments under this Section. G-I shall make all payments required by this Paragraph in the manner described in Paragraph 52.

58. In the event that both EPA and Vermont have submitted invoices to G-I seeking payment, which have not yet been paid, and the payment of both will cause the exceedance of an annual cap, G-I shall so inform EPA and Vermont, and shall thereafter follow such instructions as it shall receive from EPA concerning how payment within the cap limits should be made.

VIII. TERMS APPLICABLE TO THE FEDERAL AND STATE VAG NATURAL RESOURCE DAMAGE CLAIMS

59. In settlement and satisfaction of all claims and causes of action of the VAG NRD Trustees for VAG NRD Claims, G-I shall pay to the VAG NRD Trustees the amount of \$850,000. The amount of natural resource damages distributions required by this Paragraph were determined based on an allowed claim settlement amount of \$9,883,721 multiplied by an 8.6 percent payout rate. G-I shall make the distributions required by this Paragraph on the following schedule set forth in subparagraphs (a) through (i) below:

- a. During the first 60 days of Settlement Year One, the sum of \$50,000.
- b. During the first 60 days of Settlement Year Two, the sum of \$50,000.
- c. During the first 60 days of Settlement Year Three, the sum of \$50,000.
- d. During the first 60 days of Settlement Year Four, the sum of \$50,000.
- e. During Settlement Year Five, the sum of \$300,000, with \$150,000 to be paid during the first 60 days of the Settlement Year, and the remaining \$150,000 to be paid within 240 days of the beginning of the Settlement Year.
- f. During the first 60 days of Settlement Year Six, the sum of \$50,000.
- g. During the first 60 days of Settlement Year Seven, the sum of \$50,000.

h. During the first 60 days of Settlement Year Eight, the sum of \$50,000.

i. During the first 60 days of Settlement Year Nine, the sum of \$200,000.

Distributions required by subparagraphs (a)-(i) shall be deposited into the DOI Natural Resource Damage Assessment and Restoration Fund, Account No. 14X5198. A separate, site-specific numbered account for the VAG Site ("VAG Restoration Account") has been or will be established within DOI's Natural Resource Damage Assessment and Restoration Fund. The trustees shall use the funds in the VAG Restoration Account, including all interest earned on such funds, for restoration and/or assessment activities at or in connection with the VAG Site.

Copies of all distributions to the VAG NRD Trustees and related correspondence to the United States shall be sent to:

Department of the Interior
Natural Resource Damage Assessment and Restoration Program
Attn: Restoration Fund Manager
1849 C St, NW
Mailstop
Washington, DC 20240

And

U.S. Department of the Interior
Office of the Solicitor—Environmental Restoration Branch
ATTN: NRDAR Bankruptcy Coordinator
1849 C Street, NW
Mail Stop 3210
Washington, D.C. 20240

IX. TERMS APPLICABLE TO FEDERAL MONETARY CLAIMS AT THE GENERATOR SITES

60. The United States' claims with respect to the Generator Sites shall be fully satisfied and liquidated as specified below.

61. G-I shall pay EPA and NOAA the sums set forth in the following Generator Payment Table within 60 days after the Plan Effective Date. The amounts of payments required were determined based on allowed claim settlement amounts for each Generator Site times an 8.6% payout rate.

62. Generator Payment Table

<u>Site</u>	<u>Agency</u>	<u>Payment</u>
68 th Street Dump Site	EPA	\$8,134
Colesville Municipal Landfill Site	EPA	\$22,321
Kin-Buc Landfill Site	EPA	\$783
	NOAA	\$2,469
Maryland Sand, Stone, and Gravel Site	EPA	\$24,660
Novak Sanitary Landfill Site	EPA	\$9,385
Operating Industries, Inc. Site	EPA	\$11,402
Pioneer Smelting Site	EPA	\$12,900
Tri-Cities Barrel Co., Inc. Site	EPA	\$11,928
Weld County Disposal Site	EPA	\$633

63. Cash Distributions to EPA for the Generator Sites: Cash distributions to the United States for EPA shall be made by FedWire Electronic Funds Transfer ("EFT" or wire transfer) to the U.S. Department of Justice account in accordance with current electronic funds transfer procedures. Payment shall be made in accordance with instructions provided to G-I by the Financial Litigation Unit of the Office of the United States Attorney for the District of New Jersey and shall reference Bankruptcy Petition Nos. 01-30135 and 01-38790 and DOJ File

Number 90-11-3-07425. G-I shall transmit written confirmation of such payments to the Department of Justice and EPA at the addresses specified in Section XVI (Notices). EPA may, in its sole discretion, direct any portion of cash distribution it receives for the Generator Sites to the Hazardous Substances Trust Fund and/or into a site-specific special account established to fund response actions at such Generator Site in the event that future work is anticipated at such Site.

64. G-I shall pay \$2,469 in reimbursement for Past Costs incurred by NOAA, as set forth in Paragraph 62. The NOAA Past Costs shall be paid by EFT to the U.S. Department of Justice lockbox, referencing DOJ File Number 90-11-3-07425 and the United States Attorney's Office file number, in accordance with the EFT instructions that shall be provided by the United States Attorney's office after lodging of this Decree.

65. With respect to the Generator Sites, copies of all distributions to EPA and NOAA and related correspondence to the United States shall be sent to:

Assistant Attorney General
Environment & Natural Resources Division
U.S. Department of Justice
10th & Pennsylvania Ave., N.W.
Washington, DC 20530
Ref. DOJ File No. 90-11-3-07425

and with respect to EPA distributions:

US EPA
Cincinnati Finance Center
Accounts Receivable Branch
26 W Martin Luther King Dr.
MS-NWD
Cincinnati, OH 45268

and

David Smith-Watts, Esq.
U.S. Environmental Protection Agency
Ariel Rios South Building
MS 2272A
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

and with respect to NOAA distributions:

NOAA/NOS/OR&R
ATTN: Kathy Salter, DARRF Manager
1305 East West Highway
SSMC4, Room 9331
Silver Spring, MD 20910-3281

and

M.E. Rolle, Attorney-Advisor
National Oceanic and Atmospheric Administration
Office of General Counsel for Natural Resources
263 13th Ave. S., Suite 177
St. Petersburg, FL 33701

X. VAG SITE RECORDKEEPING AND REPORTING REQUIREMENTS

66. In addition to any other recordkeeping and reporting requirement of this Consent Decree, the Trustee shall submit written quarterly progress reports for Work at the VAG Site as specified in the SOW.

67. If requested by EPA or Vermont, the Trustee shall also provide oral briefings to EPA and Vermont discussing the progress of the Work in connection with the VAG Site.

68. The Trustee shall notify EPA and Vermont of any change in the schedule described in the quarterly progress reports for the performance of any activity, including, but not limited to, data collection and implementation of work plans, no later than seven days prior to the performance of the activity.

XI. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS FOR THE VAG SITE

69. After review of any plan, report or other item that is required to be submitted for approval pursuant to this Consent Decree, EPA, in consultation with Vermont, shall:

- a. approve the submission, in whole or in part;
- b. approve the submission upon specified conditions;
- c. modify the submission to cure the deficiencies;
- d. disapprove the submission, in whole or in part, directing that the Trust, as applicable,

modify the submission; or

- e. any combination of the above,

provided, however, that EPA shall not modify a submission without first providing the Trust at least one notice of deficiency and an opportunity to cure within thirty days.

70. In the event of approval, approval upon conditions, or modification by EPA, pursuant to Paragraph 69.a, b, or c, the Trust shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA, subject only to the right to invoke the Dispute Resolution procedures set forth in Section XIII (Dispute Resolution) with respect to the modifications or conditions made by EPA.

71. Resubmission of Plans. Upon receipt of a notice of disapproval pursuant to Paragraph 69.d, the Trustee shall, within 21 days or such longer time as specified by EPA in the notice of disapproval, correct the deficiencies and resubmit the plan, report, or other item for approval. Notwithstanding the receipt of a notice of disapproval pursuant to Paragraph 69.d, the Trustee shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission.

72. In the event that a resubmitted plan, report, or other item, or portion thereof, is disapproved by EPA, EPA may again require the Trust to correct the deficiencies, in accordance with Paragraph 71. EPA also retains the right to modify or develop the plan, report, or other item. The Trust shall implement any such plan, report, or item as modified or developed by EPA, subject only to the right to invoke the procedures set forth in Section XIII (Dispute Resolution).

73. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, the Trust shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the Trust invokes the dispute resolution procedures set forth in Section XIII (Dispute Resolution) and EPA's action is overturned pursuant to that Section. All plans, reports, and other items required to be submitted to EPA under this Consent Decree shall, upon approval or modification by EPA, become incorporated in this Consent Decree and enforceable as if fully set forth herein.

74. The Trust shall not commence any Work until all work plans related to that Work have been approved by EPA.

XII. FORCE MAJEURE

75. If any event occurs that causes or may cause a delay or impediment to performance of or compliance with any provision of this Consent Decree (e.g., a condition that would require performance in an unsafe manner), and that the Trustee believes qualifies as an event of Force Majeure, the Trustee shall notify EPA in writing as soon as practicable, but in any event within 30 days of when the Trustee first knew of the event or should have known of the event by the exercise of reasonable diligence. In this notice, the Trustee shall specifically reference this Paragraph 75 and describe the anticipated length of time the delay may persist, the cause or causes of the delay, the measures taken and/or to be taken by the Trustee to prevent or minimize

the delay and the schedule by which those measures will be implemented. The Trustee shall adopt all reasonable measures to avoid or minimize such delays.

76. Failure by the Trustee to substantially comply with the notice requirements of Paragraph 75 shall render this Section XII voidable by the United States as to the specific event for which the Trustee has failed to comply with the notice requirements. If so voided, this Section shall be of no effect as to the particular event involved.

77. The United States shall notify the Trustee in writing regarding its agreement or disagreement with any claim of a Force Majeure event within 30 days of receipt of each Force Majeure notice provided under Paragraph 75.

78. If the United States, in consultation with Vermont, agrees that the delay or impediment to performance has been or will be caused by circumstances beyond the control of the Trust, including any entity controlled or contracted by the Trust, and that the Trust could not have prevented the delay by the exercise of reasonable diligence, the Parties shall stipulate to an extension of the required deadline(s) for all requirement(s) affected by the delay by a period equivalent to the delay actually caused by such circumstances, or such other period as may be appropriate in light of the circumstances.

79. If the United States, in consultation with Vermont, does not agree that the delay or impediment to performance has been or will be caused by circumstances beyond the control of the Trust, including any entity controlled or contracted by the Trust, the position of the United States on the Force Majeure claim shall become final and binding upon the Trust, unless the Trust invokes Dispute Resolution within 30 days after receiving written notification that the United States does not agree that a force majeure event has occurred. In the event that the United

States and Vermont are unable to reach an agreement on the governments' position, after opportunity for consultation, the position of the United States shall become the final position of the governments with regard to the Trust's Force Majeure claim.

80. If the Trust prevails in Dispute Resolution, then the Trust shall be excused as to such event(s) for the period of time equivalent to the delay caused by such circumstances.

81. The Trust shall bear the burden of proving that any delay of any requirement(s) of this Consent Decree was caused by or will be caused by circumstances beyond its control, including any entity controlled or contracted by the Trust, and that it could not have prevented the delay by the exercise of reasonable diligence. The Trust shall also bear the burden of proving the duration and extent of any delay(s) attributable to such circumstances. An extension of one compliance date based on a particular event may, but does not necessarily, result in an extension of a subsequent compliance date or dates.

82. As part of the resolution of any matter submitted to Dispute Resolution under this Section, the Parties by agreement, or the Court by order, may extend or modify the schedule for completion of the Work to account for the delay in the Work that occurred as a result of any delay or impediment to performance on which an agreement by the Parties or approval by the Court is based.

XIII. DISPUTE RESOLUTION FOR THE VAG SITE

83. Unless otherwise expressly provided for in this Consent Decree, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising between the United States, Vermont, G-I, and/or the Trustee, under or with respect to this Consent Decree.

84. Informal Dispute Resolution. Any dispute subject to Dispute Resolution under this Consent Decree shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when the party invoking Dispute Resolution ("Invoking Party") sends the party against which Dispute Resolution is invoked ("Responding Party") a written Notice of Dispute, which shall state clearly the matter in dispute. The Notice of Dispute shall simultaneously be sent to any Party not a Party to the Dispute ("Collateral Party"). The period of informal negotiations shall not exceed 30 days from the date the dispute arises, unless that period is modified by written agreement. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by EPA or by the Responding Party, if EPA does not advance a position on the dispute, shall be considered binding unless, within 30 days after the conclusion of the informal negotiation period, the Invoking Party invokes formal dispute resolution procedures as set forth below.

85. Formal Dispute Resolution: The Invoking Party may only invoke formal dispute resolution procedures, within the time period provided in Paragraph 84, by serving on the Responding Party and any Collateral Parties a written Statement of Position regarding the matter in dispute. The Invoking Party's Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting its position and any supporting documentation on which it relies.

86. The Responding Party shall serve its Statement of Position within 30 days of receipt of the Invoking Party's Statement of Position. The Responding Party's Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting its position and any supporting documentation on which it relies. Any Collateral Parties may, but

need not, serve a Statement of Position within 30 days of receipt of the Invoking Party's Statement of Position. Any Collateral Party Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting its position and any supporting documentation on which it relies. The position advanced by EPA or by the Responding Party, if EPA does not advance a position on the dispute, shall be considered binding unless the Invoking Party files a motion for judicial review of the dispute in accordance with Paragraph 87.

87. The Invoking Party may seek judicial review of the dispute by filing with the Court and serving on the Responding Party and any Collateral Parties, in accordance with Section XVI of this Consent Decree (Notices), a motion requesting judicial resolution of the dispute. The motion must be filed within 30 days of receipt of the Responding Party's Statement of Position. The motion shall include copies of all Statements of Position served by any Party, along with any supporting documentation, and the Statements of Position shall constitute the complete written submission to the Court on the dispute. The motion shall set forth the relief requested and any schedule within which the dispute must be resolved for orderly implementation of the Consent Decree.

88. All petitions for determination of disputes arising under Section VI, VII, VIII, and IX of this Consent Decree shall be filed with the Bankruptcy Court for resolution. In accordance with the Order of the United States District Court for the District of New Jersey dated February 17, 2009 in Civil Case No. 08-5470 (SGW), all other petitions for resolving disputes arising under this Consent Decree shall be filed with the United States District Court for the District of New Jersey.

89. Except as otherwise provided in this Consent Decree, in any dispute for which judicial review is sought, the Invoking Party shall bear the burden of demonstrating that its position should prevail according to the standard imposed by applicable law.

90. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of G-I or the Trust under this Consent Decree, unless and until final resolution of the dispute so provides. If dispute resolution is invoked regarding the performance of an obligation set forth in Section V and performance of the obligation is suspended pending dispute resolution, the time limitation set forth in Section V for the performance of the obligation which is disputed shall be extended by the amount of time which elapses between the invocation of dispute resolution and the final resolution of the dispute. The invocation of dispute resolution procedures under this Section shall not otherwise, by itself, extend, postpone, or affect in any way any obligation of G-I or the Trust under this Consent Decree, unless and until final resolution of the dispute so provides.

XIV. VAG SITE INFORMATION COLLECTION AND RETENTION

91. The Trust shall use best efforts to secure from the owner of the VAG Site an agreement to provide access thereto to the Trust and its contractors, for the purpose of conducting any activity related to this Consent Decree. The United States and/or Vermont may, as they deem appropriate, assist the Trust in obtaining access required by this Paragraph. The Trust shall reimburse the United States and/or Vermont for all costs incurred by the United States and/or Vermont in obtaining such access, including, but not limited to, the cost of attorney time and the amount of monetary consideration paid or just compensation. Any such costs incurred by the Trust in connection with obtaining access shall not be considered Trust Administrative Costs and shall be included for purposes of meeting the G-I funding caps set forth in Paragraph

10. The Trust, including its contractors, shall not take any steps to impede EPA's or Vermont's access to the VAG Site.

92. Until five years after completion of the Work described in Section V, G-I and the Trustee shall retain, and shall instruct their contractors and agents to preserve, all non-identical copies of documents, records, or other information (including documents, records, or other information in electronic form) in their or their contractors' or agents' possession or control, or that come into their or their contractors' or agents' possession or control, and that relate in any manner to the Trust's performance of its obligations under this Consent Decree. Such documents, records, or other information may be kept in electronic form. Prior to the termination of the Trust, the Trustee shall deliver to G-I all records in its possession that are subject to the requirements of this Paragraph 92, and G-I shall assume the Trust's obligations under this Paragraph 92. Any documents subject to the requirements of this Paragraph 92 in the possession of the Trust's contractors at the time the Trust is terminated may remain in the contractors' possession, and G-I shall assume responsibility for the contractors' compliance with this Paragraph 92. This information-retention requirement shall apply regardless of any contrary corporate or institutional policies or procedures. At any time during this information-retention period, upon request by the United States or Vermont, G-I or the Trustee shall provide copies of any non-privileged documents, records, or other information required to be maintained under this Paragraph.

93. After the conclusion of the information-retention period provided in the preceding Paragraph, G-I shall notify the United States and Vermont at least ninety days before destroying any documents, records, or other information subject to the requirements of the preceding

Paragraph and, upon request by the United States or Vermont, G-I shall deliver the requested non-privileged documents, records, or other information to EPA, DOI, or Vermont ANR.

94. G-I or the Trustee may assert that certain documents, records, or other information is privileged under the attorney-client privilege or any other privilege recognized by federal or applicable state law. If G-I or the Trustee asserts such a privilege, it shall provide the following for each item withheld: (1) the title of the document, record, or information, including sampling and emissions data; (2) the date of the document, record, or information; (3) the name and title of each author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the subject of the document, record, or information; and (6) the privilege asserted. However, no final documents, records or other information that G-I or the Trustee is explicitly required to create or generate to satisfy a requirement of this Consent Decree shall be withheld on the grounds of privilege.

95. G-I or the Trustee may also assert that information required to be provided under this Section is protected as Confidential Business Information ("CBI") under 40 C.F.R. pt. 2. As to any information that G-I seeks to protect as CBI, G-I shall follow the procedures set forth in 40 C.F.R. pt. 2. This Consent Decree in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the United States or Vermont pursuant to applicable federal or state laws, regulations, or permits, nor does it limit or affect any duty or obligation of G-I to maintain documents, records, or other information imposed by applicable federal or state laws, regulations, or permits. However, no emissions data or sampling results generated pursuant to this Consent Decree shall be claimed as CBI.

XV. COSTS.

96. Except as otherwise provided in this Consent Decree, the Parties shall bear their own costs of this action, including attorneys' fees.

XVI. NOTICES

97. Unless otherwise specified herein, whenever notifications, submissions, or communications are required by this Consent Decree, they shall be made in writing and mailed or hand delivered to the following addresses:

As to the United States:

U.S. Department of Justice, ENRD:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, D.C. 20044-7611
Re: DOJ No. 90-5-2-1-08656

EPA Region 1:

Sarah Meeks
Enforcement Counsel
US Environmental Protection Agency
One Congress Street, Suite 1100 (SES)
Boston, MA 02114

EPA Region 2:

U.S. EPA Region 2
Office of Regional Counsel
290 Broadway - 17th Floor
New York, NY 10007-1866

EPA Headquarters:

David Smith-Watts, Esq.
U.S. Environmental Protection Agency
Ariel Rios South Building
MS 2272A
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

For notifications, submissions, or communications related to Natural Resource Damages:

DOI:

Office of the Solicitor-Environmental Restoration Branch
U.S. Department of the Interior
1849 C St NW
MS 3210
Washington, DC 20240

NOAA:

M.E. Rolle, Attorney-Advisor
National Oceanic and Atmospheric Administration
Office of General Counsel for Natural Resources
263 13th Ave. S., Suite 177
St. Petersburg, FL 33701

As to the State of Vermont:

For notifications, submissions, or communications related to the VAG Site:

John Schmeltzer
VAG VT ANR Project Manager
VT DEC Waste Management Division
103 South Main Street, West Building
Waterbury, VT 05671-0404

and

John D. Beling
Assistant Attorney General
Attorney General's Office
109 State Street
Montpelier, VT 05609-1001

As to G-I:

Legal Department
G-I Holdings Inc.
Attn: Celeste Wills or Environmental Counsel
1361 Alps Road
Wayne, NJ 07470

As to the Custodial Trustee:

Dr. Alan Parsons
Pinnacle Environmental Consulting, LLC
19 Pheasant Run
Suite 200
East Kingston, NH 03827
(603) 642-9012

98. Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above. Notices submitted by mail pursuant to this Section XVI shall be deemed submitted upon mailing, unless otherwise provided in this Consent Decree or by mutual agreement of the Parties in writing.

XVII. COVENANTS BY THE UNITED STATES

A. Section 303 of the CAA and Section 7003 of RCRA.

99. This Consent Decree resolves all civil causes of action of the United States on behalf of EPA that were alleged in the Complaint for declaratory and injunctive relief pursuant to Section 303 of CAA, 42 U.S.C. §7603, and Section 7003 of RCRA, 42 U.S.C. §6973 for conditions at, on, under, or emanating from the VAG Site.

100. This Consent Decree is not a permit, or a modification of any permit, under any federal, state, or local laws or regulations.

B. Covenants Not to Sue

101. Generator Sites. With respect to the Generator Sites (including releases of hazardous substances from any portion of the Generator Sites, and all areas affected by natural migration of such substances from the Generator Sites) and except as specifically provided in Section XIX (Reservation of Rights), the United States, on behalf of EPA, covenants not to sue or assert any civil claims or causes of action against G-I, ACI, and the G Holdings Entities pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, Section 7003 of RCRA, 42 U.S.C. § 6973, or any liabilities or obligations asserted in the United States' Proof of Claim.

102. Kin-Buc Landfill Superfund Site. With respect to the Kin-Buc Landfill Superfund Site (including releases of hazardous substances from any portion of the Kin-Buc Landfill Superfund Site, and all areas affected by natural migration of such substances from the Kin-Buc Landfill Superfund Site) and except as specifically provided in Section XIX (Reservation of Rights), the United States, on behalf of NOAA, covenants not to sue or assert any civil claims or causes of action against G-I, ACI, and the G Holdings Entities pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, or any liabilities or obligations asserted in the United States' Proof of Claim.

103. VAG Site. With respect to the VAG Site (including releases of hazardous substances from any portion of the VAG Site, and all areas affected by natural migration of such substances from the VAG Site), and except as specifically provided in Section XIX (Reservation of Rights), the United States, on behalf of EPA and DOI, covenants not to sue or assert any civil claims or causes of action against G-I, ACI, the G Holdings Entities, or the ISP Entities, pursuant to Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, the CAA, 42 U.S.C. § 7401 *et*

seq., , Section 7003 of RCRA, 42 U.S.C. § 6973, the FWPCA, 33 U.S.C. § 1251 *et seq.*, or any liabilities or obligations which were asserted in the United States' Proof of Claim.

104. Covered G-I Derivative Entities. Without in any way limiting the covenants not to sue (and the reservations thereto) set forth in Paragraphs 101, 102, and 103 above, such covenant not to sue (and the reservations thereto) shall also apply to G-I and ACI's, officers, directors, employees, trustees, future successors, and future assigns ("Covered G-I Derivative Entities"), but only to the extent that the alleged liability of any Covered G-I Derivative Entity is based solely on its status and in its capacity as a Covered G-I Derivative Entity and not to the extent the liability arose independently.

105. Covered G Holdings Derivative Entities. Without in any way limiting the covenants not to sue (and the reservations thereto) set forth in Paragraphs 101, 102, and 103 above, such covenant not to sue (and the reservations thereto) shall also apply to the G Holdings Entities' officers, directors, employees, trustees, future successors, and future assigns ("Covered G Holdings Derivative Entities"), but only to the extent that the alleged liability of any Covered G Holdings Derivative Entity is based solely on its status and in its capacity as a Covered G Holdings Derivative Entity and not to the extent the liability arose independently.

106. Covered ISP Derivative Entities.

a. Without in any way limiting the covenant not to sue (and the reservations thereto) set forth in Paragraph 103 above, such covenant not to sue (and the reservations thereto) shall also apply to the ISP Entities' officers, directors, employees, trustees, future successors, and future assigns ("Covered ISP Derivative Entities"), but only to the extent that the alleged liability of

any Covered ISP Derivative Entity is based solely on its status and in its capacity as a Covered ISP Derivative Entity and not to the extent the liability arose independently.

107. Except as set forth herein, this Consent Decree does not limit or affect the rights of G-I, the G-I Affiliated Entities, or of the United States against any third parties, not party to this Consent Decree.

108. Waivers by the United States on behalf of EPA, DOI and NOAA.

a. Upon approval of this Consent Decree by the Bankruptcy Court, the United States on behalf of EPA, DOI, and NOAA, waives its right and covenants not to object to any plan of reorganization of G-I and ACI, unless such plan is inconsistent with either (i) the terms of this Consent Decree or (ii) with the provisions addressing environmental obligations of the "Second Amended Joint Plan of Reorganization of G-I Holdings Inc. and ACI Inc. under Chapter 11 of the Bankruptcy Code," filed on December 3, 2008 (the "December Plan"). The parties agree that the December Plan is consistent with the terms of this Consent Decree provided the following modifications are made to such Plan, which modifications G-I agrees to include in such Plan:

i. Addition of a New Article 5A of The Plan:

"United States and Vermont Environmental Proofs of Claim.

The Plan incorporates a global settlement and compromise between G-I and its Affiliates with the United States and Vermont of the United States Environmental Proof of Claim, the Vermont Proofs of Claim, and the Adversary Complaint, which is memorialized in a Consent Decree between the United States and G-I and its Affiliates. This settlement and compromise has been approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019. The treatment to be afforded the United States and Vermont with regard to the United States Environmental Proof of Claim and the Vermont Proofs of

Claim is set forth in the Consent Decree. To the extent there is an inconsistency between the provisions of the Consent Decree and the Plan with regard to the treatment of the United States Environmental Proof of Claim and the Vermont Proofs of Claim, the Consent Decree will control.”

ii. The December Plan shall be modified (i) to create a new classification of claims to include the United States Environmental Proof of Claim and the Vermont Proofs of Claim, and (ii) to provide that the treatment of such claims shall be as set forth in the Consent Decree.

iii. The December Plan shall be modified to provide: “With respect to environmental liabilities to the United States and Vermont, nothing in this Plan shall be construed to discharge or release any nondebtor from liability to the United States or Vermont other than as set forth in the Consent Decree, subject to the provisions of the Plan with respect to the injunctive provisions of 11 U.S.C. § 524(g).”

iv. The definition of “Environmental Claim for Remedial Relief” in Section 1.1.64 shall be modified to provide as follows: “Environmental Claim for Remedial Relief” means the following Environmental Claims by a governmental unit with respect to properties currently owned or operated by the Debtors: (i) claims for recovery of response costs incurred post-petition with respect to response actions taken post-petition to address on hazards, threats, or releases; (ii) claims for recovery of civil penalties for violations of law resulting from post-petition actions of the Debtors; or (iii) actions seeking to compel the performance of an action to address a hazard, threat, or release under applicable environmental law. Environmental Claim for Remedial Relief does not include claims for recovery of pre-petition expenditures or pre-petition penalties.”

b. The United States on behalf of the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the Department of the Interior is agreeing not to object to G-I's proposed plan, as set forth above, as part of the comprehensive settlement set forth in this Consent Decree. Although the United States on behalf of the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the Department of the Interior, in the absence of a settlement, might have objected to certain provisions of the Plan to the extent those provisions may be asserted to expand the definition of dischargeable claim beyond that provided for under the Bankruptcy Code (11 U.S.C. §§ 101(5) and 1141(d)), the United States' potential objections will be moot if this Consent Decree is approved because the Consent Decree is a comprehensive settlement of the matter. The United States on behalf of the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the Department of the Interior reserve the right to object to any Plan in the event that this Consent Decree is not approved.

c. The United States' Proof of Claim No. 1509 shall be deemed to be covered by matters addressed in this Consent Decree. Moreover, the United States shall be deemed to have filed proofs of claim for matters addressed in this Consent Decree, which proof of claim shall be deemed satisfied in full in accordance with the terms of this Consent Decree.

d. The United States covenants not to object to approval by the Bankruptcy Court of any proposed settlement among G-I and any of its insurance carriers or to seek to recover any proceeds of any settlement between G-I and its insurance carriers or any judgment obtained by G-I against its insurance carriers. The United States agrees that any transfer of rights in any of G-I's insurance policies to the United States with respect to the VAG Site, the Generator Sites, or

the Linden Sites is void and the United States waives any rights which the United States may have against any insurance carriers that may have liability to G-I with respect to the VAG Site, the Generator Sites, or the Linden Sites.

109. The United States' Covenant to the Trust. The United States covenants not to assert any claims or commence any action against the Trustee or the Trust other than to enforce the terms of this Consent Decree.

XVIII. COVENANTS BY VERMONT

110. In consideration of all of the foregoing, including the payments that will be made, and except as specifically provided in Section XIX (Reservation of Rights), Vermont covenants not to bring any Claim (as defined in the Plan of Reorganization), file a civil action, seek or issue any orders, or take any other administrative or other action against G-I, ACI, the G Holdings Entities, or the ISP Entities pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, or under 10 V.S.A. §§1259, 1274, 6610a, 6615 and 6616, or any other federal or state law, including common law, with respect to the VAG Site.

111. Covered G-I Derivative Entities. Without in any way limiting the covenant not to sue (and the reservations thereto) set forth in Paragraph 110 above, such covenant not to sue (and the reservations thereto) shall also apply to G-I and ACI's, officers, directors, employees, trustees, future successors, and future assigns ("Covered G-I Derivative Entities"), but only to the extent that the alleged liability of any Covered G-I Derivative Entity is based solely on its status and in its capacity as a Covered G-I Derivative Entity and not to the extent the liability arose independently.

112. Covered G Holdings Derivative Entities. Without in any way limiting the covenant not to sue (and the reservations thereto) set forth in Paragraph 110 above, such

covenant not to sue (and the reservations thereto) shall also apply to the G Holding Entities' officers, directors, employees, trustees, future successors, and future assigns ("Covered G Holdings Derivative Entities"), but only to the extent that the alleged liability of any Covered G Holdings Derivative Entity is based solely on its status and in its capacity as a Covered G Holdings Derivative Entity and not to the extent the liability arose independently.

113. Covered ISP Derivative Entities. Without in any way limiting the covenant not to sue (and the reservations thereto) set forth in Paragraph 110 above, such covenant not to sue (and the reservations thereto) shall also apply to the ISP Entities' officers, directors, employees, trustees, future successors, and future assigns ("Covered ISP Derivative Entities"), but only to the extent that the alleged liability of any Covered ISP Derivative Entity is based solely on its status and in its capacity as a Covered ISP Derivative Entity and not to the extent the liability arose independently.

114. Vermont waives its right and covenants not to object to any Plan of Reorganization of G-I and ACI. Vermont's Proofs of Claim Nos. 1157, 1158, and 1159 shall be deemed to be covered by matters addressed in this Consent Decree. Moreover, Vermont shall be deemed to have filed a proof of claim for matters addressed in this Consent Decree, which proof of claim shall be deemed satisfied in full in accordance with the terms of this Consent Decree.

115. Vermont covenants not to object to approval by the Bankruptcy Court of any proposed settlement among G-I and any of its insurance carriers or seek to recover any proceeds of any settlement between G-I and its insurance carriers or any judgment obtained by G-I against its insurance carriers. Vermont hereby assigns to G-I any rights which Vermont may have

against any of G-I's insurance carriers that may have liability to G-I with respect to the VAG Site.

116. Vermont covenants not to assert any claims or commence any action against the Trustee or the Trust other than to enforce the terms of this Consent Decree.

XIX. RESERVATION OF RIGHTS

117. Except as otherwise provided in Section XVII (Covenants by the United States) and Section XVIII (Covenants by Vermont), the United States, Vermont, G-I, ACI, the Covered G-I Derivative Entities, the G Holdings Entities, the Covered G Holdings Derivative Entities, the ISP Entities, and the Covered ISP Derivative Entities expressly reserve all claims, demands and causes of action either judicial or administrative, past, present or future, at law or in equity, that the United States, Vermont, or G-I may have against all other persons, firms, corporations, entities, or predecessors of G-I for any matter arising at or relating in any manner to the sites, causes of action, or claims addressed herein. Except as otherwise provided herein, this Consent Decree shall not be construed to create rights in, or grant any cause of action to, any third party not a party to this Consent Decree.

118. Notwithstanding the foregoing, the covenants not to sue contained in this Consent Decree shall not apply to, nor affect any action based on, a failure to meet a requirement of this Consent Decree or criminal liability. In addition, the parties reserve all rights and defenses they may have with respect to conduct of G-I, ACI, the Covered G-I Derivative Entities, the G Holdings Entities, the Covered G Holdings Derivative Entities, the ISP Entities and the Covered ISP Derivative Entities at the VAG Site and the Generator Sites occurring after the Lodging Date of this Consent Decree to the extent such conduct would give rise to liability under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607, RCRA, 42 U.S.C. § 6901 *et seq.*, the CAA,

42 U.S.C. § 7401 *et seq.*, or the FWPCA, 33 U.S.C. § 1251 *et seq.* For purposes of this Section, “conduct occurring after the Lodging Date” does not include conduct undertaken in accordance with this Consent Decree nor does it include the failure to satisfy or comply with an obligation arising prior to the Lodging Date. Nothing in this Consent Decree shall affect or limit such rights and defenses.

119. Nothing in this Consent Decree shall be deemed to limit the authority of the United States to take response action under Section 104 of CERCLA, 42 U.S.C. § 9604, or any other applicable law or regulation, or to limit the authority of Vermont to respond to releases and threats of releases of hazardous substances into the environment at and from the VAG Site pursuant to 10 V.S.A. §§ 1259, 1274, 6601a, 6615, and 6616 or any other applicable law or regulation, or to alter the applicable legal principles governing judicial review of any action taken by the United States or Vermont pursuant to that authority. Nothing in this Consent Decree shall be deemed to limit the information gathering authority of the United States or Vermont under Sections 104 and 122 of CERCLA, 42 U.S.C. §§ 9604 and 9622, or any other applicable federal or state law or regulation, or to excuse G-I from any disclosure or notification requirements imposed by CERCLA, RCRA, the CAA, the FWPCA, or any other applicable federal or state law or regulation. The United States and Vermont reserve all legal and equitable remedies available to enforce the provisions of this Consent Decree.

120. This Consent Decree shall in no way impair the scope and effect of the G-I’s and ACI’s discharge under Section 1141 of the Bankruptcy Code as to the United States, Vermont, any third parties, or as to any claims that are not addressed by this Consent Decree.

XX. COVENANTS TO THE UNITED STATES AND VERMONT

A. Covenants to the United States.

121. G-I, ACI, the Covered G-I Derivative Entities, the G Holding Entities, the Covered G Holdings Derivative Entities, the ISP Entities, and the Covered ISP Derivative Entities (with respect to the VAG Site) and G-I, the Covered G-I Derivative Entities, the G Holdings Entities, and the Covered G Holdings Derivative Entities (with respect to the Generator Sites) hereby covenant not to sue and agree not to assert or pursue any claims or causes of action against the United States, including, but not limited to, (i) any direct or indirect claim for reimbursement from the Hazardous Substances Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) under Sections 106(b)(2), 111, 112, 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9611, 9612, 9613, or any other provision of law; (ii) any claim against the United States, including any department, agency or instrumentality of the United States government, under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613; or (iii) any claims arising out of response activities at the VAG Site or the Generator Sites, including any claim under the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law. Nothing in this Consent Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611 or 40 C.F.R. § 300.700(d). For purposes of this Paragraph only, the United States shall mean all departments, agencies, and instrumentalities of the United States, and shall not be limited to EPA, DOI, and NOAA.

B. Covenants to Vermont.

122. G-I, ACI, the Covered G-I Derivative Entities, the G Holding Entities, the Covered G Holdings Derivative Entities, the ISP Entities, and the Covered ISP Derivative

Entities hereby covenant not to sue and agrees not to assert or pursue any claims or causes of action against Vermont with respect to the VAG Site, including, but not limited to any claim against Vermont under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, 10 V.S.A. § 6615, or any other provision of law related to the VAG Site, or any claims arising out of response activities at the VAG Site, including any claim under the United States Constitution, the Vermont Constitution, or any other provision of law.

C. Covenants to the United States and Vermont.

123. G-I, the G Holdings Entities, and the ISP Entities further covenant not to pursue any claims, demands, or causes of action either judicial or administrative, past, present, or future, at law or in equity, that they may have against any other persons, firms, corporations, or entities, other than G-I's insurance carriers, for contribution, cost recovery, indemnity, or reimbursement for the costs that G-I will incur pursuant to this Consent Decree related to the VAG Site.

XXI. CONTRIBUTION PROTECTION

124. Generator Site Contribution Protection. With regard to all existing or future third-party claims with respect to the Generator Sites, including claims for contribution, the parties hereto agree that G-I, ACI, the G Holdings Entities, the Covered G-I Derivative Entities, and Covered G Holdings Derivative Entities are entitled to such protection from actions or claims as is provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2). Except as limited below, "matters addressed" in this settlement, as that phrase is used in Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), include all response actions taken and to be taken and all response costs incurred and to be incurred by the United States or potentially responsible parties for response costs. Notwithstanding the foregoing, with respect to the Tri Cities Barrel Superfund Site, the Novak Sanitary Landfill Superfund Site, the Maryland Stone Sand and Gravel Superfund Site,

and the Colesville Municipal Landfill Superfund Site, "matters addressed" shall be limited to the United States' claims for past and future unreimbursed costs set forth in the United States' Proof of Claim. Solely with respect to the Kin-Buc Landfill Superfund Site, "matters addressed" shall include natural resource damages incurred or to be incurred by the United States or potentially responsible parties as set forth in the United States' Proof of Claim. G-I expressly reserves any and all defenses it may have against any claims by third parties with respect to any matter, transaction, or occurrence relating in any way to the Generator Sites.

125. VAG Site Contribution Protection. With regard to all existing or future third-party claims with respect to the VAG Site, including claims for contribution, the parties hereto agree that G-I, ACI, the G Holdings Entities, the Covered G-I Derivative Entities, the Covered G Holdings Derivative Entities, the ISP Entities, and the Covered ISP Derivative Entities are entitled to such protection from actions or claims as is provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2). "Matters addressed" in this settlement, as that phrase is used in Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), include all response actions taken and to be taken and all response costs incurred and to be incurred by the United States, a state, or potentially responsible parties for response costs or natural resource damages at the VAG Site. G-I expressly reserves any and all defenses it may have against any claims by third parties with respect to any matter, transaction, or occurrence relating in any way to the VAG Site.

XXII. TREATMENT OF LINDEN SITES

126. With respect to all Linden Sites, all liabilities and obligations of G-I and ACI to the United States under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607, and Section 7003 of RCRA, 42 U.S.C. § 6973, arising from Prepetition acts, omissions, or conduct of G-I and ACI, including without limitation the Prepetition generation, transportation, disposal or

release of hazardous wastes or materials or the Prepetition ownership or operation of hazardous waste facilities, shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization, and the United States shall receive no distributions in the Bankruptcy Cases with respect to such liabilities and obligations, but the applicable reorganized Debtors (G-I and ACI) may be required to pay the United States or such other party as they may designate, such amounts as are provided for in Paragraphs 127 and 129. Unless otherwise provided in a Settlement Agreement or Consent Decree, such liabilities and obligations shall be treated and liquidated as general unsecured claims on the terms specified herein.

127. If and when the United States undertakes enforcement activities in the ordinary course with respect to any Linden Site, the United States may seek a determination of the liability, if any, of G-I and/or ACI and may seek to obtain and liquidate a judgment of liability of G-I and/or ACI or enter into a settlement with G-I and/or ACI with regard to any of the Linden Sites in the manner and before the administrative or judicial tribunal in which the United States' claims would have been resolved or adjudicated if the Bankruptcy Cases had never been commenced. However, the United States shall not issue or cause to be issued any unilateral order or seek any injunction against G-I or ACI under Section 106 of CERCLA, 42 U.S.C. § 9606, or Section 7003 of RCRA, 42 U.S.C. § 6973, arising from the Prepetition acts, omissions, or conduct of G-I or ACI or their predecessors with respect to any Linden Sites. The United States, G-I, and ACI will attempt to settle each liability or obligation asserted by the United States against G-I or ACI relating to a Linden Site on a basis that is fair and equitable under the circumstances, including consideration of (i) settlement proposals made to other PRPs who are similar to G-I and ACI in the nature of their involvement with the Linden sites, (ii) the

fact of the Debtors' bankruptcy, and (iii) the circumstances of this Consent Decree, but nothing in this sentence shall create an obligation of the United States that is subject to judicial review. The aforesaid liquidation of liability may occur notwithstanding the terms of the Plan of Reorganization, the order confirming the Plan of Reorganization, or the terms of any order entered to effectuate the discharge received by G-I and ACI.

128. In any action or proceeding with respect to a Linden Site, G-I, ACI and the United States reserve any and all rights, claims, and defenses they would have been entitled to assert (except as limited by the Linden Sites Tolling Provision below) had the claim been liquidated in the ordinary course or during the course of the Bankruptcy Cases, including, without limitation, any argument that joint and several liability should or should not be imposed upon G-I and ACI. Nothing herein shall be construed to limit the Parties' rights to assert any and all rights, claims, and defenses they may have in actions or proceedings involving other parties with respect to any Linden Site.

129. In the event any Claim is liquidated pursuant to Paragraph 127 by settlement or judgment to a determined amount (the "Determined Amount"), the applicable Debtor(s) with which such settlement is made or against which such judgment is entered will pay the United States 8.6 percent of the Determined Amount.

130. Claims of or obligations to the United States resulting from G-I and ACI's conduct occurring after the Lodging Date of this Consent Decree at the Linden Sites that would give rise to liability under Sections 106 and 107(a)(1)-(4) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a)(1)-(4), or Section 7003 of RCRA, 42 U.S.C. §6973, shall not be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization nor shall

such claims or obligations be impaired or affected in any way by the Bankruptcy Cases or confirmation of a Plan of Reorganization.

131. Nothing in this Consent Decree, including but not limited to Paragraphs 104, 105, 106 and 126, for the Linden Sites, shall impair or adversely affect any rights, claims, or causes of action of the United States against the G Holdings Entities, the G Holdings Derivative Entities, the ISP Entities, or the ISP Derivative Entities for the Linden Sites. Nothing in this Consent Decree may be used to alter the present liability, if any, of any G Holdings Entity, G Holdings Derivative Entity, ISP Entity, or ISP Derivative Entity.

132. Linden Sites Tolling Provision.

a. For purposes of this Paragraph, the "Tolling Period" shall be the period commencing on October 15, 2008 and ending on October 15, 2018, inclusive; provided that the United States may terminate the Tolling Period on 60 days advance notice to G-I and G-I may terminate the Tolling Period on one year advance notice to the United States. Termination of the Tolling Period by any party with respect to one or more of the Linden Sites will not impact the Tolling Period on the remaining Linden Sites. If the Tolling Period is terminated by any party, then the Tolling Period shall be the period commencing on October 15, 2008 and ending on the date the termination becomes effective. The Tolling Period shall not be included in computing the running of any statute of limitations potentially applicable to any action with respect to the Linden Sites brought among the United States, G-I, ACI, the G Holdings Entities, the ISP Entities and/or any Derivative Entity, as defined in Paragraphs 104, 105, and 106 above, pursuant to Sections 106 and 107(a)(1)-(4) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a)(1)-(4);

Section 7003 of RCRA, 42 U.S.C. §6973; Section 303 of CAA, 42 U.S.C. § 7603; or Sections 311 and 504 of the FWPCA, 33 U.S.C. §§ 1321 and 1364 ("Tolled Claims").

b. Any defenses of laches, estoppel, or waiver, or other equitable defenses based upon the running or expiration of any time period shall not include the Tolling Period for the Tolled Claims.

c. G-I, ACI, the G Holdings Entities, the ISP Entities, the Derivative Entities, and the United States shall not assert, plead, or raise in any fashion, whether by answer, motion or otherwise, any affirmative defense, including, but not limited to, laches, estoppel, waiver, or other equitable defense based on the running of any statute of limitations or the passage of time during the Tolling Period in any action brought on the Tolled Claims.

d. This Tolling Provision does not constitute an admission or acknowledgment of any fact, conclusion of law, or liability by any party to this Consent Decree. Nor does this Tolling Provision constitute an admission or acknowledgment on the part of any party that any statute of limitations, or defense concerning the timeliness of commencing a civil action, is applicable to the Tolled Claims. All parties reserve the right to assert that no statute of limitations applies to any of the Tolled Claims and that no other defense based upon the timeliness of commencing a civil action is applicable. G-I, ACI, the G Holdings Entities, the ISP Entities, and any Derivative Entities as defined above reserve all rights and defenses which any of them may have, except as set forth in this Consent Decree, to contest or defend any claim or action the United States may assert or initiate against such entity.

e. These tolling provisions shall be effective upon entry of this Consent Decree by the Court pursuant to Paragraph 139. Any extension of the Tolling Period shall be treated as a non-material modification of this Consent Decree pursuant to Section XXIV (Modification).

f. During the Tolling Period, the United States agrees not to file any action against G-I, ACI, the G Holdings Entities, the ISP Entities, and/or any Derivative Entities with respect to the Linden Sites. Subject to the foregoing, this Tolling Provision does not limit in any way the nature or scope of any claims that could be brought by the United States in a complaint against G-I, ACI, the G Holdings Entities, the ISP Entities and/or any Derivative Entities as defined above.

g. This Tolling Provision is not intended to affect any claims by or against third parties.

XXIII. RETENTION OF JURISDICTION

133. The Bankruptcy Court and the District Court each retain jurisdiction over this case until termination of this Consent Decree, for the purpose of resolving disputes arising under this Decree pursuant to Section XIII (Dispute Resolution) or entering, terminating or partially terminating, or modifying this Decree, or otherwise effectuating or enforcing compliance with the terms of this Consent Decree.

XXIV. MODIFICATION

134. The terms of this Consent Decree, including any Attachments, may be modified only by a subsequent written agreement of the Parties. With respect to any modification that constitutes a material change to this Consent Decree, such written agreement shall be filed with the Bankruptcy Court and effective only upon the Bankruptcy Court's approval. Any modification of the SOW, extensions of the Linden Sites Tolling Period, or changes to a reporting requirement of this Consent Decree shall be deemed a non-material modification. Any

disputes concerning modification of this Decree shall be resolved pursuant to Section XIII of this Consent Decree (Dispute Resolution).

XXV. PUBLIC PARTICIPATION

135. This Consent Decree shall be lodged with the Court for a period of not less than 30 days for public notice and comment in accordance with 28 C.F.R. § 50.7. The United States and Vermont reserve their rights to withdraw or withhold their respective consent if the comments regarding the Consent Decree disclose facts or considerations indicating that the Consent Decree is inappropriate, improper, or inadequate. G-I consents to entry of this Consent Decree without further notice and agrees not to withdraw from or oppose entry of this Consent Decree by the Court or to challenge any provision of the Consent Decree.

XXVI. SIGNATORIES/SERVICE

136. Each undersigned representative certifies that he or she is fully authorized to enter into this Consent Decree and to execute and legally bind the Party he or she represents to the terms and conditions of this document. The non-governmental signatories represent that they have authority to legally obligate the G Holdings Entities, the ISP Entities, or any of their corporate subsidiaries or affiliates identified herein, to take all actions necessary to comply with the provisions of this Consent Decree.

137. This Consent Decree may be signed in counterparts, and its validity shall not be challenged on that basis. The parties agree to accept service of process by mail pursuant to the provisions of Section XVI (Notices) with respect to all matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons.

XXVII. INTEGRATION

138. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement of matters addressed in this Consent Decree. Other than the Attachments listed in Section XXX (Attachments), which are attached to and incorporated in this Decree, and deliverables that are subsequently submitted and approved pursuant to this Decree, no other document, representation, inducement, agreement, understanding, or promise constitutes any part of this Decree or the settlement it memorializes, nor shall evidence of any such document, representation, inducement, agreement, understanding, or promise be used in construing the terms of this Decree.

XXVIII. FINAL JUDGMENT

139. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment of the Court as to the United States, the State of Vermont, G-I, and ACI. If this Consent Decree is not entered by the Court for any reason, the United States reserves all rights to obtain the injunctive relief described herein, and the Parties reserve all other rights, remedies, and defenses.

XXIX. TERMINATION OF INJUNCTIVE RELIEF

140. Section V of this Consent Decree, ("CAA and RCRA Injunctive Relief at the VAG Site,") may terminate at the earliest of (i) the completion by the Trust of the Work, (ii) the exhaustion of the cost caps set forth in Paragraph 10, or (iii) the conclusion of Settlement Year Nine. If the Trustee believes that the requirements of Section V have been completed in a satisfactory manner or that all applicable cost caps have been exhausted, it may serve upon the United States and Vermont a Request for Termination of Section V of this Consent Decree along

with a written certification that it has met the applicable Section V requirements and/or that all applicable cost caps have been exhausted.

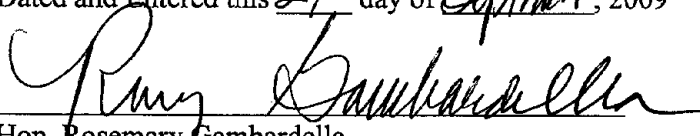
141. Following receipt by the United States and Vermont of the Trustee's Request for Termination, the Parties shall confer informally concerning the Request and any disagreement as to whether the Trust has satisfactorily complied with the requirements for termination. If the United States, in consultation with Vermont, agrees that Section V may be terminated, the Parties shall submit, for the Court's approval, a joint stipulation terminating Section V of this Consent Decree. If the United States, in consultation with Vermont, does not find that it is appropriate under the terms of this Consent Decree to terminate Section V, such finding shall be subject to the Dispute Resolution provisions of Section XIII.

XXX. ATTACHMENTS

142. The following Attachments are attached to and incorporated into this Consent Decree and are made binding and enforceable as if fully set forth herein:

Attachment #1 – VAG Statement of Work ("SOW")
Attachment #2 – VAG Site Map
Attachment #3 – Custodial Trust Agreement
Attachment #4 – List of G Holdings Entities
Attachment #5 – List of ISP Entities

Dated and Entered this 24th day of September, 2009

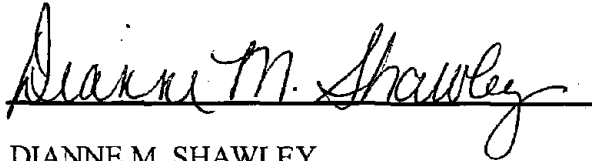

Hon. Rosemary Gambardella
UNITED STATES BANKRUPTCY JUDGE
District of New Jersey

So Agreed.

For the United States Department of Justice:



JOHN C. CRUDEN
Acting Assistant Attorney General
Environmental and Natural Resources Division

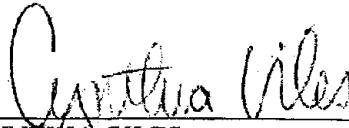


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So Agreed.

For the U.S. Environmental Protection Agency



CYNTHIA GILES
Assistant Administrator
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

In re: G-I Holdings Inc., et al
Case Nos. 01-30135 (RG) and 01-38790 (RG)

So Agreed.

For the State of Vermont, on behalf of the Vermont Agency for Natural Resources:

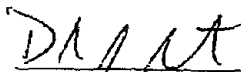
STATE OF VERMONT
WILLIAM H. SORRELL
ATTORNEY GENERAL

By: 

John Beling
Assistant Attorney General
109 State Street
Montpelier, VT 05609-1001

So Agreed.

For G-I Holdings Inc., ACI Inc., and the G Holdings Entities (as defined herein):

A handwritten signature in dark ink, appearing to read "D. Goldstein", is written over a horizontal line.

Daniel Goldstein
General Counsel
G-I Holdings Inc.

So Agreed.

For the ISP Entities (as defined herein):

A handwritten signature in black ink, appearing to read "Jason Pollack", is written over a horizontal line.

Jason Pollack
Senior Vice President
and Deputy General Counsel and Secretary

ATTACHMENT 1
STATEMENT OF WORK

**STATEMENT OF WORK
VERMONT ASBESTOS GROUP MINE SITE
EDEN AND LOWELL, VERMONT**

**Pursuant to the
Consent Decree and Settlement Agreement**

Statement of Work
Vermont Asbestos Group Mine Site

Settlement of Claims under CAA §303 and RCRA §7003

I. INTRODUCTION

1. This Statement of Work ("SOW") identifies the components of the injunctive relief ("Work") required pursuant to the Consent Decree and Settlement Agreement ("Consent Decree") to settle specifically the U.S. claims against G-I Holdings Inc. under CAA §303 and RCRA §7003 with respect to the Vermont Asbestos Group ("VAG") Mine Site in Eden and Lowell, Vermont.¹ The activities to be conducted pursuant to this Consent Decree and SOW are intended to abate an alleged imminent and substantial endangerment to public health and the environment posed by the VAG site. This SOW may be amended by written agreement of the parties, which shall be incorporated as an "Addendum" to the SOW. This SOW is subject to the terms of the Consent Decree. In the event of any conflict between this SOW and the Consent Decree, the terms of the Consent Decree shall control.

2. Pursuant to the Consent Decree, G-I will establish and fund, in accordance with the terms of the Consent Decree, a custodial trust ("Trust"), which will have responsibility for implementing the Work described herein. Under this SOW, the Trust shall prepare and submit to EPA and Vermont the items identified below. The Trust shall implement each item as it is approved by EPA, in consultation with Vermont. The Trust shall retain an environmental contractor (the "Contractor") to perform the work described herein. The schedule set forth in the Consent Decree shall apply for implementation of all the field activities described in this SOW, unless otherwise specified below.

II. GENERAL REQUIREMENTS

3. EPA and Vermont will each designate a Project Manager ("PM") as their representative and point of contact to oversee the requirements set forth in this SOW. The Trust shall also designate a project manager (the "Trust PM") who shall be an employee of the Contractor as described below. The Trustee and the Trust PM shall communicate freely and frequently with the EPA and Vermont PMs prior to and during development of plans and deliverables and continually throughout implementation of approved plans.

4. Each required plan generated pursuant to this SOW must be submitted to the PMs for approval prior to implementation.

5. By telephone or otherwise, the Trustee or the Trust PM shall inform the PMs of any field activity not less than five (5) business days prior to the event. As components of the air monitoring program are weather dependent, the Trustee or the Trust PM shall inform the PMs of any field activity related to the air monitoring program as far in advance of the event as reasonably possible.

¹ The SOW is Attachment # 1 to the Consent Decree and has been incorporated and made fully enforceable by reference. Unless otherwise defined herein, the terms used in this SOW shall have the definitions set forth in Section III (Definitions) of the Consent Decree.

Statement of Work
Vermont Asbestos Group Mine Site

6. The Trust shall perform and complete all activities that the PMs have authorized in accordance with the Consent Decree, provided that funding is available for such work under the Consent Decree, and consistent with cost caps set forth in the Consent Decree.

7. The PMs may, subject to the terms of the Consent Decree, require the Trust to alter or expand upon plans after approval, based on new information, changed Site conditions, or subsequently identified deficiencies.

III. SPECIFIC REQUIREMENTS

8. EPA and Vermont have approved Environmental Resources Management, Inc. as the supervising contractor (the "Contractor"). Should the Trust decide to replace the Contractor, the Trustee shall provide the name and qualifications of the proposed replacement Contractor for EPA and Vermont approval. The Contractor is subject to approval by EPA and Vermont. In addition to the name and qualifications, the Trustee shall provide the Contractor's project manager (the "Trust PM"), including name(s), telephone numbers, and e-mail addresses.

9. The Trust shall require the Contractor to generate an OSHA-compliant, site-specific Health and Safety Plan ("HASP") for items IV.A-IV.D, no later than fourteen days after the Lodging Date of the Consent Decree. HASPs also shall be generated and implemented for subsequent field activities not covered by the initial HASP. The HASP shall include contingency planning.

10. The Contractor is responsible for the health and safety of its employees, compliance with OSHA, Vermont OSHA (VOSHA), and other potentially applicable state requirements, such as the Vermont Regulations for Asbestos Control. Nothing contained in this SOW or any approved plans shall relieve the Contractor of its responsibility in this regard.

IV. WORK PLAN

11. The Trust shall submit a technically sound Work Plan no later than fourteen days after the Lodging Date of the Consent Decree that describes how the Trust will accomplish the field activities detailed below in Parts A through D and as referenced in the Consent Decree. The Work Plan must be approved by EPA, in consultation with Vermont, prior to the implementation of any field activities.

A. Installation and Maintenance of Perimeter Signs, Gates, and Barriers

12. The Trust shall install signs, chain-link gates, barriers, and/or fencing so as to reasonably restrict access to the VAG Site. The signs, gates, barriers, and/or fencing shall be installed at the locations identified in the Work Plan. If a secure gate is already in place, then only the extending barriers and/or fences shall be required. The location and size of the signs, the wording on the signs, and the lengths of these barrier extensions beyond the gates will be determined during EPA and Vermont field visits and the required sign locations and barrier dimensions will be added to this SOW as an

Statement of Work
Vermont Asbestos Group Mine Site

Addendum. The Contractor will be given the opportunity to visit the site and concur on the dimensions prior to the completion of the Addendum.

13. Following the installation of the signs, gates, barriers, and/or fencing, the Trust shall implement measures set forth in Section IV, Part D below to ensure that the perimeter signs, gates, fencing, and/or barriers are maintained in good operating condition, until seven (7) years and nine (9) months after the Plan Effective Date or as otherwise provided in the Consent Decree.

B. Prevention of Vehicular Access to the Top of the Eden Tailing Pile

14. The Trust shall take measures to prevent all vehicular access to the top of the Eden Mine Tailing Pile as indicated on the site map, Attachment # 2, via the make-shift roads which have been commonly used for such traffic by installing Jersey Barriers (or equivalent) to further restrict access to the roads. The locations of these barriers will be determined during EPA and Vermont field visits and will be added to this SOW as an Addendum when available.

15. Following the installation of the Jersey Barriers (or equivalent), the Trust shall implement measures set forth in Section IV, Part D below to ensure that the barriers are maintained in good condition, until seven (7) years and nine (9) months after the Plan Effective Date or as otherwise provided in the Consent Decree.

C. Security of On-Site Buildings

16. The Trust shall board-up all first floor windows and pad-lock all doors of the on-site buildings where asbestos was processed, including but not limited to the Mill and the four crusher buildings.

17. The Trust shall remove any readily-identified product (milled and friable asbestos) from the areas around the building perimeters and secure the product on-site. The extent, location, and on-site relocation of the product will be determined by representatives of the Contractor, Vermont, and/or EPA prior to the submittal date of the Work Plan and documented in an Addendum to this SOW.

18. The Trust will also take measures to ensure that the buildings containing readily-identified product (milled and friable asbestos) and/or tailing material maintain sufficient structural integrity to prevent releases of product or tailing material. The scope of these measures is expected to include the securing of the sections of the buildings' exteriors that are peeling away from the structure due to wind. These locations and the extent of the securing needed shall be determined by representatives of the Contractor, Vermont, and/or EPA prior to the submittal date of the Work Plan and documented in an Addendum to this SOW. EPA and Vermont shall be given copies of the keys to any padlocks used on the site.

Statement of Work
Vermont Asbestos Group Mine Site

19. The Trust shall implement measures set forth in Section IV, Part D below to ensure that the security of the buildings is maintained in good condition, until seven (7) years and nine (9) months after the Plan Effective Date or as otherwise provided in the Consent Decree.

D. Security Guard

20. The Trust shall retain an individual or firm to provide the equivalent of one full-time person for security work at the Site, to generally oversee security of the Site during the construction phase of the Work and to continue with the tasks set forth in Section IV, Part D, until seven (7) years and nine (9) months after the Plan Effective Date or as otherwise provided in the Consent Decree.

21. The Security Guard shall be on duty at the Site full-time, with the days of the week to be determined by EPA, in consultation with Vermont, (40 hours per week excluding holidays) from April 15 (except for Settlement Year One, when the Security Guard will be on-site immediately after retention by the Trust through November 15 (high season), weather permitting, and part-time (one 8 hr-day/week) from November 16 to April 14 (off-season), as weather permits, and/or as otherwise determined by EPA, Vermont, and the Trust PM.

22. The parameters for the Security Guard service are as follows:

- a) Operations. The Trust shall install an Office/Trailer on a clean pad at the general location identified in the Work Plan. The trailer shall serve as an operating office for the Security Guard, and the repository for all maintenance records and Site activity log-books.
- b) OSHA Compliance. The Security Guard shall comply with all applicable OSHA and Vermont Department of Health requirements including, but not limited to training requirements. (See Paragraph 9 – HASP requirement.)
- c) Physical Inspections during the High Season. In accordance with a “patrol circuit” and to the extent reasonably feasible, the Security Guard shall conduct daily physical inspections of the exterior gates and fencing, signs, and air monitoring instrumentation, including meteorological stations if such equipment is deployed, and weekly inspections of buildings during the high season (April 15 – Nov 15).
- d) Physical Inspections during the Off Season. During the off season, the Security Guard shall perform physical inspections once a week, weather permitting.

Statement of Work
Vermont Asbestos Group Mine Site

- e) Patrol Circuit. The "patrol circuit" will be determined by representatives of the Contractor, Vermont, and EPA. When complete, a map and/or verbal description of the patrol circuit will be forwarded to the Trust for inclusion in the security-related Work Plan as described in Paragraph 11 above prior to the beginning of the Security Guard service.
- f) Maintenance of On-Site Log. The Security Guard shall maintain a written and legible daily log, with notations of daily and periodic activity, inspection results, and observations and shall make the log available for inspection by EPA and Vermont personnel upon request. The log shall also include the date, weather conditions, and whether any visual emissions (dust) were observed from any portion of the site.
- g) Submission of Periodic Reports. The Security Guard shall compile and integrate the information collected through inspections and shall provide it in quarterly progress reports to EPA and Vermont. The report can simply be a compilation of the daily log sheets for that month or, as an alternative, the Security Guard may produce and submit a separately-prepared report. The report shall include the dates that the Security Guard was on duty that month and an entry for each day (inspection results and observations). A complete record of all daily reports and periodic reports shall be maintained on-site in the Guard's Office and all documents shall be converted to an electronic format and submitted in accordance with EPA Region 1 document protocols.
- h) Interim Special Reports. The Security Contractor shall provide prompt notice to EPA, Vermont, and the appropriate law enforcement authorities of any unusual activity at the VAG Site, including any breach of security on-site, and shall be responsible for alerting emergency personnel in a prompt manner, as necessary, to address any environmental, public health, or safety emergencies at the VAG Site. This notice shall be via phone and to a designated list via e-mail. Any such activity shall be recorded in the logs.
- i) Maintenance: The Trust shall order supplies and make repairs to maintain the integrity of the controls described above and as necessary to ensure compliance with the requirements of this SOW and the Consent Decree. The repairs shall be documented in the periodic reports. EPA and Vermont shall be notified via phone or e-

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mail when repairs are deemed necessary and subsequent work is scheduled.

V. QUALITY ASSURANCE PLANS

23. The Trust shall use quality assurance, quality control, and chain of custody procedures for all samples in accordance with applicable EPA requirements described below.² Prior to the commencement of any sampling or monitoring project under the Consent Decree and this SOW, the Trust shall submit to EPA for approval, after a reasonable opportunity for review and comment by Vermont, a Sampling and Analysis Plan ("SAP"), which includes, among other things, a Quality Assurance Project Plan ("QAPP") that is consistent with this SOW and applicable guidance documents.

24. The Trust shall ensure that EPA and Vermont personnel and their authorized representatives are allowed access at reasonable times to all laboratories utilized by the Trust in implementing the Consent Decree and this SOW. In addition, the Trust shall ensure that such laboratories shall analyze all samples submitted by EPA pursuant to the QAPP for quality assurance monitoring. The Trust shall ensure that the laboratories it utilizes for the analysis of samples taken pursuant to the Consent Decree and this SOW perform all analyses according to accepted EPA methods or other methods approved by EPA for the VAG Site as described below.³ Upon approval by EPA, in consultation with Vermont, the Trust may use other analytical methods that are as effective in achieving the applicable data quality objectives as the currently-approved EPA methods.

25. For asbestos analysis, the Trust shall use the following analytical methods, after consultation with, and as determined by, EPA and Vermont:

- a) Air — Transmission Electron Microscopy (TEM), ISO 10312. Phase Contrast Microscopy (PCM), NIOSH 7400 may also be used for some air samples.

² The Trust shall comply with the following in implementing this SOW: "EPA Requirements for Quality Assurance Project Plans (QA/R5)" (EPA/240/B-01/003, March 2001), "Guidance for Quality Assurance Project Plans (QA/G-5)" (EPA/240R-02/009, December 2002), "EPA New England Quality Assurance Project Plan Program Guidance," (Version 1, Revised 2008, <http://www.epa.gov/region1/lab/qa/qualsys.html>), and subsequent amendments to such guidelines upon notification by EPA to the Trust of such amendment. Amended guidelines shall apply only to procedures conducted after EPA notification.

³ Accepted EPA analytical methods not related to asbestos include but are not limited to, those methods that are documented in the "Contract Lab Program Statement of Work for Organic Analysis" (Multi-Media, Multi-Concentration Organic Analysis, SOMO 1.1, which can be found at <http://www.epa.gov/superfund/programs/clp/som1.htm>) and the "Contract Lab Program Statement of Work for Inorganic Analysis," (Multi-Media, Multi-Concentration Inorganic Analysis, ILM 05.3, which can be found at <http://www.epa.gov/superfund/programs/clp/ilm5.htm>), and any amendments made thereto during the course of the implementation of the Consent Decree and SOW.

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- b) Soil — Polarized Light Microscopy (PLM), California Air Resources Board (CARB) Method 435.
- c) Dust — Microvac, ASTM D5755-03: Standard Test Method for Microvacuum Sampling and Indirect Analysis of Dust by TEM for Asbestos Structure Number Surface Loading.
- d) The Trust shall ensure that all laboratories it uses for analysis of samples taken pursuant to the Consent Decree and this SOW participate in an EPA or EPA-equivalent QA/QC program and have met all applicable Vermont Regulations. For example, analytical laboratories for asbestos must be certified per the requirements in the Vermont Regulations for Asbestos Control.

26. The Trust shall only use laboratories that have a documented Quality System which complies with ANSI/ASQC E4-2004, "Quality Systems for Environmental Data and Technology Programs: Requirements with Guidance for Use," and "EPA Requirements for Quality Management Plans (QA/R-2)," (EPA/240/B-01/002, March 2001) or equivalent documentation as determined by EPA.

27. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program ("NELAP") as meeting the Quality System requirements. If the Trust uses a commercial laboratory for analysis for which NELAP certification is available, the Trust shall provide documentation to EPA that demonstrates that each laboratory maintains NELAP certification for the specific methods/matrices and analysis to be performed.

28. For each analytical method employed for which NELAP certification is not available, the Trust shall provide supporting documentation demonstrating how the method has been verified for all matrices to be analyzed. EPA will review the Trust's supporting documentation and will notify the Trust as to whether such method is acceptable.

29. The Trust shall ensure that all field methodologies utilized in collecting samples for subsequent analysis pursuant to the Consent Decree and this SOW shall be conducted in accordance with the procedures set forth in the QAPP as approved by EPA, in consultation with Vermont.

30. Upon request, the Trust shall allow split or duplicate samples to be taken by EPA and Vermont or their authorized representatives. EPA and Vermont shall provide copies of the results of the analysis of such split samples to the Trust after such results have undergone QA/QC analysis.

31. The Trust shall notify EPA and Vermont not less than five (5) business days in advance of any sample collection activity unless the parties agree to shorter notice or shorter notice is required because the activities are weather-dependant. In addition, EPA and Vermont shall have the right to take any additional samples that EPA or Vermont deem necessary. Upon request, EPA and Vermont shall allow the Trust to take split or duplicate samples of any samples they take as part of their oversight of the Trust's implementation of the Work.

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32. The Trust shall submit three copies to EPA and three copies to Vermont of the results of all sampling and/or tests or other data obtained or generated by or on behalf of the Trust with respect to the VAG Site and/or the implementation of the Consent Decree and this SOW, unless EPA and/or Vermont specify a different number of copies. In addition, the Trust shall submit an electronic copy of all sampling results to EPA and Vermont.

VI. METEOROLOGICAL AND AIR MONITORING STATIONS

33. During 2009, EPA and Vermont will conduct air monitoring in connection with the VAG Site. EPA and Vermont will provide the Trust with the results of the 2009 air monitoring, and will determine, based on an analysis of those results and in consultation with the Trust, what changes need to be made to the meteorological and air monitoring parameters set forth in this SOW.

34. By no later than February 1, 2010, or if the Preliminary Period Contribution is exhausted, thirty days following the Plan Effective Date, the Trust shall generate a technically sound Work Plan that describes how the Trust will accomplish the meteorological and air monitoring field activities detailed below in Paragraphs 37 and 38, and as referenced in the Consent Decree. This Work Plan shall relate to the installation and operation of the meteorological and air monitoring stations and is subject to approval by EPA, in consultation with Vermont, prior to the start of any field activities.

35. Installation and Operation of Meteorological Stations. The Trust shall install and continuously operate three (3) meteorological stations from May 1 through November 1 of each calendar year except in 2010, in which year the Trust shall begin operations no later than May 1 site conditions permitting or, if the Preliminary Period Contribution is exhausted, ninety days after the Plan Effective Date, whichever is later. The operation of the meteorological stations shall continue until seven (7) years and nine (9) months after the Plan Effective Date or as otherwise provided in the Consent Decree. The locations of these stations will be determined during EPA and Vermont field visits and these locations will be added as an Addendum to this SOW.

36. The parameters for the meteorological stations are as follows:

- a) Specific siting locations should be consistent with the EPA Quality Assurance Handbook for Air Pollution Measurement Systems: Volume IV: Meteorological Measurements Version 2.0.
- b) The instrument/device specifications should be certified by the National Institute of Standards Technology ("NIST").
- c) The meteorological system must be able to measure continuously (at fifteen (15) minute raw data collection frequency intervals) for ambient temperature, wind speed and direction, precipitation, barometric pressure, and relative humidity; and be able to transfer these data to an external device such as a computer, data logger, or network. The information from

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the meteorological stations shall be downloaded at intervals that minimize the loss of information due to equipment issues. At a minimum, the data shall be downloaded prior to and after each sampling event.

- d) For ambient temperature, wind speed, and wind direction, the measurement devices within the system must meet the SLAMS/SPM (non-NCORE) meteorological measurement quality objectives listed in Table 0-5 in Volume IV: Meteorological Measurements Version 2.0.
- e) The meteorological system should have a reliable energy source.

VII. METEOROLOGICAL MEASUREMENTS VERSION 2.0 SHOULD BE FOLLOWED

37. Installation and Operation of Air Monitoring Stations. The Trust shall install air monitoring stations at ten (10) locations and begin conducting air sampling within the parameters as set forth in the Paragraphs a through f. The locations of these stations will be determined during EPA and Vermont field visits and the locations will be described in an Addendum to this SOW.⁴

- a) During the Trust's first sampling season, monthly, 24-hour air monitoring samples shall be collected from each of five monitoring stations shown in the Addendum. Weekly, 10-hour air monitoring samples also shall be collected during this period at the ten (10) locations for purposes of assessing the need for dust suppression activities and other data quality objectives ("DQOs"). In addition, one of the ten (10) monitor locations shall have a second air sampling station (duplicate) for QA/QC purposes.
- b) During the Trust's first sampling season, 100% of air monitoring samples shall be analyzed by phase contrast microscopy (PCM) as well as by transmission electron microscopy (TEM) (Method: ISO 10312).
- c) The sampling events are to be tied in to wind speed and precipitation to the extent possible.⁵ An average predicted wind speed of 10 miles per

⁴ Following EPA's air monitoring during the 2009 season, the Agency will provide the Trust with a Completion-of-Work report documenting its findings and observations. The information in the report should be helpful to the Trust in preparing its own work reports and in implementing the air monitoring requirements of this SOW.

⁵ Since wind and precipitation are factors in selecting the dates for the sampling events, the criteria of weekly events may have to be compromised. For example: a) if week 3 is rainy with low winds, back-to-back sampling events can take place in week 4. b) if week 5 is clear with consistent high winds, two sampling events can occur and week 6 can be skipped. If it becomes

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hour ("mph") or greater can trigger a discrete sampling event, providing there has been no appreciable precipitation event for 36 hours preceding the event or predicted for the time frame of the event.

- d) To the degree practical, EPA ambient air monitoring criteria for National Ambient Air Quality Standard ("NAAQS") measurements should be followed for locating the air monitoring stations.
- e) EPA, in consultation with Vermont, shall select the monitor locations based on the following criteria: At least 30 cm from any obstruction to air flow, 2 times the height of buildings or obstructions away from buildings/obstructions, 10 meters from tree canopy, at least 2 meters above the ground level.
- f) The monitors shall collect a minimum of 2000 liters of air per sample pump, per event. The type of pumps and power source (batteries, solar panels, generators) will be left to the discretion of the Trust and shall be documented in the SAP.

38. Based on EPA's and Vermont's evaluation of the monitoring data collected during the Trust's first sampling season, the parameters for air monitoring during subsequent years may be altered. Any alterations to the parameters shall be documented and included in an Addendum to this SOW.

- a) The frequency of the 24-hr and 10-hr sampling events may change.
- b) In the event that these analyses show that a predictable proportion of the fibers observed in each sample are asbestos fibers, the Trust, upon approval of EPA, in consultation with Vermont, may reduce the number of transmission electron microscopic analyses in subsequent years.
- c) The Trust must obtain the applicable sampling and analysis certifications as specified in the "Vermont Regulations for Asbestos Control."

39. During the 2009 air monitoring season, EPA will also collect five point surface soil composite samples in the immediate vicinity of each of the ten (10) air sampling stations and will analyze the samples by polarized light microscopy ("PLM"). Based on the results of the soil samples, EPA, in consultation with the Trust and with Vermont, will determine whether similar soil sampling would be useful in subsequent seasons, when the Trust assumes responsibility for air monitoring under this SOW.

problematic for the sampling event to occur after a 36 hour time period of no appreciable precipitation, this parameter may be readjusted. It is expected that this type of decision making will occur during the five-to-six month event and involve representatives of the sampling team, EPA and Vermont.

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VIII. DUST SUPPRESSION

40. If the evaluation of the air monitoring data by EPA and Vermont indicates that dust suppression activities should be implemented, EPA, after consultation with Vermont, will direct the Trust to undertake interim dust suppression activities.

41. The Trust shall develop a technically sound Work Plan for implementing Dust Suppression activities, subject to approval by EPA, in consultation with Vermont. The Trust shall implement Dust Suppression activities to the extent reasonably practicable under the circumstances for the duration required by EPA not to exceed seven (7) years and nine (9) months after the Plan Effective Date or as otherwise provided in the Consent Decree.

42. Interim dust suppression is not intended to be a substitute for a final remedy, nor to ensure zero dust migration if this cannot be reasonably accomplished.

IX. INVESTIGATION OF OFF-SITE MATERIAL

43. The Trust shall provide technical assistance for the purpose of characterizing asbestos at off-site locations. This assistance shall cover discrete portions of the characterization activities and could include sampling (including activity based sampling), analysis (field or off-site lab), sample management, validation, data management, reporting, or other activities that EPA and/or Vermont identify as necessary to support the investigation of off-site material subject to the funding limits set forth in the Consent Decree.

X. COMPLETION OF WORK

44. Within thirty (30) days after completion of implementation of items: IV.A, B, and C, the Trust shall submit an interim completion of work report ("ICWR") to EPA and Vermont. This is an interim report as the operation and maintenance of these items is expected to continue for seven (7) years and nine (9) months from the Plan Effective Date or as otherwise provided in the Consent Decree. Within 30 days after completion of all Work required by Sections IV.A, B, and C of this SOW, the Trust shall submit a final completion of work report ("CWR") to EPA and Vermont. The CWR shall include the following:

- a) A list of all required activities and certification that each has been completed in accordance with approved plans.
- b) Original photographs with a written description (as applicable).
- c) An estimate of the Trust's costs incurred.

45. The Trust shall periodically submit the logs and reports generated from item IV.D to EPA and Vermont, which will function as the CWR for that portion of the Work.

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46. The Trust shall generate a CWR within ninety (90) days after the end of each year's air and meteorological monitoring run and include all of the analytical and meteorological station data collected during that year's air monitoring activities.

47. The Trust shall generate a CWR within ninety (90) days after the end of each year's Dust Suppression and Off-Site Investigation activities on the status of those activities.

XI. INTERIM DELIVERABLES

48. The Trust shall submit quarterly progress reports to document compliance with the Consent Decree and this SOW. These progress reports shall be prepared under the direction of the Trust PM. Each report shall contain the following:

- a) A summary of the activities that were performed in the previous quarter and the activities to be performed during the following quarter;
- b) A copy of all data collected during the previous quarter, in an electronic format specified by EPA and Vermont;
- c) The status of all sampling activities, including a summary of samples collected, samples undergoing analysis, samples received and undergoing data evaluation and validation, and data that are final;
- d) A copy of all final results, in an electronic format specified by EPA and Vermont, that were received since the previous quarterly submittal;
- e) Upon request by EPA and/or Vermont, a copy of draft data;
- f) A summary of the activities that were completed to identify the location of off-site material along with a summary of any new information or findings since the previous quarterly report;
- g) A summary of any Trust activities performed to support EPA and Vermont field activities; and
- h) The expenditures relative to any spending caps, the amount spent, amount remaining, pending invoices, and percent of cap expended.

The costs of preparing these reports shall not be considered Administrative Costs under the Consent Decree.

XII. PROCEDURE FOR REQUESTING A CHANGE IN SCHEDULE OR APPROVED WORK PLAN

49. The Trust PM shall submit, in writing, any request for a change in schedule or revision to an approved Work Plan. EPA and Vermont shall determine whether the proposed change or revision is acceptable. EPA and Vermont will provide a written finding as to whether

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it accepts the change or proposed review or whether the schedule and/or document shall remain as is.

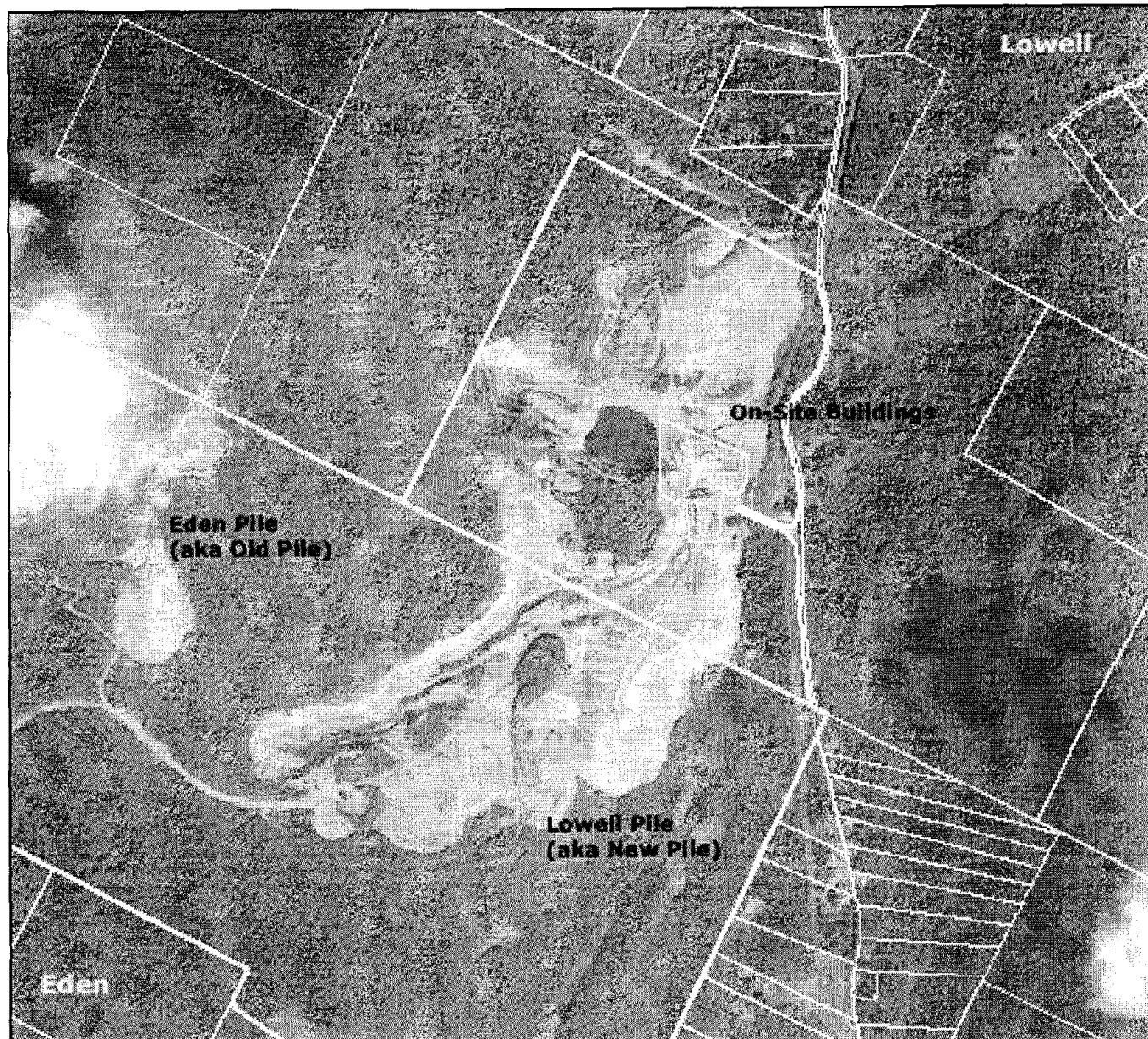
XIII. PROJECT MEETINGS

50. The Trust PM shall at the discretion of the PMs, meet with EPA and Vermont representatives monthly during April through November of each year that the injunctive relief items in the Consent Decree are in effect and at least once during the period from December through March. The location for the meeting shall be specified by EPA and Vermont.

End of Statement of Work

ATTACHMENT 2

VAG SITE MAP



- Legend**
- Town Boundaries
 - Parcel Boundaries
 - All Other Properties
 - VAG Properties

VAG Site Map

 **VERMONT**
Environmental Conservation

Created On: June 16, 2009

Vermont Asbestos Group (VAG)
(SMS Site #1995-1825)

0 0.125 0.25 0.5 0.75
Miles

ATTACHMENT 3

FORM OF CUSTODIAL TRUST AGREEMENT

**CUSTODIAL TRUST AGREEMENT
FOR VERMONT ASBESTOS GROUP SITE**

This Custodial Trust Agreement ("Agreement") is made as of the Effective Date (as defined below), by and between G-I Holdings Inc. ("G-I"), a Delaware corporation, the United States, on behalf of the United States Environmental Protection Agency ("EPA"), the Vermont Agency for Natural Resources ("VANR") on behalf of the State of Vermont, and Parsons Environmental Group, LLC, not individually but solely in the fiduciary capacity of Custodial Trustee, as Trustee (the "Custodial Trustee"). G-I and the Custodial Trustee are each a "Party" and, collectively, are the "Parties" hereto.

RECITALS

WHEREAS, the Vermont Asbestos Group Mine Site (the "Site") is located in a rural area in the Towns of Eden and Lowell Vermont;

WHEREAS, G-I, EPA, and VANR have executed a consent decree (the "Consent Decree") to, among other things as more fully stated in the Consent Decree, settle and resolve environmental matters relating to the Site as provided therein, which Consent Decree was lodged with the Court on [MONTH DAY,] 2009;

WHEREAS, in accordance with the Consent Decree, this trust (the "Custodial Trust") is established for the purposes of (a) owning and taking title to and managing and investing funds deposited as provided below in Section 2.2; and (b) managing and funding implementation of activities at the Site consistent with the Consent Decree;

WHEREAS, the Custodial Trust is created pursuant to, and to effectuate, certain applicable provisions of the Consent Decree;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and in the Consent Decree, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 **Definitions.** All terms used here and in the Consent Decree, shall have the meaning set forth in the Consent Decree unless otherwise specifically defined below:

“ACI” has the meaning given in the Consent Decree.

“Administrative Costs” means the costs of administering the Custodial Trust and not any of the costs incurred in connection with the Work. Administrative Costs shall include (i) the Custodial Trustee’s fees and out of pocket expenses, other than compensation and out-of-pocket expenses related to the Trustee’s meetings with the United States or Vermont, (ii) the necessary costs of accountants and lawyers retained to advise the trustee, (iii) payment of income taxes to the extent applicable, (iv) the costs of any insurance procured by the trustee, (v) the costs incurred in connection with the dispute resolution provisions applicable to the Site under the Consent Decree, and (vi) the costs and expenses of defending any claim, demand, or cause of action for which the Custodial Trust Parties are entitled to exculpation under Section 4.9.2.

“Administrative Assets” has the meaning given in Section 2.2.2.1.

“Agreement” has the meaning given in the preamble.

“Beneficiaries” has the meaning given in Section 5.1.

“Consent Decree” means the Consent Decree dated [MONTH DAY,] 2009 entered into between EPA, VANR, and G-I in the matter styled *United States v. G-I Holdings Inc.*, Adversary Proceeding No. 08-2531 (RG), pending in the United States Bankruptcy Court for the District of New Jersey. References to the “Consent Decree” include all attachments thereto, including but not limited to the SOW. A copy of the Consent Decree is attached hereto at Exhibit 1.

“Court” means the United States Bankruptcy Court for the District of New Jersey and/or the United States District Court for the District of New Jersey, as applicable.

“Custodial Trust” has the meaning given in the preamble.

“Custodial Trust Assets” means (a) the Work Assets and the Administrative Assets, including interest or income earned thereon, and (b) such other assets acquired or held by the Custodial Trust from time to time pursuant to this Agreement, the Consent Decree or an order of the Court.

“Custodial Trust Parties” means the Custodial Trust, the Custodial Trustee, the Custodial Trust’s employees, officers, and directors, and any of the Custodial Trustee’s or Custodial Trust’s professionals or representatives. In the event the Custodial Trustee is a limited liability company, “Custodial Trust Parties” shall also include the Custodial Trustee’s members, managers, and officers.

“Effective Date” means the date upon which this Custodial Trust Agreement has been signed by the Parties.

“EPA” has the meaning given in the preamble.

“Initial Contribution” has the meaning given in Section 2.2.1.2.

“Party” has the meaning given in the preamble.

“Preliminary Period” means the period commencing fifteen days after the Lodging Date as defined in the Consent Decree and ending on the last day of the calendar month in which the Plan Effective Date occurs.

“Preliminary Period Contribution” has the meaning given in Section 2.2.1.3.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, charitable foundation, unincorporated organization, government or any agency or political subdivision thereof, or any other entity.

“Quarterly Planned and Certified Expenses” has the meaning given in Section 2.2.1.4.

“Quarterly Contribution” has the meaning given in Section 2.2.1.5.

“Settlement Year One” means the twelve month period commencing on the first day following the Preliminary Period.

“Settlement Year” for numbers greater than one means the twelve month period commencing on the first day following the conclusion of the prior Settlement Year.

“Settlement Quarter” means the three month periods beginning on the first day of the first month, the fourth month, the seventh month and the tenth month of each Settlement Year, beginning with Settlement Year One.

“Site” means the “VAG Site,” as defined in the Consent Decree.

“SOW” refers to the Statement of Work for the work to be performed at the VAG Site, attached to the Consent Decree as Attachment 1.

“Special Contribution” has the meaning given in Section 2.2.1.6.

“Work” shall mean the tasks the Custodial Trust is obligated to perform under the Consent Decree pursuant to section 2.1.3, including without limitation the tasks set forth in Section V of the Consent Decree, whether performed directly by the Custodial Trust or by its consultants, contractors, or others retained by the Parties, and attendance of the Custodial Trustee at and/or participation of the Custodial Trustee in any meetings or briefings scheduled or directed by either EPA or Vermont, or any consultant or contractor thereof, but excluding tasks related solely to the administration of the Custodial Trust.

“Work Assets” has the meaning given in Section 2.2.1.1.

ARTICLE II THE TRUST

2.1 Creation of the Custodial Trust and Performance of Consent Decree Obligations

2.1.1 The Parties hereby establish, on behalf of the Beneficiaries named herein, the Custodial Trust. The Custodial Trust agrees to accept and hold the Custodial Trust Assets in the Custodial Trust for the benefit of the Beneficiaries and for the purposes described in Section 2.1.2 below, subject to the terms of the Consent Decree, this Agreement, and any applicable orders of the Court. Assets received and held by the Custodial Trust shall be applied to the costs of funding and managing implementation of activities at the Site consistent with and pursuant to the Consent Decree, for payment of Administrative Costs, and for other purposes set forth herein.

2.1.2 **Objective and Purpose.** The purposes of the Custodial Trust are (i) to implement the provisions of the Consent Decree and SOW as described in Section 2.1.3 by, among other things, owning and taking title to and managing and investing the Custodial Trust Assets, carrying out administrative functions related to the Site, and managing and funding implementation of activities at the Site consistent with the Consent Decree.

2.1.3 **Performance of Obligations Related to the Site under the Consent Decree.** The Custodial Trust hereby agrees to perform, to the extent of Custodial Trust Assets only, (i) all duties and obligations related to the Site as required by Section V of the Consent Decree in accordance with the SOW, except for those tasks specifically assigned to G-I in Part V.H of the Consent Decree and (ii) all other duties and obligations of the Trust/Trustee required in the Consent Decree. Under no circumstances shall the Custodial Trust or the Custodial Trustee be obligated to undertake or perform any action if and to the extent that Custodial Trust Assets are insufficient to fund that action.

2.2 Funding of the Custodial Trust

2.2.1 Work Assets.

2.2.1.1 G-I shall transfer funds to the Custodial Trust in accordance with this Section 2.2.1 for the purposes of performing the Work ("Work Assets"). The Custodial Trust shall establish one or more accounts with a financial institution insured by the Federal Deposit Insurance Corporation (the "Work Accounts") for holding the Work Assets and shall use the funds in the Work Accounts solely for funding the Work. In no event shall any Work Assets be used to fund Administrative Costs.

2.2.1.2 Upon establishment of this Custodial Trust, G-I shall transfer to the Custodial Trust the sum of \$50,000 to fund the initial Work activities of the Custodial Trust (the "Initial Contribution") until the Preliminary Period Contribution (as defined below) is made.

2.2.1.3 In accordance with the requirements of Paragraph 10.b of the Consent Decree, G-I shall transfer funds to the Custodial Trust equal to the estimate for performing the Work planned for the Preliminary Period less the balance of Work Assets held by the Custodial Trust as of the date of the certification (the "Preliminary Period Contribution"). In no event shall G-I's total obligation to fund Work in the Preliminary Period, including the Initial Contribution and the Preliminary Period Contribution, exceed \$350,000.

2.2.1.4 At least thirty days prior to the commencement of each Settlement Quarter, the Custodial Trustee shall deliver to EPA, VANR, and G-I a report that shall include (i) an estimate of the costs of funding the Work for that Settlement Quarter (the "Quarterly Planned and Certified Expenses"), (ii) a certification that the Custodial Trust is ready and able to perform the Work planned for the following quarter, including having the necessary contractors, permits, and all other preconditions for commencing the planned Work in place; (iii) a statement of the

funds then held by the Custodial Trust, (iv) an accounting of the costs that have been expended by the Custodial Trust to date, and the amounts expected to be incurred during the following Settlement Quarter, for each of the categories of activity set forth in Sections V.A –V.H. of the Consent Decree, and (v) a statement of the total amount spent or committed on the foregoing categories of activity for which G-I's financial commitment is capped pursuant to the Consent Decree. The Custodial Trustee shall also notify EPA and Vermont of any change in the schedule described in the quarterly progress reports for the performance of any activity, including, but not limited to, data collection and implementation of work plans, no later than seven days prior to the performance of the activity.

Once the Custodial Trust's expenditures for a category of activity reaches the cap set forth in Paragraph 10 of the Consent Decree, no further accounting or estimates for Work in that category of activity shall be required.

2.2.1.5 No later than the beginning of each Settlement Quarter, G-I shall transfer to the Custodial Trust a sum equal to the current Quarterly Planned and Certified Expenses, less the amount of Work Assets then held by the Custodial Trust (each a "Quarterly Contribution"). In no event shall G-I be obligated to contribute Work Assets to the Custodial Trust in excess of the funding caps set forth in Paragraph 10 of the Consent Decree. If at the beginning of any Settlement Quarter the amount of Work Assets then held by the Custodial Trust exceeds the Quarterly Planned and Certified Expenses, then no Quarterly Contribution shall be required.

2.2.1.6 If at any time the balance of Work Assets held by the Custodial Trust falls below the level necessary to complete the Work for the current Settlement Quarter, the Custodial Trustee shall so inform G-I and shall provide G-I with an estimate of the funds

necessary to complete the Work for the current Settlement Quarter. Within fourteen days of receiving notice from the Custodial Trustee that the balance of Work Assets held by the Custodial Trust is insufficient to complete the Work for the current Settlement Quarter, G-I shall transfer to the Custodial Trust funds equal to the Custodial Trustee's estimate of the funds necessary to complete the Work planned for the current Settlement Quarter (each a "Special Contribution").

2.2.1.7 The provisions of Sections 2.2.1.5 and 2.2.1.6 notwithstanding, G-I's obligations to provide Work Assets to the Custodial Trust shall be limited by the funding caps set forth in Paragraph 10 of the Consent Decree, exclusive of Administrative Costs. Neither G-I nor its officers, directors, agents, employees, shareholders, subsidiaries, affiliates, successors, or assigns shall have any obligation to fund the Custodial Trust beyond the obligations set forth in the Consent Decree.

2.2.1.8 All interest earned on funds held in the Work Accounts shall be applied against the funding caps set forth in Paragraph 10 of the Consent Decree.

2.2.2 Administrative Costs.

2.2.2.1 Upon establishment of the Custodial Trust, G-I shall transmit \$20,000 to the Custodial Trust for the purposes of paying Administrative Costs. The Custodial Trustee shall establish an account (the "Administrative Account") in a financial institution insured by the Federal Deposit Insurance Corporation for the purpose of receiving such funds from G-I (the "Administrative Assets") and paying Administrative Costs. The Trustee may pay Administrative Costs as they are incurred from the Administrative Assets. On a monthly basis, the Custodial Trustee shall transmit to G-I a statement setting forth the Administrative Costs of the Custodial Trust that were incurred during the prior month. Within 30 days after receipt of

each statement, G-I shall transmit additional Administrative Assets to the Custodial Trust to return the balance in the Administrative Account to \$20,000. In no event shall G-I be required to transmit Administrative Assets to the Custodial Trust in excess of the caps set forth in Section 2.2.2.2.

2.2.2.2 The aggregate Administrative Costs for the Preliminary Period and Settlement Year One shall not exceed the sum of \$75,000. G-I agrees to reimburse the Custodial Trustee for reasonable and necessary costs incurred by the Custodial Trustee prior to the Effective Date, and those costs shall be included in and subject to the Preliminary Period and Settlement Year One cap of \$75,000. The Administrative Costs for Settlement Year Two shall not exceed the sum of \$50,000. Thereafter, the cap for Administrative Costs shall increase each year by the lesser of (i) three percent or (ii) the change in the Consumer Price Index. The reasonable costs of any liability insurance which the Custodial Trustee obtains shall not be included in or subject to the foregoing annual caps. G-I further agrees to reimburse the Custodial Trust for the amount of any loss or defense cost not covered by virtue of the self-insured retention under any liability insurance purchased by the Custodial Trust, and the cost of reimbursing the Trust for losses within the self-insured retention shall not be included in or subject to the foregoing annual caps. In advance of purchasing any insurance coverage, the Custodial Trustee shall provide quotes for insurance coverage to G-I and shall consult with G-I regarding the proposed coverage.

2.2.2.3 In no event shall the Custodial Trust's Administrative Costs exceed the amounts G-I is required to provide under Section 2.2.2.2.

2.2.3 G-I and its officers, directors, agents, employees, shareholders, affiliates, successors, and assigns, EPA, and VANR shall not be or be deemed to be owners, operators,

trustees, partners, agents, shareholders, officers, or directors of the Custodial Trust. The Custodial Trust and the Custodial Trust Parties shall not be deemed to be successors to any liabilities of G-I, ACI, or their affiliates listed on Attachments 4 and 5 to the Consent Decree, or of any other person, provided that the foregoing shall not affect the Custodial Trust's obligations under Section 2.1.3.

2.3 Environmental Services Contractor.

2.3.1 Retention of Consultant. Within five days of the Effective Date, the Custodial Trustee shall execute a contract for environmental services (the "Environmental Services Contract") with Environmental Resources Management, Inc. (the "Environmental Services Contractor"), and shall provide copies of the Environmental Services Contract to EPA, VANR, and G-I. The Environmental Services Contract shall provide that (i) the Environmental Services Contractor agrees to undertake those services necessary to manage performance of the Work (which may include its direct performance of some or all of the Work or its retention of subcontractors to perform some or all of the Work); (ii) the Custodial Trustee shall approve the scope and budgets for such Work consistent with the Consent Decree; and (iii) the Custodial Trustee shall pay for the services of the Environmental Services Contractor using the Work Assets and subject to the terms of this Trust Agreement. In the event it becomes necessary to replace the Environmental Services Contractor, the Custodial Trustee shall provide the name and qualifications of the proposed replacement contractor to EPA, Vermont, and G-I at least twenty days prior to entering into another Environmental Services Contract. The proposed replacement contractor shall be subject to approval by EPA, Vermont, and G-I. In addition to the name and qualifications, the Custodial Trustee shall provide the replacement contractor's project manager including name(s), telephone numbers, and e-mail addresses.

2.3.2. The Trust shall provide funding to Vermont to perform the Work set forth in Paragraph 33 of the Consent Decree using the Work Assets and subject to the terms of the Consent Decree.

2.3.3 EPA and/or VANR may identify additional contractors to perform the Work set forth in Paragraph 34 of the Consent Decree. Should EPA and/or VANR identify additional contractors, the Custodial Trustee shall pay for the services of the additional contractors using the Work Assets and subject to the terms of the Consent Decree.

2.3.4 **Environmental Services Contractor Work Plans.** The Environmental Services Contract shall provide that the Environmental Services Contractor shall prepare and submit to the Custodial Trustee one or more work plans describing the Work to be performed and the manner of its performance, including the identification of all subcontractors that will perform any part of the Work. The Environmental Services Contractor shall not perform any Work until both the Custodial Trustee and EPA have reviewed and approved the work plan(s). All Work conducted by the Environmental Service Contractor shall be in accordance with the Consent Decree and SOW.

2.4 **Investment and Safekeeping of Custodial Trust Assets.** The Custodial Trustee shall invest and reinvest the principal and income of the Custodial Trust Assets and keep the Work Assets and the Administrative Assets each invested in time or demand deposits of a financial institution to the extent insured by the Federal Deposit Insurance Corporation. No other investments are allowed or authorized.

2.5 **Accounting.** The Custodial Trustee shall maintain, in respect of the Custodial Trust, books and records relating to the assets and income of the Custodial Trust and the payment of expenses of, liabilities of, and claims against, the Custodial Trust in such detail and

for such period of time as may be necessary to enable the Custodial Trustee to make full and proper accounting in respect thereof in accordance with Article VI and to comply with applicable provisions of law, including payment of any and all taxes owed by the Custodial Trust. Except as otherwise provided herein, the Custodial Trustee is not required to file any accounting or seek approval of any court either with respect to the administration of the Custodial Trust, or as a condition for making any payment or distribution out of the Custodial Trust Assets. The Beneficiaries shall have the right upon fourteen days' prior written notice delivered to the Custodial Trustee to inspect the Custodial Trust's books and records.

2.6 Dispute Resolution. Each of the Custodial Trustee, the Beneficiaries, and G-I may enforce any of the terms of this Trust Agreement. Any dispute that may arise among the Custodial Trustee, the Beneficiaries, and G-I, or any subset of those parties, regarding the interpretation or implementation of this Trust Agreement or any other matter related to the Custodial Trustee's performance of the Work shall be resolved in accordance with the dispute resolution procedures set forth in Section XIII of the Consent Decree.

2.7 Termination. To the extent consistent with its duties and obligations under this Agreement, the Custodial Trustee shall not unduly prolong the duration of the Custodial Trust and shall at all times endeavor to effect the distribution of the Custodial Trust Assets and other receipts relating to the Custodial Trust Assets for the benefit of the Beneficiaries hereunder in accordance with the terms hereof. Upon termination of the injunctive relief pursuant to Section XXIX of the Consent Decree, the Custodial Trustee shall promptly take all necessary actions (i) to liquidate as necessary and distribute the remaining Custodial Trust Assets to G-I and (ii) to dissolve the Custodial Trust.

ARTICLE III DISTRIBUTIONS

3.1 **Manner of Payment.** Cash payments made by the Custodial Trust pursuant to this Agreement shall be in United States dollars by checks drawn on a domestic bank selected by the Custodial Trustee, or by wire transfer or automated clearing house transaction from a domestic bank, at the option of the Custodial Trustee. Notwithstanding anything to the contrary in this Agreement, the Custodial Trust hereby grants to EPA and VANR a first-priority lien on and security interest in the Custodial Trust Assets to secure the obligations of the Custodial Trust in accordance with the Consent Decree.

3.2 **Environmental Services Contractor Payment Authorization.** The Environmental Services Contract shall provide that the Environmental Services Contractor shall simultaneously submit all invoices for Work performed to the Custodial Trustee, EPA, and VANR, along with a description of the Work performed and any reports or as-built drawings related to the Work performed. The Custodial Trustee shall not pay any invoices issued by the Environmental Services Contractor until the Custodial Trustee has received from EPA, in consultation with Vermont, notification that EPA agrees that the Work was performed in conformance with the Consent Decree and all documents incorporated therein.

3.3 **Excess Funds Distribution.** Upon termination of the injunctive relief pursuant to Section XXIX of the Consent Decree, if there are funds remaining in the Custodial Trust in excess of the amount required to make full payment on all obligations of the Custodial Trust, such excess funds shall be paid to G-I within 30 days.

3.4 **Compliance with Laws.** Any and all distributions of Custodial Trust Assets shall be made in compliance with applicable laws.

ARTICLE IV TRUST ADMINISTRATOR

4.1 **Appointment.** The Court, in connection with approval of the Consent Decree, shall have approved the creation of this Custodial Trust and the appointment of the Custodial Trustee to serve as the initial trust administrator of the Custodial Trust under the Consent Decree and this Trust Agreement. The Custodial Trustee hereby accepts such appointment and agrees to serve in such fiduciary capacity from and after the Effective Date. If appointment of a successor Custodial Trustee is necessary, G-I, EPA, and VANR shall attempt to select a successor Custodial Trustee by consensus. If G-I, EPA, and VANR reach consensus on the appointment of a successor Custodial Trustee, then G-I shall make a motion in the United States Bankruptcy Court for appointment of the consensus candidate as successor Custodial Trustee. If G-I, EPA, and VANR are unable to agree on a successor Custodial Trustee, then G-I, EPA, or VANR may file a motion for the United States Bankruptcy Court to appoint a successor Custodial Trustee.

4.2 **Generally; Fiduciary Responsibilities.** The Custodial Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purposes of the Custodial Trust, as set forth in this Agreement and the Consent Decree, and not otherwise. The Custodial Trustee shall seek to manage the Custodial Trust with that degree of judgment, skill, and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence, who are familiar with such matters, exercise in the management of their own affairs. Without limiting the foregoing, the Custodial Trustee shall take all reasonable and prudent steps to perform its obligations and duties under this Agreement in a cost effective manner. The Custodial Trustee shall have the authority to bind the Custodial Trust, and any successor trustee, or successor or assign of the Custodial Trust, but shall for all purposes hereunder be acting in its fiduciary capacity as Custodial Trustee and not individually. Notwithstanding anything to the

contrary contained herein, the Custodial Trustee shall not be required to take action or omit to take any action if, after the advice of counsel, the Custodial Trustee believes such action or omission is not consistent with the Custodial Trustee's fiduciary duties, provided, however, that nothing in this sentence shall permit the Custodial Trustee to take any action inconsistent with the Consent Decree or this Agreement or omit to take any action required by the Consent Decree or this Agreement.

4.3 Powers. In connection with the administration of the Custodial Trust, except as otherwise set forth in this Agreement or the Consent Decree, the Custodial Trustee is authorized to perform any and all acts necessary and desirable to accomplish the purposes of the Custodial Trust. The powers of the Custodial Trustee, without any further Court approval or order, shall include, without limitation, each of the following: (i) to receive, manage, invest, supervise, and protect Custodial Trust Assets as provided in this Agreement; (ii) to withdraw, make distributions, and pay taxes and other obligations owed by the Custodial Trust from the Custodial Trust Assets in accordance with this Agreement and the Consent Decree; (iii) to engage and compensate employees and professional Persons to assist the Custodial Trust and/or the Custodial Trustee with respect to the responsibilities described herein; (iv) to enter into and enforce binding legal agreements with contractors to perform all or any portion of the Work; (v) to make distributions of the Custodial Trust Assets from the Custodial Trust Account(s) for the purposes contemplated in the Consent Decree and this Agreement; (vi) to purchase such insurance as the Custodial Trustee may determine to be prudent to protect the Custodial Trust and its assets and to protect the Custodial Trust and the Custodial Trustee from any claims that might be asserted against them, and (vii) to effect all actions and execute all agreements, contracts, instruments, and other documents necessary to implement the Consent Decree and this

Agreement, including to exercise such other powers as may be vested in or assumed by the Custodial Trust or the Custodial Trustee pursuant to this Agreement and any order of the Court, or as may be necessary and proper to carry out the provisions of the Consent Decree. No Person dealing with the Custodial Trust shall be obligated to inquire into the authority of the Custodial Trustee in connection with the protection, conservation, or disposition of Custodial Trust Assets. The Custodial Trustee is authorized to execute and deliver all documents on behalf of the Custodial Trust to accomplish the purposes of this Agreement and the Consent Decree.

4.4 **Third Parties.** The Custodial Trust shall have the authority, with the approval of G-I, which shall not be unreasonably withheld, to retain and pay such third parties as the Custodial Trustee may deem necessary or appropriate to assist the Custodial Trustee in carrying out its powers and duties under this Agreement and the Consent Decree, including without limitation (i) counsel to the Custodial Trustee and Custodial Trust, (ii) a public accounting firm to perform such reviews and/or audits of the financial books and records of the Custodial Trust as may be appropriate in the Custodial Trustee's sole discretion and to prepare and file any tax returns or informational returns for the Custodial Trust as may be required, (iii) with the additional approval of EPA and VANR such environmental consultants as the Custodial Trustee may deem necessary, (iv) such security firms or consultants as the Custodial trustee may deem necessary, and (v) other professional persons necessary to carry out the Custodial Trust's responsibilities under the Consent Decree and this Agreement. The Custodial Trustee, subject to the terms hereof and of the Consent Decree, may commit the Custodial Trust to pay all such Persons compensation for services rendered and expenses incurred.

4.5 **Other Activities.** The Custodial Trustee shall be entitled to perform services for and be employed by third parties with respect to matters other than those related to the Custodial

Trust, this Agreement, and the Consent Decree, provided, however, that such performance or employment affords the Custodial Trustee sufficient time to carry out its responsibilities as Custodial Trustee. The Custodial Trustee may delegate the performance of tasks to other Persons, provided, however, that the Custodial Trustee may not delegate its fiduciary responsibilities with respect to the Custodial Trust. Such Persons shall be entitled to be compensated and to be reimbursed for out-of-pocket disbursements in the same manner as the Custodial Trustee.

4.6 Limitation of Custodial Trustee's Authority. The Custodial Trustee shall not and is not authorized to engage in any trade or business with respect to the Custodial Trust Assets or any proceeds therefrom.

4.7 Reliance by Custodial Trustee. Except as may otherwise be provided herein, including without limitation section 4.9.2: (i) the Custodial Trustee may rely, and shall be protected in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, order, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; (ii) the Custodial Trustee may consult with legal counsel, financial or accounting advisors, and other professionals to be selected by it, and the Custodial Trustee shall not be personally liable for any action taken or omitted to be taken by it in accordance with the advice thereof, and (iii) Persons dealing with the Custodial Trust Parties shall look only to the Custodial Trust Assets to satisfy any obligation undertaken or liability incurred by the Custodial Trust Parties to such Person in carrying out the terms of this Agreement, the Consent Decree, or any order of the Court, and the Custodial Trust Parties shall have no personal obligation to satisfy any such liability.

4.8 Compensation of the Custodial Trustee.

4.8.1 The Custodial Trust shall pay its own reasonable and necessary costs and expenses, and shall reimburse the Custodial Trustee for actual out-of-pocket fees and expenses to the extent incurred by the Custodial Trustee in connection with the Custodial Trustee's duties hereunder. The Custodial Trustee and any firms or individuals retained or employed by the Custodial Trustee who perform services for the Custodial Trust shall be entitled to receive reasonable compensation for services rendered on behalf of the Custodial Trust. Such reasonable compensation shall be as set forth in the rate schedule attached hereto as Exhibit 2, and such rates shall be subject to annual increases not to exceed five percent.

4.8.2 The Custodial Trustee shall be entitled to reimburse itself out of any available cash in the Administrative Account(s) or Work Account(s), as applicable, and the Custodial Trust shall be obligated to pay for actual out-of-pocket expenses and actual hours worked.

4.8.3 All compensation and other amounts payable to the Custodial Trustee under this Section 4.8 shall be paid from the Custodial Trust Assets.

4.9 Liability of Custodial Trust Parties

4.9.1 In no event shall the Custodial Trust Parties be held liable to any third parties for any liability, action, inaction, or omission of any other party including each other. The Custodial Trust Parties shall, further, be exculpated in accordance with Section 4.9.2 of this Agreement.

4.9.2 **Exculpation.** No Custodial Trust Party shall be personally liable unless the Court specifically finds, by a final order, that the Custodial Trust Party was grossly negligent or committed fraud or willful misconduct after the Effective Date in relation to the Custodial

Trust's duties that are alleged to be the basis for liability. The Custodial Trust Parties shall be and hereby are exculpated by all Persons, including without limitation G-I and the Beneficiaries and all holders of claims and other parties in interest, of and from any and all claims, causes of action, or other assertions of liability arising out of (i) the ownership, management, or disposition of the Custodial Trust Assets, (ii) the discharge of the powers and duties conferred upon such Custodial Trustee and the Custodial Trust by the Consent Decree, this Agreement, or any order of the Court entered pursuant to or in furtherance of the Consent Decree or this Agreement, other than actions or omissions to act to the extent determined by a final order of the Court to be due to their own respective gross negligence, willful misconduct, or fraud after the Effective Date, or (iii) any claim against G-I or any other G Holdings Entities (as defined in the Consent Decree). No person, including without limitation holders of claims or other parties in interest, shall have or be permitted to pursue any claim or cause of action against any Custodial Trust Party for making payments in accordance with the Consent Decree, this Agreement, or any order of the Court or for implementing the provisions of the Consent Decree, this Agreement, or any order of the Court. There shall be an irrebuttable presumption that any action taken or omitted to be taken with the approval of the Court or with the approval of EPA or VANR shall not constitute negligence, gross negligence, willful misconduct, or fraud. The foregoing sentence notwithstanding, nothing in this Agreement shall preclude the Beneficiaries from enforcing the terms of the Consent Decree or this Agreement against the Custodial Trustee.

4.9.3 The Custodial Trust Parties shall have the benefits the covenant not to sue as set forth in Paragraphs 99, 103, 109, and 110 of the Consent Decree and of contribution protection as set forth in Paragraph 125 of the Consent Decree, subject to Section XIX of the Consent Decree (Reservation of Rights).

4.9.3 Covenants to the United States. The Custodial Trust and the Custodial Trust Parties hereby covenant not to sue and agree not to assert or pursue any claims or causes of action against the United States with respect to the VAG Site, including, but not limited to, (i) any direct or indirect claim for reimbursement from the Hazardous Substances Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) under Sections 106(b)(2), 111, 112, 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9611, 9612, 9613, or any other provision of law; (ii) any claim against the United States, including any department, agency, or instrumentality of the United States government, under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613; or (iii) any claims arising out of response activities at the VAG Site, including any claim under the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law. Nothing in this Trust Agreement or the Consent Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, 40 C.F.R. § 300.700(d). For purposes of this section only the United States shall mean all departments, agencies and instrumentalities of the United States, and shall not be limited to EPA.

4.9.4 Covenants to Vermont. The Custodial Trust and the Custodial Trust Parties hereby covenant not to sue and agree not to assert or pursue any claims or causes of action against Vermont with respect to the VAG Site, including, but not limited to any claim against Vermont under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, 10 V.S.A. § 6615, or any other provision of law related to the VAG Site, or any claims arising out of response activities at the VAG Site, including any claim under the United States Constitution, the Vermont Constitution, or any other provision of law.

4.9.5 Survival of Provisions. Notwithstanding any other provisions of this Agreement, the terms and conditions of this Section 4.9 and the rights of the Custodial Trust Parties, the United States, and Vermont hereunder shall survive the termination of the Custodial Trust and this Agreement and/or any resignation or removal of the Custodial Trustee, and may not be altered, amended, or revoked in any respect, except with the express written consent of the Custodial Trust Parties affected thereby.

4.10 Termination; Resignation. The duties, responsibilities, and powers of the Custodial Trustee shall terminate on the date the Custodial Trust is dissolved under applicable law, which shall take place no later than thirty days after the termination of injunctive relief pursuant to Section XXIX of the Consent Decree. The Custodial Trustee may resign by giving not less than sixty days prior written notice thereof to G-I, EPA, and VANR. The Custodial Trustee may be terminated by order of the Court for (i) negligence, fraud, or willful misconduct immediately upon notice and the appointment of a temporary or permanent successor Custodial Trustee, or (ii) other cause upon sixty days prior written notice and the appointment of a temporary or permanent successor Custodial Trustee. Any of G-I, EPA, or VANR may make a motion for an order of the Court terminating the Custodial Trustee.

4.11 Acceptance of Appointment by Successor Trustees. Any successor Custodial Trustee shall be appointed according to the procedure set forth in Section 4.1. Any successor Custodial Trustee appointed hereunder shall execute an instrument accepting such appointment and shall file such acceptance with the Custodial Trust records. Thereupon, such successor Custodial Trustee shall, without any further act, become vested with all the estates, properties, rights, powers, trusts, and duties of its predecessor in the Custodial Trust with like effect as if originally named herein; provided, however, that a removed or resigning Custodial Trustee shall,

nevertheless, when requested in writing by the successor Custodial Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Custodial Trustee under the Custodial Trust all the estates, properties, rights, powers, and trusts of such predecessor Custodial Trustee.

4.12 **No Bond.** The Custodial Trustee shall serve without bond.

ARTICLE V BENEFICIARIES

5.1 **Beneficiaries.** The exclusive beneficiaries of the Custodial Trust shall be EPA and VANR (the "Beneficiaries").

5.2 **Identification of Beneficiary.** In order to determine the authorized representatives of the Beneficiaries, and their names and addresses, the Custodial Trustee shall be entitled to rely conclusively on the names, addresses, and authorized representatives identified in Section 7.4 of this Agreement or in any written notice provided to the Custodial Trustee by an authorized representative of the Beneficiaries.

5.3 **Transfer of Beneficial Interests.** EPA in its discretion may transfer its interest as Beneficiary in the Custodial Trust to VANR and to no other Person. Any such transfer shall only be effective upon approval by the Court. VANR in its discretion may transfer its interest as Beneficiary in the Custodial Trust to EPA and to no other Person. Any such transfer shall only be effective upon approval by the Court.

5.4 **Conflicting Instructions.** In the event that the Custodial Trustee shall receive conflicting instruction from EPA and from VANR, it shall be entitled to rely on such instructions as have been given by EPA.

ARTICLE VI REPORTING

6.1 **Reports.** As soon as practicable after the end of each Settlement Quarter, and as soon as practicable upon termination of the Custodial Trust, the Custodial Trustee shall submit to EPA, VANR, and G-I quarterly progress reports as required by the SOW. In addition to the requirements set forth in the SOW, each quarterly progress report shall contain (i) a description of any action taken by the Custodial Trust in the performance of its duties which, as determined by outside counsel, accountants, or other professional advisors, may materially and adversely affect the Custodial Trust and of which notice has not previously been given to the Beneficiaries and (ii) an accounting of all costs and expenses incurred by the Custodial Trust during the prior quarter and in the aggregate since the commencement of the Custodial Trust. The Custodial Trustee shall promptly submit additional reports to EPA, VANR, and G-I whenever, as determined by the Custodial Trustee or the Custodial Trustee's legal counsel, accountants, or other professional advisors, an adverse material event or change has occurred that affects the Custodial Trust or the rights of the Beneficiaries hereunder.

The Custodial Trustee shall provide an annual accounting of all Trust receipts and expenditures, along with documentation adequate to demonstrate that the Trust has met the requirements for completion of injunctive relief and funding under the Consent Decree. In addition, the Custodial Trust shall upon the reasonable request of G-I, EPA, or VANR provide documentation to G-I, EPA, and VANR to substantiate compliance with this Agreement and application of Custodial Trust Assets consistently with the terms of the Consent Decree and this Agreement.

6.2. **Meetings and Oral Briefings.** The Custodial Trustee shall at the discretion of the Beneficiaries, meet with EPA and Vermont representatives monthly during April through

November of each year that the injunctive relief items in the Consent Decree are in effect and at least once during the period from December through March of each such year. The location for the meeting shall be specified by EPA and Vermont. If requested by EPA or Vermont, the Trustee shall provide additional oral briefings to EPA and Vermont discussing the progress of the Work in connection with the VAG Site. The hours, time, costs, and expenses of the Custodial Trustee incurred in connection with attendance at and/or participation in any such meetings or briefings shall represent activities and components included in the Work and shall be paid or reimbursed from Work Assets held in the Work Account(s).

6.3 Other Reports. The Custodial Trustee shall also file (or cause to be filed) any other statements, returns, or disclosures relating to the Custodial Trust that are required by any governmental unit.

6.4 Recordkeeping.

6.4.1. The Custodial Trust shall retain, and shall instruct its contractors and agents to preserve, all non-identical copies of documents, records, or other information (including documents, records, or other information in electronic form) in its or its contractors' or agents' possession or control, or that come into its or its contractors' or agents' possession or control, and that relate in any manner to the Custodial Trust's performance of its obligations under the Consent Decree. Such documents, records, or other information may be kept in electronic form. At any time during this information-retention period, upon request by the EPA or Vermont, the Custodial Trust shall provide copies of any non-privileged documents, records, or other information required to be maintained under this Paragraph.

6.4.2 Prior to the termination of the Trust, the Custodial Trust shall transfer to G-I all records in its possession that are subject to the requirements of this Section 6.4. Any

documents subject to the requirements of this Section 6.4 in the possession of the Custodial Trust's contractors at the time the Custodial Trust is terminated may remain in the contractors' possession, and G-I shall assume responsibility for the contractors' compliance with this Section 6.4. Before termination of the Custodial Trust, the Custodial Trustee shall issue all necessary and appropriate instructions to the Custodial Trust's contractors to transfer authority for enforcing compliance with this Section 6.4 from the Custodial Trust to G-I.

6.4.4 The Custodial Trust may assert that certain documents, records, or other information is privileged under the attorney-client privilege or any other privilege recognized by federal or applicable state law. If the Custodial Trust asserts such a privilege, it shall provide the following for each item withheld: (i) the title of the document, record, or information, including sampling and emissions data; (ii) the date of the document, record, or information; (iii) the name and title of each author of the document, record, or information; (iv) the name and title of each addressee and recipient; (v) a description of the subject of the document, record, or information; and (vi) the privilege asserted. However, no final documents, records, or other information that the Custodial Trustee is explicitly required to create or generate to satisfy a requirement of this Trust Agreement or the Consent Decree shall be withheld on the grounds of privilege.

6.4.5 The Custodial Trust may also assert that information required to be provided under this Section is protected as Confidential Business Information ("CBI") under 40 C.F.R. pt. 2. As to any information that the Custodial Trust seeks to protect as CBI, the Custodial Trust shall follow the procedures set forth in 40 C.F.R. pt. 2. However, no emissions data or sampling results generated pursuant to the Consent Decree shall be claimed as CBI. This Custodial Trust Agreement in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the EPA or Vermont pursuant to applicable federal or state

laws, regulations, or permits, nor does it limit or affect any duty or obligation of the Custodial Trust to maintain documents, records, or other information imposed by applicable federal or state laws, regulations, or permits.

ARTICLE VII MISCELLANEOUS PROVISIONS

7.1 **Amendment; Waiver.** Except as set forth in Section 4.9.5, any provision of this Agreement may be amended or waived with the written approval of G-I and the Beneficiaries and the written consent of the Custodial Trustee.

7.2 **Laws as to Construction.** This Agreement shall be governed by and construed in accordance with the laws of the United States and the State of New Jersey, without giving effect to rules governing the conflict of laws that would require the application of the law of another jurisdiction. In case of any conflict between the laws of the United States and the State of New Jersey, the laws of the United States shall prevail.

7.3 **Severability.** If any provision of this Agreement or application thereof to any Person or circumstance shall be finally determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

7.4 **Sufficient Notice.** Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, first class postage prepaid, in a post office or letter box addressed to the following:

As to EPA:

Sarah Meeks
Enforcement Counsel
U.S. Environmental Protection Agency
One Congress Street, Suite 1100 (SES)
Boston, MA 02114

As to VANR:

John Schmeltzer
VAG VT ANR Project Manager
VT DEC Waste Management Division
103 South Main Street, West Building
Waterbury, VT 05671-0404

and

John D. Beling
Assistant Attorney General
Attorney General's Office
109 State Street
Montpelier, VT 05609-1001

As to G-I:

Legal Department
G-I Holdings Inc.
Attn: Celeste Wills or Environmental Counsel
1361 Alps Road
Wayne, NJ 07470
(973) 628-3035

As to the Custodial Trust or Custodial Trustee:

Dr. Alan Parsons
Parsons Environmental Group, LLC
19 Pheasant Run
Suite 200
East Kingston, NH 03827
(603) 642-9012

7.5 **Headings.** The section headings contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or any term or provision hereof.

7.6 Actions Taken on Other Than Business Day. If any payment or act under this Agreement or the Consent Decree is required to be made or performed on a date that is not a business day, then the making of such payment or the performance of such act may be completed on the next succeeding business day, but shall be deemed to have been completed as of the required date. In addition, the Parties hereby expressly acknowledge and agree that the Custodial Trust and Custodial Trustee shall have the benefit of and shall be bound by the procedures of the provisions regarding Force Majeure events as set forth in Section XII of the Consent Decree.

7.7 Consistency of Agreements; Construction. To the extent reasonably possible, the provisions of this Agreement shall be interpreted in a manner consistent with the Consent Decree. Where the provisions of this Agreement are irreconcilable with the provisions of the Consent Decree, the provisions of the Consent Decree shall prevail.

7.8 Jurisdiction of Court. The Custodial Trust and the Custodial Trustee shall each be subject to the jurisdiction of the the United States Bankruptcy Court for the District of New Jersey and the United States District Court for the District of New Jersey for the purposes of enforcing this Agreement, including the obligations of the Custodial Trustee to perform its obligations hereunder.

7.9 No Third Party Rights. Nothing in this Agreement shall be construed to confer any benefit on, or create any obligation, duty, or liability to, or create any standard of care with respect to, any person or entity not a party to this Agreement.

7.10 Entire Agreement. This Agreement constitutes the final, complete, and exclusive agreement and understanding among the parties hereto with respect to the subject matter hereof.

[Signatures Follow]

IN WITNESS WHEREOF, the Parties hereto have either executed and acknowledged this Custodial Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers as the latest date set forth below.

Parsons Environmental Group, LLC
Solely in its fiduciary capacity as Custodial Trustee,
and not individually

By: Alan H. Parsons
19 Pheasant Run Road
Suite 200
East Kingston, NH 03827

Date: _____

G-I HOLDINGS INC.,
A Delaware corporation

By: Daniel Goldstein
General Counsel
1361 Alps Road
Wayne, NJ 07470

Date: _____

UNITED STATES OF AMERICA,
On Behalf of the U.S. Environmental Protection Agency

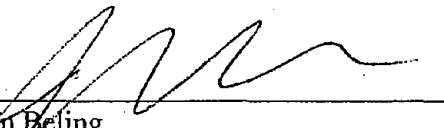
A handwritten signature in black ink, appearing to read "John C. Cruden", is written over a horizontal line.

By: John C. Cruden
Acting Assistant Attorney General
Environmental and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, D.C. 20044-7611

Date: _____

STATE OF VERMONT,
On behalf of the Vermont Agency for National Resources

STATE OF VERMONT
WILLIAM H. SORRELL
ATTORNEY GENERAL

By: 
John Beling
Assistant Attorney General
109 State Street
Montpelier, VT 05609-1001

Date: 6/19/09

ATTACHMENT 4

LIST OF G HOLDINGS ENTITIES

G HOLDINGS ENTITIES

G HOLDINGS INC.
G-I HOLDINGS INC.
BMCA HOLDINGS CORPORATION
BUILDING MATERIALS CORPORATION OF AMERICA
ACI INC.
BWATER LLC
GAF ROOFING MANUFACTURING CORPORATION
GENERAL ANILINE & FILM CORPORATION
MERICK INC.
GAF BROADCASTING COMPANY, INC.
Q104.3 LISTENERS CLUB, INC.
GAF PROPERTIES INC.
BMCA ACQUISITION INC.
PEQUANNOCK VALLEY CLAIM SERVICE COMPANY, INC.
GAFTECH CORPORATION
GAF PREMIUM PRODUCTS INC.
GAF LEATHERBACK CORP.
BUILDING MATERIALS INVESTMENT CORPORATION
BMCA INSULATION PRODUCTS INC.
BMCA QUAKERTOWN INC.
BUILDING MATERIALS MANUFACTURING CORPORATION
GAF MATERIALS CORPORATION (CANADA)
GAF REAL PROPERTIES INC.
LL BUILDING PRODUCTS INC.
SOUTH PONCA REALTY CORP.
WIND GAP REAL PROPERTY ACQUISITION CORP.
BMCA GAINESVILLE LLC
BMCA FRESNO LLC
HBP ACQUISITION LLC
ELKCORP
ELK GROUP, INC.
ELK GROUP, L.P.
ELK TECHNOLOGY GROUP, INC.
MIDLAND PATH FORWARD, INC.
CHROMIUM CORPORATION
LUFKIN PATH FORWARD, INC.
ELK TECHNOLOGIES, INC.
ELK PREMIUM BUILDING PRODUCTS, INC.
ELK CORPORATION OF TEXAS
ELK CORPORATION OF ALABAMA
ELK CORPORATION OF ARKANSAS
ELK CORPORATION OF AMERICA

ELK SLATE PRODUCTS, INC.
ELK PERFORMANCE NONWOVEN FABRICS, INC.
ELK COMPOSITE BUILDING PRODUCTS, INC.
ELK VERASHIELD BUILDING SOLUTIONS, INC.
RGM PRODUCTS, INC.
RIDGEMATE MANUFACTURING CO., INC.

ATTACHMENT 5
LIST OF ISP ENTITIES

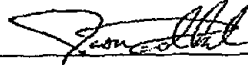
ISP ENTITIES

INTERNATIONAL SPECIALTY PRODUCTS INC.
INTERNATIONAL SPECIALTY HOLDINGS LLC
BELLEVILLE REALTY CORP.
ISP CHEMCO LLC
BLUEHALL INCORPORATED
VERONA INC.
ISP ALGINATES INC.
ISP CHEMICALS LLC
ISP WATER MANAGEMENT SERVICES LLC
ISP REAL ESTATE COMPANY, INC
ISP ENVIRONMENTAL SERVICES INC
ISP U.S. SALES LLC
ISP CHEMICAL PRODUCTS LLC
ISP CHEMICAL PRODUCTS INC
ISP LIMA LLC
ISP FREETOWN FINE CHEMICALS INC
ISP ADVANCED MATERIALS TECHNOLOGIES LLC
3COGNITION LLC
ISP PHARMA SYSTEMS LLC
ISP INVESTMENTS INC.
ISP GLOBAL TECHNOLOGIES INC
ISP GT LUXEMBOURG LLC
ISP GLOBAL TECHNOLOGIES LLC
ISP GT INC
ISP INTERNATIONAL CORP
ISP (PUERTO RICO) INC
ISP CAPITAL LLC
ISP CAPITAL INC
ISP MANAGEMENT COMPANY, INC
ISP MANAGEMENT LLC
ISP ADMINISTRATION INC
ISP REALTY CORPORATION
ISP SYNTHETIC GP LLC
ISP SYNTHETIC LIMITED LLC
ISP SYNTHETIC ELASTOMERS LP
QUALITY FINE CHEMICALS LLC
ISP TECHNOLOGIES INC
ISP MICROCAPS (U.S.) LLC
INTERNATIONAL SPECIALTY PRODUCTS FUNDING CORPORATION
ISP FUNDING CORP. II
ISP TECHNOLOGIES LLC
ISP TECH (TEXAS) INC

ISP INVESTCO LLC
CHEMICALS EUROPE LLC
CHEMICALS ASIA LLC
CHEMICALS AFRICA LLC
CHEMICALS NORTH AMERICA LLC
CHEMICALS SOUTH AMERICA LLC
ISP (Belgium) BVBA (BELGIUM)
GRANULES INDIA LIMITED (INDIA)
INTERNATIONAL SPECIALTY PRODUCTS ISP (FRANCE) S.A. (FRANCE)
ISP (ITALIA) S.r.l. (ITALY)
ISP IRELAND (IRELAND)
ISP MINERALS HOLDING CORPORATION
ISP MINERALS INC
SEAGRASS CORPORATION LLC
PINELANDS COMPANY LLC
ISP GRANULE PRODUCTS LLC
ISP MINERALS LLC
ISP GRANULES INC
ISP MINERAL PRODUCTS INC
GREEN HOLDINGS LLC
JOHNSTON COUNTY PARTNERS LLC
ROUTE 70 SERVICES LLC
ISP MINERALS INVESTMENTS LLC

So Agreed.

For the ISP Entities (as defined herein):



Jason Pollack
Senior Vice President
and Deputy General Counsel and Secretary

ISP INVESTCO LLC
CHEMICALS EUROPE LLC
CHEMICALS ASIA LLC
CHEMICALS AFRICA LLC
CHEMICALS NORTH AMERICA LLC
CHEMICALS SOUTH AMERICA LLC
ISP (Belgium) BVBA (BELGIUM)
GRANULES INDIA LIMITED (INDIA)
INTERNATIONAL SPECIALTY PRODUCTS
ISP (FRANCE) S.A. (FRANCE)
ISP (ITALIA) S.r.l. (ITALY)
ISP IRELAND (IRELAND)
ISP MINERALS HOLDING CORPORATION
ISP MINERALS INC
SEAGRASS CORPORATION LLC
PINELANDS COMPANY LLC
ISP GRANULE PRODUCTS LLC
ISP MINERALS LLC
ISP GRANULES INC
ISP MINERAL PRODUCTS INC
GREEN HOLDINGS LLC
JOHNSTON COUNTY PARTNERS LLC
ROUTE 70 SERVICES LLC
ISP MINERALS INVESTMENTS LLC