1 2 3 RECEIVED 4 AUG 29 1994 5 AT SEATTLE

CLERK U.S. DISTRICT COURT

WESTERN DISTRICT OF WASHINGTON 6 UNITED STATES DISTRICT COURT 7 WESTERN DISTRICT OF WASHINGTON AT SEATTLE 8 9 UNITED STATES OF AMERICA, THE SUQUAMISH TRIBE, 10 THE MUCKLESHOOT INDIAN TRIBE CIVIL ACTION NO. 11 Plaintiffs, 12 PACIFIC SOUND RESOURCES, INC., CONSENT DECREE L3 THE PACIFIC SOUND RESOURCES ENVIRONMENTAL TRUST, TED G. L4 DePRIEST and KARIN DePRIEST, husband and wife, and their marital 15 community, TOM L. WYCKOFF and MARGO G. WYCKOFF, husband and wife, and 16 their marital community, and SUSAN WYCKOFF MULLEN and CHARLES S. 17 MULLEN, husband and wife and their marital community, 18 Defendants. 19 20 I. **BACKGROUND** 21 The United States of America ("United States"), on behalf 22 of the Administrator of the United States Environmental 23 Protection Agency ("EPA"), the Secretary of the United States 24 Department of Commerce, the Secretary of the United States 25 U.S. Department of Justice 26 NOAA GC-DOJ DARC, BIN C15700 7600 Sand Point Way NE 27

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Seattle, WA 98115-0070 (206) 526-6604

in this matter against Pacific Sound Resources, Inc. ("PSR"), formerly the Wyckoff Company, the Pacific Sound Resources Environmental Trust ("Environmental Trust"), Ted G. DePriest and Karin DePriest and their marital community, Tom L. Wyckoff and Margo G. Wyckoff and their marital community, and Susan Wyckoff Mullen and Charles S. Mullen and their marital community ("Settling Defendants"), pursuant to Sections 106 and 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, ("CERCLA"), 42 U.S.C. §§ 9606 and 9607, seeking Natural Resource Damages, injunctive relief for environmental investigatory and response actions arising out of the release and/or disposal of hazardous substances at or from at the Wyckoff/Eagle Harbor Superfund Site and the PSR West Seattle wood treating facility ("Sites"), recovery of all Response Costs incurred by the United States at or in connection with the Sites with accrued interest, and a declaration of Settling Defendants'

В. The United States has incurred and continues to incur Response Costs at or in connection with the Sites.

liability for future Response Costs.

- Plaintiffs have determined that settlement of this matter is practicable and in the public interest.
- Plaintiffs and Settling Defendants agree to settlement of this matter without further litigation, and without admission of

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- E. The goals of this Consent Decree are: cessation of wood treating operations at PSR's West Seattle wood treating facility; transfer of all shares, ownership rights and interests in PSR by Individual Settling Defendants to the Environmental Trust; the liquidation of all PSR assets; the payment of the proceeds from the liquidation to PSR creditors and, to the maximum extent possible under the circumstances, to the United States Hazardous substance Superfund ("Fund") and the registry of this court, as set forth in the Liquidation Plan attached hereto; the orderly transfer of responsibility for the implementation of environmental response actions at the Sites from PSR to EPA contractors or designees; and issuance of covenants not to sue by Plaintiffs to Individual Settling Defendants as set forth in Section XI of this Consent Decree.
- F. The Parties agree, and the Court by entering this Consent Decree finds, that the above statements are correct, that this Consent Decree has been negotiated by the Parties in good faith and implementation of this Consent Decree will expedite the cleanup of the Sites and will avoid litigation between the Parties, and that this Consent Decree is fair, adequate, reasonable, and in the public interest.

NOW, THEREFORE, it is hereby Ordered, Adjudged, and Decreed:

II. JURISDICTION

1. This Court has jurisdiction over the subject matter of

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this action pursuant to 28 U.S.C. §§ 1331 and 1345, and Sections 106, 107, and 113(b) of CERCLA, 42 U.S.C. §§ 9606, 9607, and 9613(b). This Court also has personal jurisdiction over the Settling Defendants. Solely for purposes of this Consent Decree and the underlying Complaint, Settling Defendants waive all objections and defenses they may have to jurisdiction of the Court or to venue in this District. The Complaint states claims against Settling Defendants upon which relief may be granted. Settling Defendants shall not challenge this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

III. PARTIES BOUND

2. This Consent Decree shall apply to and be binding upon Plaintiffs and upon Settling Defendants and their heirs, successors, trustees, and assigns. Tom L. Wyckoff and Margo G. Wyckoff, husband and wife and their marital community, and Susan Wyckoff Mullen are PSR shareholders. Charles S. Mullen has served and continues to serve, as a director, officer, and (as a partner/shareholder in the law firm of Graham & Dunn) as counsel to PSR. Susan Wyckoff Mullen has served and continues to serve as a director of PSR. Tom L. Wyckoff served as a director of PSR until his resignation in 1988. Ted G. DePriest is president, former Vice President, and a director of PSR. Karin DePriest is the wife of Ted G. DePriest. Nothing in this Consent Decree shall constitute an admission of liability or an admission of any

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facts or Conclusions of Law stated herein, by any Settling Defendant for any purpose.

IV. DEFINITIONS

- 3. Unless otherwise expressly provided herein, terms used in this Consent Decree which are defined in CERCLA or in the National Oil and Hazardous Substances Pollution Contingency Plan, also known as the National Contingency Plan ("NCP"), 40 C.F.R. 300 et seq., shall have the meaning assigned to them in CERCLA or the NCP. Whenever terms listed below are used in this Consent Decree or in attachments hereto and incorporated hereunder, the following definitions shall apply:
- A. "Consent Decree" or "Decree" shall mean this Consent Decree and all attachments hereto.
- B. "Day" shall mean a calendar day unless expressly stated to be a working day. "Working day" shall mean a day other than a Saturday, Sunday or federal holiday. When computing any period of time under this Decree, if the last day would fall on a Saturday, Sunday or federal holiday, the period shall run until the end of the next working day.
- C. "Environmental Trust" is the Pacific Sound Resources
 Inc. Environmental Trust, a copy of which is attached hereto as
 Attachment "C".
- D. "Individual Settling Defendants" are Ted G.

 DePriest and Karin DePriest and their marital community, Tom L.

 Wyckoff and Margo G. Wyckoff and their marital community, and

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Susan Wyckoff Mullen and Charles S. Mullen and their marital community.

- E. "Liquidation Plan" shall mean the plan attached hereto as Attachment "D".
- F. "Natural Resource Damages" means damages, including costs of damages assessment, recoverable under Section 107 of CERCLA, 42 U.S.C. § 9607, for injury to, destruction of, or loss of any and all Natural Resources at the Sites.
- G. "Necessary Expenses" shall mean, and shall be limited to, those expenses required to implement this Consent Decree, including compliance with any other obligations imposed by law in connection with these activities.
- H. "Paragraph" shall mean a portion of this Consent Decree identified by an arabic numeral.
- I. "Parties" shall mean all Plaintiffs and all Settling
 Defendants.
- J. "Response Costs" shall mean all expenses, costs, and disbursements, direct and indirect, incurred or to be incurred by the United States for response activities, including investigation, oversight, removal or remedial actions, and all administrative and enforcement activities with respect to the sites including, without limitation: (1) past costs incurred prior to entry of this Consent Decree; (2) all costs for implementing, developing, performing, overseeing or verifying any investigatory or response activities at the Sites, or any

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requirements of this Consent Decree; and (3) any other or future costs incurred in connection with the Sites after entry of this Consent Decree, including costs in connection with: EPA periodic reviews of the Sites; obtaining any access to the Sites; and any response activities at the Sites which EPA may deem appropriate.

- K. "Section" shall mean a portion of this Consent

 Decree identified by a roman numeral and including one or more

 paragraphs.
- L. "Sites" shall mean the areal extent of contamination at or from the Wyckoff/Eagle Harbor Superfund Site ("Eagle Harbor"), and at or from the Wyckoff Company West Seattle wood treating facility ("West Seattle"), and areas in very close proximity thereto necessary for the implementation of response activities.

V. DESCRIPTION AND HISTORY OF SITES

4. In 1991, the Wyckoff Company changed its name to PSR, which is the Wyckoff Company's successor in every respect. PSR's former wood treating facility at Eagle Harbor is located on approximately fifty (50) acres of Bainbridge Island, Washington, on the southeastern shoreline of Eagle Harbor. The former wood treating facility is an operable unit of the Wyckoff/Eagle Harbor Superfund Site which was placed on the National Priorities List ("NPL") on July 22, 1987, at 52 Fed. Reg. 27620. The NPL was established pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605. The Wyckoff/Eagle Harbor Superfund Site consists of the areal

extent of contamination in Eagle Harbor, including sediments and intertidal zones thereof, and the areal extent of contamination at and from PSR's former wood treating facility, and all areas in very close proximity thereto necessary for the implementation of response activities at this Superfund Site. To facilitate its management of the Wyckoff/Eagle Harbor Superfund Site, EPA has divided it into three (3) operable units: the Wyckoff facility Operable Unit ("WOU"), consisting of PSR's former wood treating property and any contiguous or related portions of the Wyckoff/Eagle Harbor Superfund Site which EPA determines should be addressed in conjunction with response actions at the facility, a West Harbor Operable Unit ("WHOU") and an East Harbor Operable Unit ("EHOU"). See map, Attachment "B1" to this Consent Decree. EPA completed a Remedial Investigation/Feasibility Study for the WHOU and the EHOU, and issued a Record of Decision ("ROD") for the WHOU in September 1992. A ROD for the EHOU is anticipated in 1993.

5. Wood treating operations at Eagle Harbor date back to the beginning of the twentieth century, and continued until 1988, under various owners. PSR, under the name, Wyckoff Company, has solely owned, and been responsible for, operations at the facility since December 1965. Activities at the facility since 1988 have been limited to log sorting and storage and work by PSR to comply, or attempt to comply, with an Administrative Order on Consent For Necessary Response Actions, No. 1088-02-17-106 ("1988)

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Order"), issued on July 29, 1988; and an Administrative Order For Necessary Interim Response Actions, No. 1091-06-03-106 ("1991 Order") issued on June 17, 1991, both of which were issued pursuant to Section 106 of CERCLA, 42 U.S.C. § 9606.

- 6. PSR's West Seattle wood treating facility (referred to as "West Seattle" or one of the "Sites" in this Consent Decree) is located at 2801 Southwest Florida Street, Seattle, Washington, on the shore of Elliott Bay, near the Duwamish River, on approximately twenty-two (22) acres of PSR property. See map, Attachment "B2" to this Consent Decree. The Site was formally proposed for listing on the NPL by EPA on May 10, 1993.
- 7. Wood treating operations at West Seattle also date back to the beginning of the twentieth century, and are on-going. However, as part of this Decree, the Parties have agreed that wood treating operations at West Seattle shall permanently cease upon entry of this Decree, and that there shall be no future wood treating operations by any Settling Defendant, or any successor thereof, at either of the Sites. PSR has solely owned and been responsible for operations at West Seattle since December 1965.
- 8. Wood treating operations at the Sites have been similar. The primary wood preservatives used were creosote and pentachlorophenol ("PCP"). In addition, substantial quantities of chemonite were used at West Seattle. Organic chemical compounds known as polynuclear aromatic hydrocarbons ("PAHs") comprise up to ninety percent of pure creosote. The following

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benzo (a) pyrene, benzo(a) anthracene, benzo (b) fluoranthene, benzo (k) fluoranthene, acenaphthylene, fluorene, anthracene, chrysene, phenanthrene, naphthalene, dibenzo (a,h) anthracene, benzo (ghi) perylene, and indeno (1,2,3 - cd) pyrene. Creosote and PCP are generally mixed with petroleum oil prior to use in wood treating. Petroleum oil serves as a carrying mechanism. Chemonite is a water soluble ammoniacal solution containing copper, arsenic and zinc in a weight ratio of 50:25:25, respectively. Chemonite is one to three percent arsenic when diluted to the strength normally used at West Seattle.

- Wood treating operations at the Sites have resulted in soil, groundwater, surface water, and Puget Sound sediment contamination with creosote, PCP and fuel oil at and/or from both Sites, and with chemonite constituent metals contamination at and/or from West Seattle. A significant source of contamination was a "transfer table", used at each of the Sites for loading and unloading retorts, which in each instance was located in a shallow unlined earthen pit known as a "transfer table pit." addition, solid and hazardous waste from the Sites may have been disposed of at solid waste landfills and hazardous waste treatment, storage and disposal facilities.
- Since 1984, EPA has issued several administrative 10. orders, some of which have been on consent, to the Wyckoff Company pursuant to CERCLA, the Solid Waste Disposal Act, also

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known as the Resource Conservation and Recovery Act, as amended ("RCRA"), 42 U.S.C. §§ 6901 - 6973, and/or the Federal Water Pollution Control Act, also known as the Clean Water Act, 33 U.S.C. §§ 1251 - 1387 ("CWA"), and combinations thereof, requiring environmental investigatory and response activities at the Sites. In 1985, Wyckoff Company and certain Wyckoff officials no longer associated with PSR pled guilty to violations of environmental criminal statutes: Section 3008(d)(2)(A) of RCRA, 42 U.S.C. 6928(d)(2)(A) (knowingly and willfully storing hazardous waste at West Seattle without a RCRA permit) and Sections 301(a) and 309(c) of CWA, 33 U.S.C. §§ 1311(a), 1319(c) (willfully and negligently discharging pollutants from a point source without a CWA permit, i.e., wood preserving residues from West Seattle into the West Waterway of the Duwamish River).

11. The biocidal characteristics which make creosote, chemonite, and commercial-grade PCP useful wood preservatives also make these substances, and their associated toxic impurities, inherently hazardous to human beings and most other life forms. Pathways for exposure of human beings to these and other hazardous substances, pollutants and contaminants identified at the Sites include ingestion, inhalation and dermal contact. Hazardous substances, pollutants and contaminants identified at the Sites can cause a wide range of significant human health effects and deleterious ecological effects.

Specific effects of some of these hazardous substances include:

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Benzo (a) pyrene is a mutagen, and is among the most carcinogenic of the PAH group. Five of the other PAHs set forth in paragraph 5 above, are suspected carcinogens. **PAHs** generally are also associated with adverse liver and kidney function, and have been reported to be mutagenic, as well as Topical exposure to benzo (a) anthracene immunosuppressive. has been shown to cause chronic dermatitis and other skin disorders; oral exposure of both mice and rats to acenaphthene may cause loss of body weight, changes in peripheral blood, increased aminotransferase levels in blood serum, and morphological damage to the liver and kidneys; and dermal application of chrysene has produced skin tumors in In addition, field and laboratory studies have demonstrated a variety of adverse toxic effects in aquatic organisms exposed to seawater or marine sediments contaminated with creosote, or one or more of its hazardous constituents.

B. PCP toxicity in human beings is associated principally with cardiovascular damage which may be lethal. Chronic PCP exposure has been demonstrated to cause hepatic and renal damage and/or dysfunction, chloracne, headaches, muscular weakness and weight loss. PCP preparations may be contaminated with polychlorinated dibenzodioxins ("PCDDs") and polychlorinated dibenzofurans ("PCDFs") which are human carcinogens. PCP is also acutely lethal to a variety of

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aquatic as well as terrestrial biota, and is associated with many sublethal adverse effects in chronically exposed organisms.

C. Exposure to arsenic, classified as a Group A carcinogen by EPA, increases the incidence of skin, lung, liver and lymphoid cancer. It has been observed to cause chromosomal breakage, cytotoxic and mutagenic effects when tested in vitro. Chronic and subchronic exposures have been shown to cause carcinogenesis, cardiovascular disease, neurological disorders, various dermatoses including hyperpigmentation, disquamation and hair loss, hematopoietic depression, anhydremia, liver damage, sensory disturbances, and distal sensorimotor neuropathy with axonal degeneration. In addition, studies have shown adverse toxic effects in aquatic organisms exposed to seawater or marine sediments contaminated with arsenic, zinc and copper.

VI. <u>CONCLUSIONS OF LAW</u>

- 12. A. Each of the Sites is a "facility," as defined in Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).
- B. Each of the Settling Defendants is a "person" as defined in Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).
- C. PCP, PAHs, arsenic and other substances listed in paragraphs 8 and 11 above, are "hazardous substances" as defined in Section 101(14) of CERCLA, 42 U.S.C. § 9601(14) of CERCLA.
 - D. These hazardous substances have been released at

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and/or from the Sites into soil, groundwater, and Puget Sound sediments, as the term "release" is defined in Section 101(22) of CERCLA, 42 U.S.C. § 9601(22). The potential for future migration of hazardous substances from the Sites constitutes a threat of release.

- E. The release and threat of additional releases of one or more hazardous substances at or from the Sites may present an imminent and substantial endangerment to the public health or welfare or the environment.
- F. The contamination and endangerment at the Sites constitutes an indivisible injury. The response actions to be funded pursuant to this Consent Decree are necessary to protect the public health, welfare, and the environment.
- regulatory responsibilities, and acting in its regulatory capacity, has determined that public health and welfare and the environment shall be advanced by this Decree. EPA, its agents, employees, and/or consultants are not, and shall not be, an operator, within the meaning of CERCLA or RCRA, of either Site, as a result of activities under this Consent Decree.

VII. EPA ORDERS/FUTURE OF PSR

13. Nothing in this Consent Decree shall prevent EPA from issuing administrative orders to the Environmental Trust or to PSR following the entry of this Decree, mandating cooperation with EPA in its performance of response activities at the Sites,

or other injunctive relief with respect to the Sites. Consent Decree supersedes all outstanding administrative orders 2 previously issued by EPA with respect to the Sites. Any future 3 administrative orders issued by EPA to the Environmental Trust 4 with respect to the Sites shall not be reviewable under the 5 dispute resolution provisions of this Consent Decree, or by any 6 other means. Upon entry of this Decree, PSR will continue to 7 exist as a lawful corporation with Individual Settling Defendant 8 Ted G. DePriest as its sole officer and director. However, upon 9 entry of this Decree, Ted G. DePriest, as the sole PSR director, 10 shall recommend the dissolution of PSR to the Environmental 11 Trust, the sole shareholder of PSR. In accordance with 12 Attachment "C" hereto, the Environmental Trust shall approve the 13 proposal to dissolve PSR, and the dissolution of PSR shall be 14 effected in accordance with Chapter 23B.14 of the Revised Code of 15 Washington ("RCW") and this Consent Decree.

VIII. OBLIGATIONS OF INDIVIDUAL SETTLING DEFENDANTS

Individual Settling Defendants certify to the best of their knowledge, information and belief that Attachment "E" fairly presents the financial position and condition of PSR, including PSR's liabilities, contingent or otherwise, except environmental liabilities, and PSR's material assets. in Attachment E are PSR financial statements for 1988 through 1992, which have previously been supplied to the United States, and financial statements for the period ended June 30, 1993.

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Individual Settling Defendants also certify to the best of their knowledge, information and belief that there are no facts or circumstances which have not been disclosed to Plaintiffs which may, alone or in the aggregate, reasonably be expected to have a material adverse impact on the financial position or condition of PSR. For purposes of this paragraph, "material adverse impact" is defined as \$20,000.

15. Individual Settling Defendants Tom L. Wyckoff, Margo G. Wyckoff and Susan Wyckoff Mullen agree to transfer all shares, ownership rights and interests in PSR to the Environmental Trust upon entry of this Decree. Individual Settling Defendants Charles S. Mullen and Susan Wyckoff Mullen agree to resign as directors of PSR, and Charles S. Mullen agrees to resign as secretary of PSR. Individual Settling Defendant Ted G. DePriest agrees to become an employee of the Environmental Trust, pursuant to the Employment Agreement attached to this Decree as Exhibit "F", for the purposes of assisting the Environmental Trust in liquidating all PSR assets, and in complying with the reporting requirements set forth in this Decree.

IX. OBLIGATIONS OF THE ENVIRONMENTAL TRUST

16. All assets and resources of PSR shall be liquidated and the proceeds therefrom shall be disbursed by the Environmental Trust pursuant to the Liquidation Plan. Such proceeds from this liquidation which are exclusively for the benefit of Plaintiffs shall be paid as follows: One half into the United States

1	Hazardous Substance Superfund Trust ("Fund") in the manner set
2	forth below, and the other one-half into the registry of this
3	court, as set forth in the Liquidation Plan, and in accordance
4	with the Memorandum of Agreement ("MOA") among the Plaintiffs,
5	Attachment "A" hereto. The MOA was entered into by the
6	Plaintiffs to ensure that settlement proceeds would be applied
7	toward both environmental response and natural resource
8	restoration goals. Proceeds payable to the Fund shall be paid by
9	Electronic Funds Transfer ("EFT" or wire transfer) to the U.S.
10	Department of Justice ("DOJ") lockbox bank, referencing DOJ Case
11	Number 90-7-1-525, and the EPA Region and Site/Spill ID# 10xx.
12	Payments by EFT must be received at the DOJ lockbox bank by 4
13	p.m. (Eastern Time) to be credited on that day. The
14	Environmental Trust shall forward copies of the EFT to: 1)
15	Chief, Environmental Enforcement Section, Environment and Natural
16	Resources Division, U.S. Department of Justice, P.O. Box 7611,
17	Ben Franklin Station, Washington, D.C. 20044, Re: DJ # 90-7-1-
18	525; 2) EPA Project Coordinator, PSR Consent Decree, HW-113, and
19	3) EPA Region X Hearing Clerk, S0-155, 1200 Sixth Avenue,
- 11	

- 17. Unless otherwise instructed by EPA, the Environmental Trust and PSR shall use best efforts to:
- A. Maximize the amount of funds paid into the Fund and the registry of this court, consistent with this Consent Decree.
 - B. Pay all property taxes in a timely manner and

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maintain fire and casualty insurance in an amount equal to the fair market value of each insured property specified below, and Comprehensive General Liability insurance with policy limits of at least One Million Dollars (\$1,000,000) per person, unless otherwise directed by EPA, on:

- i. all non-wood treating real property held by the Environmental Trust until such property has been liquidated in accordance with this Consent Decree; and
- ii. the former wood treating facility at Eagle Harbor.
- c. Assist the Plaintiffs in accomplishing their environmental cleanup and natural resource restoration goals and plans for the Sites, including, but not limited to, promptly complying with any requests for information and data which they may deem necessary to implement this Consent Decree, and granting the United States unlimited access to all PSR property at the Wyckoff/Eagle Harbor Superfund Site at all times for the purpose of taking such response actions as the United States may deem appropriate. An Access Agreement executed by PSR and the Environmental Trustee is attached to this Consent Decree as Attachment "G".
- 18. Unless otherwise directed by EPA, Settling Defendant Ted G. DePriest as employee of the Environmental Trust, or his successor, shall prepare and submit complete and accurate reports to EPA by the tenth (10th) day of each month following entry of

- 19. Unless otherwise directed by EPA, Settling Defendant Ted G. DePriest shall prepare and submit complete and accurate financial reports to EPA within thirty (30) days following entry of this Decree, covering the period from December 31, 1992 until entry of this Decree. These reports shall include
 - (a) A detailed income statement;
 - (b) A balance sheet;
 - (c) A statement of cash flow;
- (d) A report of compensation paid to employees, officers and directors, by individual and job classification;
- (e) A report detailing any transactions with SettlingDefendants; and
- (f) A schedule of all accounts and notes receivable and payable.
- The schedules of accounts receivable and payable shall list the name, date and amount of all accounts, and accounts payable shall include a description of each transaction which created the liability. All financial reports required by this Section IX of this Consent Decree shall be prepared in accord with Generally Accepted Accounting Principles ("GAAP"); and Settling Defendant Ted G. DePriest shall sign the financial reports submitted to EPA and shall certify that they are complete and accurate to the best of his knowledge, information and belief. The financial reports shall be reviewed by an independent certified public accounting

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firm acceptable to EPA, and shall state in its transmittal letter with respect to the required annual reports and the final reports whether it is aware of any material modifications that should be made in the reports for them to be in conformity with GAAP. Upon request, the United States or its representatives may review the accountants' working papers or interview the accountants.

- 20. Unless otherwise directed by EPA, Settling Defendant Ted G. DePriest as employee of the Environmental Trust, or his successor, shall prepare and submit complete and accurate financial reports to EPA by the tenth (10th) day of each month following entry of this Decree. These reports shall include
 - (g) A detailed income statement;
 - (h) A balance sheet;
 - (i) A statement of cash flow;
- (j) A report detailing compensation paid to the Trustee or other Trust employees;
- (k) A report detailing any transactions with Settling Defendants;
- (1) A schedule of all accounts and notes receivable and payable; and
- (m) A schedule of all cash receipts and disbursements. The income statement shall be compiled on a monthly and year-to-date basis. The schedules of accounts receivable and payable shall list the name, date and amount of all accounts. All financial reports shall be prepared in accord with GAAP.

- 21. Settling Defendant Ted G. DePriest as employee of the Environmental Trust, or his successor, shall maintain a complete log of all inquiries, discussions and negotiations for sale of any PSR asset, including the identity of the persons involved, company affiliation, address, telephone number, date of the communication, summary of the communication and the identity of the asset.
- 22. Settling Defendant Ted G. DePriest as employee of the Environmental Trust, or his successor, shall prepare and submit to EPA within ten (10) days following liquidation of all PSR property and completion of the Liquidation Plan a final report documenting performance of the Liquidation Plan. This report shall include:
 - (n) A detailed income statement;
 - (o) A balance sheet;
 - (p) A statement of cash flow;
- (q) Documentation of all sales of real property and personal property having a fair market value of over \$20,000, including the date of the sale, the buyer and the consideration paid. The final report shall be prepared in accord with GAAP. Settling Defendant DePriest as employee of the Environmental Trust, or his

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successor, shall sign the final report and shall certify that it is complete and accurate to the best of his knowledge, information and belief.

- 23. Except as specifically set forth in the Liquidation Plan attached to this Decree, PSR and the Environmental Trust are prohibited from engaging in the following activities without prior written approval from EPA:
- A. Entering into new contracts or extensions of existing contracts;
 - B. Obtaining additional loans;
- C. Conducting any financial transactions with officers, directors, Settling Defendants or affiliated persons;
- D. Directly or indirectly agreeing to create, incur, assume or permit or creating, incurring, assuming or permitting any lien on, or with respect to, any property or other assets, whether currently owned or hereafter acquired, or any income or profits therefrom;
- E. Paying dividends or making any other distribution to any shareholders;
- F. Loaning any funds or any asset, or guaranteeing in any manner the debt of any other entity or individual;
- G. Making expenditures or utilizing credit for purchases totalling in excess of \$5,000 in any one week;
- H. Purchase of assets in excess of \$5,000 in any one week;

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- I. Selling any assets or services other than in the ordinary course of business; or
 - J. Accepting orders for woodtreating goods or services.
- 24. Promptly upon receipt thereof, the Environmental Trust shall submit copies of all accountants' reports, including without limitation any comment or management letters regarding any accountants' annual review, to Plaintiffs.
- 25. Immediately upon service of process instituting any action, suit, proceeding, governmental investigation or notice of violation by any governmental agency other than EPA, or any arbitration or other alternative dispute resolution procedure, by or against PSR or the Environmental Trust, or any of its properties or other assets, PSR or the Environmental Trust shall submit notice thereof to Plaintiffs.
- 26. Plaintiffs shall have access to all Environmental Trust personnel, books and records during normal business hours for purposes of evaluating the Environmental Trust's financial status or compliance with this Decree.
- 27. If, despite the best efforts of PSR, the Environmental Trust and Settling Defendant Ted G. DePriest, any Settling Defendant concludes PSR must file a petition in bankruptcy or request a receiver, unless otherwise required by law, such Settling Defendant(s) shall submit written notice of such decision to EPA within five (5) days after such decision is made and shall use best efforts to ensure such notice is given to EPA

not less than sixty (60) days prior to any intended bankruptcy filing or request for a receiver. Such Settling Defendant(s) shall submit any and all documentation or other information which supports the decision to seek protection of the bankruptcy court or a receiver with the written notice to EPA for review. such filing or request submitted or supported on behalf of PSR, including any submission by a trustee in bankruptcy to the bankruptcy court or other court shall seek to accomplish the goals of this Consent Decree, and shall to the greatest extent possible incorporate the terms of this Consent Decree. the Environmental Trustee, or a trustee in bankruptcy shall agree to any filing or request by any Plaintiff to such court which incorporates or implements the terms of this Consent Decree, or which seeks to accomplish the goals of this Consent Decree, unless otherwise required by law.

Notwithstanding any provision of this Consent Decree, Plaintiffs retain all of their access and information gathering authorities and rights, including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable laws or regulations.

Х. REAL PROPERTY SALES

29. The Liquidation Plan shall include a written Real Property Marketing Plan ("RPMP") which shall set forth a proposal for marketing all PSR real property, other than the Sites, for sale at fair market value on terms acceptable to EPA.

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30. The Environmental Trust shall offer all real property included in the RPMP for sale. Whenever an offer is made by a prospective purchaser, the Environmental Trust shall immediately notify EPA in writing. EPA shall determine, in its non-reviewable discretion, whether the offer should be accepted or rejected, or whether a counter proposal should be made, and the terms thereof.

31. Any agents employed by the Environmental Trust to implement the RPMP shall make the United States a third party beneficiary of any contracts entered into on behalf of the Environmental Trust, including contracts with any commercial realtor.

XI. COVENANTS NOT TO SUE BY THE UNITED STATES

- 32. For purposes of this Section of this Consent Decree,
 "Covered Matters" shall include any civil liability to Plaintiffs
 arising out of the release or threatened release of hazardous
 substances, pollutants or contaminants at or from the Sites which
 occurred or existed prior to the entry of this Consent Decree
 ("Existing Conditions").
- 33. Subject to Sections XII (Reservation Of Rights) and XVIII (Termination) of this Consent Decree, Plaintiffs covenant not to file a civil action or take administrative action against Individual Settling Defendants Ted G. DePriest and Karin DePriest and their marital community, Tom L. Wyckoff and Margo G. Wyckoff and their marital community, and Susan Wyckoff Mullen and Charles

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S. Mullen and their marital community, or any of them, under CERCLA or section 7003 of RCRA, 42 U.S.C. § 6973, for Covered Matters, subject to the contingency set forth in Paragraph 34 below, and provided that said Individual Settling Defendants perform their respective obligations under this Consent Decree; and provided further that the covenant not to sue granted to Settling Defendants DePriest shall not vest until Ted G. DePriest has performed his duties as employee of the Environmental Trust, as set forth in this Decree.

- Paragraph are contingent upon the truthfulness of information provided to Plaintiffs by the Individual Settling Defendants through affidavits. In the event Plaintiffs, or any of them, believe an Individual Settling Defendant(s) made a material misrepresentation in an affidavit, or failed to perform their respective obligations under this Consent Decree, Plaintiffs, or any of them, may seek to withdraw or modify the covenant(s) not to sue by:
- (a) giving written notice to such Individual Settling
 Defendant(s) setting forth the basis of the claim that the
 covenant(s) not to sue should be withdrawn or modified; and
- (b) instituting proceedings in this court against such
 Settling Defendant(s) for recovery of Response Costs and such
 other claims against such Individual Settling Defendant(s) that
 Plaintiffs, or any of them, may have: In such proceedings, the

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parties agree to jointly petition the court for an expedited determination of the validity of such Individual Settling Defendant(s)' covenant not to sue, including an expedited evidentiary hearing or such other proceedings as this court deems necessary to resolve all legal and factual issues material to determining the validity of the covenant not to sue.

- 35. In any action by Plaintiffs, or any of them, against an Individual Settling Defendant(s), if such Individual Settling Defendant(s) asserts the covenant not to sue in this Section as an affirmative defense, such Settling Defendant(s) shall have the burden of proving that Settling Defendant(s) did not violate this Consent Decree as alleged by Plaintiffs, or any of them, in the pleading described in Paragraph 34 above, instituting action against such Individual Settling Defendant(s).
- 36. If a covenant not to sue is withdrawn or modified by this court with respect to an Individual Settling Defendant, such Individual Settling Defendant may plead any defense he/she may have, including laches, waiver, estoppel, or lack of jurisdiction; provided however, that any statute of limitations or other time limitation respecting claims by Plaintiffs against such Individual Settling Defendant(s) are tolled in their entirety until six (6) months after the covenant not to sue has been withdrawn or modified. Each Individual Settling Defendant waives any defense relating to statutes of limitations, laches or timeliness based on the time between entry of this Decree and six

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(6) months after withdrawal or modification of his/her covenant not to sue by this court.

37. Any dispute between Plaintiffs, or any of them, and any Individual Settling Defendant(s) with respect to this Section shall be within the exclusive jurisdiction of this court, and the Section XVI (Dispute Resolution) of this Decree shall not apply.

XII. RESERVATION OF RIGHTS

38. Nothing in this Consent Decree is intended as a release from or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which Plaintiffs, or any of them, may have against any person, firm, corporation other than the Individual Settling Defendants given covenants not to sue as set forth in Section XI of this Consent Decree.

XIII. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

39. Nothing in this Consent Decree shall be construed to create any rights in, or grant any cause of action to, any person not a party to this Consent Decree. The preceding sentence shall not be construed to waive or nullify any rights that any person not a signatory to this Consent Decree may have under applicable law. All of the Parties expressly reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which they may have with respect to any matter, transaction, or occurrence relating in any way to the Sites against any Persons not Parties

to this Consent Decree.

- 40. With regard to claims for contribution against Settling Defendants for matters addressed in this Consent Decree, the Parties hereto agree that Settling Defendants are entitled to the full extent of protection from contribution actions or claims provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2).
- 41. Settling Defendants agree that, with respect to any suit or claim for contribution brought by them for matters related to this Consent Decree, they will notify Plaintiffs in writing no later than sixty (60) days prior to the initiation of such suit or claim.
- 42. Settling Defendants agree that, with respect to any suit or claim for contribution, or on any other basis, brought against them for matters related to this Consent Decree, they will notify Plaintiffs in writing within ten (10) days after service of any complaint on them. In addition, Settling Defendants shall notify Plaintiffs within ten (10) days of service or receipt of any Motion for Summary Judgment in such an action, and within ten (10) days of receipt of any order from a court setting a case for trial.

XIV. COVENANTS BY SETTLING DEFENDANTS

43. Settling Defendants hereby covenant not to sue and agree not to assert any claims or causes of action against Plaintiffs, or any of them, with respect to the Sites or this Consent Decree, including, but not limited to, any direct or indirect claim for

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reimbursement from the Hazardous Substance Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) through 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; any claim against any department, agency or instrumentality of the United States under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, or any subdivision of either tribe, related to the Sites; or any claims arising out of response activities at the Sites. 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).

XV. PUBLIC COMMENT

44. This Consent Decree shall be subject to a thirty (30) day public comment period from the date of notice in the Federal Register. Plaintiffs, or any of them, may withdraw consent to this Consent Decree if comments received disclose facts or considerations which indicate that this Consent Decree is inappropriate, improper, or otherwise inadequate. Settling Defendants consent to the entry of this Consent Decree without further notice.

XVI. DISPUTE RESOLUTION

45. Unless otherwise expressly provided in this Consent
Decree, the dispute resolution procedures of this Section shall
be the exclusive mechanism to resolve disputes arising under or

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with respect to all provisions of this Consent Decree; however, this Section shall not apply to actions by Plaintiffs, or any of them, to enforce obligations by Settling Defendants which have not been disputed in accordance with this Section.

- 46. Any such dispute shall in the first instance be the subject of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed twenty (20) days from the time the dispute arises, unless it is extended by agreement of the parties to the dispute. The dispute shall be considered to have arisen when one party notifies the other parties in writing that there is a dispute.
- 47. If the parties to the dispute cannot resolve the dispute by informal negotiations, the position advanced by Plaintiffs,, or any of them, shall be considered binding unless, within ten (10) days after the conclusion of the informal negotiation period, one or more of the Settling Defendants ("Disputing Defendant(s)") invoke the formal dispute resolution procedures of this Section by serving a written statement of position on the matter in dispute upon EPA, including, but not limited to, any data, analysis or opinion supporting that position and any documentation relied upon by the Disputing Defendant(s). Formal dispute resolution shall be conducted pursuant to the procedures set forth in the remainder of this Paragraph.
- A. An administrative record of the dispute shall be maintained by EPA and shall include all statements of position,

- B. After receipt of the statement of position submitted by the Disputing Defendant(s) pursuant to this Paragraph, EPA will serve its statement of position on the Disputing Defendant(s), including, but not limited to, any data, analysis, or opinion supporting that position and all supporting documentation relied upon by EPA, in response to the statement of position of the Disputing Defendant(s). EPA may, in its non-reviewable discretion, allow submission of supplemental statements of position by the parties to the dispute.
- C. The EPA Region 10 Hazardous Waste Division Director ("Director"), will issue a final administrative decision resolving the dispute which shall be based on the administrative record described in subparagraph "A" above, of this Paragraph. This decision shall be binding upon the Disputing Defendant(s).
- D. Any judicial review of the final administrative decision of the Director shall be limited to whether the Director's decision was arbitrary and capricious, or otherwise not in accordance with law.

XVII. RETENTION OF JURISDICTION

48. This Court retains jurisdiction over both the subject matter of this Consent Decree and Settling Defendants for the effective period of this Consent Decree for the purpose of enabling any of the Parties to apply to the Court at any time for

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such further order, direction, and relief as may be necessary or appropriate for the construction or modification of this Consent Decree, or to effectuate or enforce compliance with this Consent Decree, or to resolve disputes in accordance with this Consent Decree.

XVIII. MODIFICATION

- 49. No material modification shall be made to this Consent
 Decree without written notification to and written approval of
 the Plaintiffs, Settling Defendants, and the Court. However, the
 Environmental Trustee may modify Attachments "C" (Environmental
 Trust) and "D" (Liquidation Plan) upon written approval by EPA.
- 50. Nothing in this Section shall be deemed to alter the Court's power to supervise or modify this Consent Decree.

XIX. TERMINATION

- 51. This Consent Decree shall terminate upon certification by Plaintiffs to this court that environmental response actions and natural resource restoration at the Sites have been completed, such that no further environmental cleanup or natural resource restoration at or of either of the Sites is necessary.
- 52. If termination occurs following certification by
 Plaintiffs, as set forth in the preceding Paragraph, Sections XI
 (Covenants Not To Sue), XII (Reservation Of Rights), XIII (Effect of Settlement/ Contribution Protection), and XIV (Covenants By Settling Defendants) of this Decree shall survive such termination. However, if this Decree is terminated for any

reason without such certification, those Sections, or portions thereof, of this Consent Decree which this court finds it shall be just, equitable and proper to survive termination hereof, shall so survive.

XX. NOTICE TO STATE

53. Notice of negotiations of this Consent Decree with Settling Defendants was given to the State of Washington through its Department of Ecology ("Ecology"). A copy of this Consent Decree has been provided to Ecology.

XXI. SIGNATORIES

- 54. Each Individual Settling Defendant to this Consent
 Decree shall sign this Consent Decree for him/herself. The
 undersigned representatives of PSR, the Environmental Trust, the
 Assistant Attorney General for Environment and Natural Resources
 of the Department of Justice of the United States, and the
 Suquamish and Muckleshoot tribal representatives, each certifies
 that he/she is fully authorized to enter into this Consent Decree
 and to execute and legally bind the party he/she represents to
 this Consent Decree.
- 55. Each Settling Defendant hereby agrees not to oppose entry of this Consent Decree by this Court or to challenge any provision of this Consent Decree unless Plaintiffs, or any of them, notifies Settling Defendants in writing that it no longer supports entry of this Consent Decree.
 - 56. Each Settling Defendant shall identify, on the attached

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signature page, the name and address of an agent who is authorized to accept notices hereunder and service of process by 2 mail on behalf of that Settling Defendant with respect to all 3 matters arising under or relating to this Consent Decree. Settling Defendants hereby agree to accept service in that manner 5 and to waive the formal service requirements set forth in Rule 4 б of the Federal Rules of Civil Procedure, including, but not 7 limited to, service of a summons, and any applicable local rules 8 of this Court. 9 XXII. EFFECTIVE DATE 10 The effective date of this Consent Decree shall be the 57. 11 date of entry by this Court. Public comment shall be had as set 12 forth in Section XV of this Consent Decree: 13 14 15 16 17 18 19 20 21 22

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Seattle, WA 98115-0070
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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United States v. Pacific Sound Resources, Inc. et al. 2 3 FOR THE UNITED STATES OF AMERICA 4 5 6 7 Acting Assistant Attorney General Environment and Natural Resources 8 Division U.S. Department of Justice 9 Washington, D.C. 20530 10 11 Date: GERALD A. EMISON 12 Acting Regional Administrator, 13 Region 10 U.S. Environmental Protection Agency 14 1200 Sixth Avenue Seattle, WA 98101 15 16 17 FOR NATIVE AMERICAN NATURAL RESOURCE TRUSTEES 18 19 Date: The Suquamish Tribe 20 21 22 Date: 23 The Muckleshoot Indian Tribe 24 25 26 27 CONSENT DECREE - 35 28

1	THE UNDERSIGNED PARTIES enter into this Consent Decree in the		
2	matter of United States v. Pac	ific Sound Resources, Inc. et al.	
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4	FOR THE UNITED STATES OF A	MERICA	
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6	Date:	OTG. T. COUTHERD	
7	. · · ·	OIS J. SCHIFFER cting Assistant Attorney General nvironment and Natural Resources	
8	U	Division .S. Department of Justice	
9		ashington, D.C. 20530	
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11	Date: 9-30-13	Allapros	
12	§ 6	ERALD A. EMISON acting Regional Administrator,	
13	R	egion 10 S.S. Environmental Protection Agency	
14	i	200 Sixth Avenue Seattle, WA 98101	
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FOR THE UNITED STATES OF AMERICA

Date: 4/28/49

STEVEN A. HERMAN

Assistant Administrator for

Enforcement

U.S. Environmental Protection Agency 401 M Street, S.W. (mailcode 2211) Washington, D.C. 20460

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1	THE UNDERSIGNED PARTIES enter into this Consent Decree in the		
2	matter of United States v. Pa	acific Sound Resources, Inc. et al.	
3	FOR THE UNITED STATES OF	AMERICA	
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5	·		
6	Date:	LOIS J. SCHIFFER	
7		Acting Assistant Attorney General Environment and Natural Resources	
8		Division U.S. Department of Justice Washington, D.C. 20530	
9		Washington, D.C. 20530	
10		Lell a grow	
12	Date: 9-30-13	GERALD A. EMISON	
13		Acting Regional Administrator, Region 10	
14	•	U.S. Environmental Protection Agency 1200 Sixth Avenue	
15		Seattle, WA 98101	
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17	FOR NATIVE AMERICAN NATURAL RESOURCE TRUSTEES		
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1	THE UNDERSIGNED PARTIES enter into this Consent Decree in the		
2	matter of United States v. Pa	acific Sound Resources, Inc. et al.	
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6	Date:		
7		LOIS J. SCHIFFER Acting Assistant Attorney General Environment and Natural Resources	
8		Division U.S. Department of Justice	
9		Washington, D.C. 20530	
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12	Date:	GERALD A. EMISON	
13		Acting Regional Administrator, Region 10	
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15		Seattle, WA 98101	
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Agent Authorized to Accept Service on Behalf of All Settling Defendants: Ralph H. Palumbo, Esq. Heller, Ehrmann, White & MacAuliffe 6100 Columbia Seafirst Center 701 Fifth Avenue Seattle, WA

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