Hurley, Ann (ENRD)

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"Consent Judgment"

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California Northern District

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Case Name:

United States Of America v. Bean Stuyvesant, LLC et al

Case Number:

3:03-cv-5694

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CONSENT DECREE. Signed by Judge Charles R. Breyer on 9/29/06. (be, COURT STAFF) (Filed on 9/29/2006)

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3:03-cv-5694 Notice will be electronically mailed to:

Ann Hurley ann.hurley@usdoj.gov

Jennifer M. Kennedy jmkenned@hklaw.com, beverley.huppert@hklaw.com

Chung-Han Lee chung.lee@hklaw.com, sophia.troosh@hklaw.com

Anita Elisabet Ruud anita.ruud@doj.ca.gov, cory.marcelino@doj.ca.gov

R. Michael Underhill mike.underhill@usdoj.gov, veronica.garner@usdoj.gov; bonnie.li@usdoj.gov Matthew P. Vafidis mvafidis@hklaw.com

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I. PARTIES

This Consent Decree ("Decree") is made and entered into by and among the following parties (hereinafter referred to collectively as "the Parties" and individually as "Party"):

- A. Plaintiff United States of America ("the United States"), on behalf of the U.S. Department of the Interior ("DOI"), U.S. Fish and Wildlife Service ("USFWS"), the U.S. Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA"), the Department of Homeland Security ("DHS"), the United States Coast Guard ("USCG"), and the USCG National Pollution Funds Center, and each of them;
- B. Plaintiff State of California ("State"), by and through the California Department of Fish and Game ("CDFG"), the California State Lands Commission ("CSLC"), and the Regional Water Quality Control Board for the North Coast Region ("RWQCB"), and each of them (together with the parties specified in paragraph A above, jointly referred to as "Plaintiffs"); and
- C. Defendants Bean Stuyvesant, LLC, Bean Dredging LLC, Bean Dredging Corporation, Fleet National Bank, sued herein as "Fleet National Bank" and also as "Fleet National Bank Trustee", and Water Quality Insurance Syndicate, all sued *in personam*; and the Dredge STUYVESANT (Official Number 648540), sued *in rem*, and each of them (together jointly referred to as the "Settling Defendants").

II. INTRODUCTION

- A. On or about May 1999, the United States of America, by and though the United States Army Corps of Engineers, entered into Contract No. DACW07-99-C-0012 with Manson Construction Co./Bean Stuyvesant, LLC, a Joint Venture, for dredging work to be performed in and upon navigable waters of the United States, including the waters of Humboldt Harbor and Bay, California; in June 1999, the said Joint Venture entered into a subcontract with Defendant Bean Stuyvesant, LLC, the sub-time charterer of the *in rem* Defendant, the Dredge STUYVESANT (Official Number 648540), pursuant to which the portion of the said work relevant to this action was performed by the Dredge STUYVESANT.
- B. On or about September 6, 1999, the Dredge STUYVESANT, a vessel owned at that time by Fleet National Bank, in its capacity as owner trustee, operated by Defendant Bean Dredging

Corporation, the predecessor corporation of Defendant Bean Dredging LLC, and under sub-time charter to Bean Stuyvesant, LLC, ruptured its fuel tank, causing approximately 2,000 gallons of intermediate fuel oil to be discharged into the Pacific Ocean, from an area near the mouth of Humboldt Bay, in Humboldt County, California and extending approximately four miles out to sea (hereinafter, the "Spill"). The oil from the Spill spread on the open ocean and came ashore at various locations along 60 miles of shoreline. As a result of the Spill, the United States and the CDFG responded and incurred pollution removal costs and other damages.

- C. The oil from the Spill caused injuries to natural resources at sea and along the shore, including injuries to birds, fish, and their habitats, and also had an impact upon recreational uses of the resources. The Trustees for the Natural Resources injured by the Spill include the USFWS, the CDFG and the CSLC. The USFWS is a designated Trustee pursuant to subpart G of the National Oil and Hazardous Substances Pollution Contingency Plan ("NCP") (40 CFR §§ 300.600 et seq.) and Executive Order 12580 (3 C.F.R., 1987 Comp. p. 193, 52 Fed. Reg. 2923 (January 23, 1987) as amended by Executive Order 12777 (56 Fed. Reg. 54757 (October 19, 1991)). The CDFG is a designated Trustee pursuant to Section 1006 (b) (3) of the Oil Pollution Act of 1990 ("OPA"), 33 U.S.C. § 2706 and subpart G of the NCP. Additionally, the CDFG has natural resource trustee authority pursuant to Fish and Game Code. §§ 711.7 and 1802, and the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (Government Code §§ 8670.1 et seq.). The CSLC has natural resource trustee authority pursuant to Public Resources Code §§ 6201 et seq.
- D. After the Spill, the USFWS, the CDFG, and the CSLC, as Trustees for Natural Resources, (hereinafter, the "Trustees") and the Settling Defendants entered into a Cooperative Natural Resource Damage Assessment Agreement, pursuant to which the Trustees and the Settling Defendants gathered and analyzed data and other information that they used to determine and quantify the resource injuries. They estimated that the Spill had killed 135 Marbled Murrelets, 1,600 Common Murres, 670 other birds, including Loons, Grebes, and Brown Pelicans, 3,282 kilograms of shrimp, and more than 6,000 epipelagic fish. In addition, they estimated that the Spill had oiled, to varying degrees, more than 3,100 acres of shoreline and caused the loss or diminished value of at least 9,600 recreational days of activity. The Trustees published, and invited comment

from the public concerning, a draft Damage Assessment and Restoration Plan. This draft Plan described alternative restoration projects under consideration by the Trustees to restore, replace, or acquire the equivalent of the resources and their services injured by the Spill. The Settling Defendants proposed, and the Trustees invited comment concerning, an alternative project whereby Defendants would acquire a conservation easement interest in approximately 624 acres of certain real property in Del Norte County, California, containing old-growth redwood stands that provide breeding habitat for Marbled Murrelets. Additionally, the Defendants proposed to fund a dedicated account to pay for the costs associated with monitoring and enforcing the terms of the conservation easement and monitoring the occupancy of the property by Marbled Murrelets. This alternative project is designed to compensate in part for, and provide appropriate restoration with respect to, the injuries to Marbled Murrelets.

- E. Following the Spill, the United States filed this action to recover certain unpaid pollution cleanup costs incurred in responding to the Spill, in addition to its statutory attorneys' fees and disbursements recoverable under the Oil Pollution Act of 1990 ("OPA"), 33 U.S.C. §§ 2701 et seq. In addition, the United States' Complaint prayed for, inter alia, entry of a declaratory judgment regarding the defendants' liability for removal costs and damages, as required by Section 1017(f)(2) of OPA, 33 U.S.C. § 2717(f)(2). The Complaint did not assert claims for natural resource damages, but expressly reserved the filing of such claims by amendment or otherwise when they became known to greater certainty as to their extent, nature, and amount.
- F. The Settling Defendants paid in full the pollution cleanup costs that were the subject of the Complaint.
- G. The United States has, concurrently with lodging of this Consent Decree, filed a stipulation of the Parties permitting the amendment of the Complaint to add a claim for natural resource damages under OPA and such an amended Complaint.
- H. In 2003, the State of California filed its own suit, State of California v. Bean Stuyvesant, LLC, et al., in the Superior Court of California, County of Humboldt, Case No. DR030744, against certain of the Defendants, asserting claims for damages, including response costs and natural resource damages arising from the Spill, as well as claims for statutory penalties

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27 28 under the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, Government Code §§ 8670.1 et seq., and various other State statutes; the State of California's action has been dismissed without prejudice.

I. The Parties agree, and the Court, by entering this Consent Decree, finds, that this Consent Decree has been negotiated by the Parties in good faith, that it is intended to avoid certain litigation among the Parties and that it is fair, reasonable, and in the public interest.

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 III, below, and with the consent of the Parties, IT IS HEREBY ADJUDGED, ORDERED AND DECREED as follows:

III. JURISDICTION AND VENUE

This Court has jurisdiction over the subject matter of this action pursuant to, inter 1. alia, 28 U.S.C. §§ 1331, 1345, 1355 & 1367, Sections 1002(a), (b)(1)(A) and (b)(2)(A), 1006, and 1017 (b) of OPA, 33 U.S.C. §§ 2702(a), (b)(1)(A) & (b)(2)(A), 2706, 2717(b), and sections 9(a)(1) and 11(a)(1) of the Endangered Species Act ("ESA"), 16 U.S.C. §§ 1538(a)(1), 1540(a)(1). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b), (c) and 1395(a), 33 U.S.C. §2717(b), and 16 U.S.C. §1540(a)(1), because Settling Defendants do business in, and the Spill occurred in, this judicial district. The Court has personal jurisdiction over Settling Defendants for this particular action, and each Party does not contest the Court's jurisdiction and does not contest the propriety of venue in this judicial district for the purposes of this Decree.

IV. APPLICABILITY

2. The obligations of this Consent Decree apply to and are binding upon the Plaintiffs, and each of them, and upon Settling Defendants, and each of them, and any of Plaintiffs' and/or Settling Defendants' successors, assigns, or other entities or persons otherwise bound by law.

V. <u>DEFINITIONS</u>

3. Terms used in this Consent Decree that are defined in OPA or in regulations promulgated pursuant to OPA shall have the meanings assigned to them in OPA or in such regulations, unless otherwise provided in this Decree. Whenever the terms set forth below are used in this Consent Decree, the following definitions shall apply:

- (a) "Complaint" shall mean the amended civil complaint filed in this action by the Plaintiffs concurrently with the lodging of this Consent Decree.
- (b) "Contract No. DACW07-99-0012" shall mean the contract entered into in or about May 1999 by and between the United States of America, by and through the United States Army Corps of Engineers, with Manson Construction Co./ Bean Stuyvesant, LLC, a Joint Venture, and shall include any and all amendments and modifications to said Contract.
- (c) "Entry of the Consent Decree" or "Entry" shall occur on the date when this Decree, after signing by the Judge, is entered in the civil docket under Rule 79(a) of the Federal Rules of Civil Procedure.
- (d) "Natural Resource" and "Natural Resources" shall mean land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States and/or the State of California, and shall also mean the services provided by such resources to other resources or to humans.
- (e) "Natural Resource Trustees" or "Trustees" shall mean those federal and state agencies or officials designated or authorized pursuant to the U.S. Clean Water Act (Federal Water Pollution Control Act), 33 U.S.C. §§ 1251, et seq. ("CWA"), OPA, and/or applicable state law to act as Trustees for the Natural Resources belonging to, managed by, controlled by, or appertaining to the United States or the State of California. Specifically, as used in this Consent Decree, the Trustees are the USFWS, the CDFG, and the CSLC.
- (f). "Paragraph" shall mean a portion of this Decree identified by an arabic numeral.
- (g) "Removal Costs" and "Damages" shall have the meanings ascribed to them pursuant to Sections 1001(5), 1001(31) and 1002 (b) of OPA, 33 U.S.C. §§ 2701(5), 2701(31) and 2702(b), and Government Code § 8670.56.5.
- (h) "Restore" or "Restoration" shall mean any action or combination of actions to restore, rehabilitate, replace or acquire the equivalent of any Natural Resource or its services injured, lost, or destroyed as a result of the Spill.

- (i) "Section" shall mean a portion of this Decree identified by a roman numeral.
- (j) "Spill" shall mean the occurrence described in Section II, B, above.
- (k) "State" shall mean the State of California, acting by and on behalf of the CDFG, the CSLC, and the RWQCB.
- (l) "State Complaint" shall mean the civil Complaint for Recovery of Damages and Civil Penalties filed by the State of California, *ex rel*. the CDFG, the CSLC, and the RWQCB, on December 31, 2003, in the Superior Court of California, County of Humboldt, Case No. DR030744.
- (m) "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

VI. <u>SETTLEMENT PAYMENTS</u>

- 4. Within thirty (30) business days after Settling Defendants receive notice that this Decree has been lodged with this Court, Settling Defendants shall deposit the amount of two million nine hundred thousand dollars (\$2,900,000.00) into an escrow account bearing interest on commercially reasonable terms, in a federally-chartered bank (hereinafter, the "Escrow Account"). If the Decree is not entered by this Court, and the time for any appeal of that decision has run, or if this Court's denial of Entry is upheld on appeal, the monies placed in escrow, together with accrued interest thereon, shall be returned to Settling Defendants. If the Decree is entered by this Court, Settling Defendants shall, within fifteen (15) days of the date of such Entry, cause the monies in the Escrow Account, and all accrued interest thereon, to be released and disbursed as follows:
- (\$1,975,000.00), together with all the accrued interest on the total amount of the monies deposited in the Escrow Account (as aforesaid \$2.9 million), shall be paid to DOI, on behalf of the Natural Resource Trustees, for the purposes set forth in Subparagraphs (iii) and (iv) below. Such payment shall be made by Electronic Funds Transfer ("EFT") to the U.S. Department of Justice in accordance with instructions that the Financial Litigation Unit of the U.S. Attorney's Office for the Northern District of California shall provide to Settling Defendants following Entry of this Decree

by this Court. Settling Defendants shall send a transmittal letter, indicating that the EFT has occurred, to the Parties in accordance with Section XII of this Decree ("Notices") and to:

Department of the Interior Natural Resource Damage Assessment and Restoration Program Attention: Restoration Fund Manager 1849 "C" Street, N.W., Mail Stop 4449 Washington, D.C. 20240

The EFT and transmittal letter shall reflect that the payment is being made to the "Natural Resources Damage Assessment and Restoration Fund, Account No. 14X5198 – STUYVESANT OIL SPILL." DOI will assign these funds a special project number to allow the funds to be maintained as a segregated account within the Department of Interior Natural Resource Damage Assessment and Restoration Fund, Account No. 14X5198**** (the "STUYVESANT OIL SPILL NRD Account").

- (i) DOI shall, in accordance with law, manage and invest funds in the STUYVESANT OIL SPILL NRD Account and any return on investments or interest accrued on the Account for use by the Natural Resources Trustees in connection with Restoration of Natural Resources affected by the Spill. DOI shall not make any charge against the STUYVESANT NRD Account for any investment or management services provided.
- (ii) DOI shall hold all funds in the STUYVESANT NRD Account, including return on investments or accrued interest, subject to the provisions of this Decree.
- (iii) The Natural Resources Trustees commit to the expenditure of the funds set forth in this Subparagraph (a) for the design, implementation, permitting (as necessary), monitoring, and oversight of Restoration projects and for the costs of complying with the requirements of the law to conduct a restoration planning and implementation process. The Natural Resource Trustees plan to use the funds for restoration, enhancement, and protection of sandy beach and marsh habitat, for projects benefiting bird species injured by the Spill, for projects providing human use benefits, and for oversight of these Restoration projects and the additional

Restoration project benefiting Marbled Murrelets described in Section VII, below (Conservation Easement).

- (iv) The allocation of funds for specific projects will be contained in a Restoration Plan prepared and implemented jointly by the Trustees, for which public notice, opportunity for public input, and consideration of public comment has been provided. The Trustees jointly retain the ultimate authority and responsibility to use the funds in the STUYVESANT NRD Account to Restore Natural Resources in accordance with applicable law, this Consent Decree, and any Memorandum of Understanding (MOU) among them.
- (b) Two hundred fifty four thousand, sixty dollars (\$254,060.00) to DOI, Natural Resource Damage Assessment and Restoration Fund, Account No. 14X5198- STUYVESANT NRD Account, for reimbursement of its Natural Resource Damage Assessment costs associated with the Spill. Payment shall be made by EFT to the U.S. Department of Justice in accordance with instructions that the Financial Litigation Unit of the U.S. Attorney's Office for the Northern District of California shall provide to Settling Defendants following Entry of this Consent Decree by this Court. At the time of payment, Settling Defendants shall simultaneously send written notice of payment and a copy of any transmittal documentation (which shall reference DOJ case number 90-5-1-1-07061) to the Parties in accordance with Section XII of this Decree ("Notices").
- (c) Twenty two thousand, ninety dollars (\$22,090.00) to NOAA for reimbursement of its Natural Resource Damage Assessment costs associated with the Spill. Payment shall be made by EFT to the U.S. Department of Justice in accordance with instructions that the Financial Litigation Unit of the U.S. Attorney's Office for the Northern District of California shall provide to Settling Defendants following Entry of this Consent Decree by this Court. At the time of payment, Settling Defendants shall simultaneously send written notice of payment and a copy of any transmittal documentation (which shall reference DOJ case number 90-5-1-1-07061) to the Parties in accordance with Section XII of this Decree ("Notices").
- (d) Five hundred eighty eight thousand, eight hundred fifty dollars (\$588,850.00) to CDFG for reimbursement of its Natural Resource Damage Assessment costs associated with the

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1	Spill. Payment is to be made by trust check, certified check, or money order payable to the State of				
2	California Department of Fish and Game. The check or money order shall be sent by certified mail				
3	to:				
4	State of California Department of Fish and Game				
5	Office of Spill Prevention and Response Attn: Katherine Verrue-Slater, Staff Counsel				
6	1700 "K" Street, Suite 250 Sacramento, California 95814				
7	The check shall reference the Stuyvesant Oil Spill and reflect that it is a payment to the Oil Spill				
8	Response Trust Fund pursuant to Government Code section 8670.47.5.				
9	(e) Twelve thousand dollars (\$12,000.00) to the CSLC for reimbursement of its				
10	Natural Resource Damage Assessment costs associated with the Spill. Payment is to be made by				
11	trust check, certified check, or money order payable to the California State Lands Commission.				
12	The check or money order shall be sent by certified mail to:				
13	California State Lands Commission				
14	Attn: Mark Meier, Staff Counsel 100 Howe Avenue, Suite 100-South				
15	Sacramento, California 95825				
16	The check shall reference the Stuyvesant Oil Spill.				
17	(f) Forty four thousand dollars (\$44,000.00) to the CDFG to settle Settling				
18	Defendants' civil liabilities associated with the Spill. Payment is to be made by trust check,				
19	certified check, or money order payable to the State of California Department of Fish and Game.				
20	The check or money order shall be sent by certified mail to:				
21	State of California Department of Fish and Game Office of Spill Prevention and Response Attn: Katherine Verrue-Slater, Staff Counsel 1700 "K" Street, Suite 250 Sacramento, California 95814				
22					
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24	The check shall reference the Stuyvesant Oil Spill and reflect that it is a payment to the Fish and				
25	Wildlife Pollution Account. CDFG shall deposit the money as follows: One half into the Oil				
26	Pollution Administration Subaccount and one half into the Oil Pollution Response and Restoration				
27	Subaccount.				
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(g) Four thousand dollars (\$4,000.00) to the RWQCB to settle Settling
Defendants' civil liabilities associated with the Spill. Payment is to be made by trust check,
certified check, or money order payable to the State Water Resources Control Board. The check or
money order shall be sent by certified mail to:

North Coast Regional Water Quality Control Board ATTN: Sheryl Schaffner, Staff Counsel 5550 Skylane Blvd., Suite A Santa Rosa, CA 95403

The check shall reference the Stuyvesant Oil Spill and reflect that it is a payment to the State Water Pollution Cleanup and Abatement Account.

5. Certain of the Settling Defendants previously have paid, via ex parte payments made directly to the National Pollution Funds Center, the principal amount of the response cost invoice that is the subject of the original Complaint, to wit, payments totaling seventy thousand, eight hundred and twelve dollars and thirty cents (\$70,812.30), said total amount pertaining to the June 14, 2004 invoice identified herein as "NPFC, Federal Project Bill No. A99035-002-02-1."

VII. CONSERVATION EASEMENT AND ENDOWMENT

6. Within twenty-one (21) days after Entry of this Decree, Settling Defendants shall deposit the amount of four million four hundred ten thousand dollars (\$4,410,000.00) into an escrow account, with escrow instructions approved by the Plaintiffs, in a federally-chartered bank (hereinafter, the "Miracle Mile Escrow Account"). Thereafter, Settling Defendants shall cause the principal amount in the Miracle Mile Escrow Account (\$4,410,000.00), to be released and disbursed for completion of the purchase, from the property owners, of a conservation easement (hereinafter, the "Easement") in the form and on the terms set forth in Appendix A to this Decree, over those certain parcels of land described therein, consisting of approximately 624 acres and commonly known as the "Miracle Mile Complex." Upon release and disbursal of the principal amount, all accrued earnings on the monies in the Miracle Mile Escrow Account shall be paid to DOI, on behalf of the Natural Resource Trustees, in accordance with the terms and procedures set forth in VI.4.(a) of this Decree. Acquisition of the Easement shall occur by no later than February 28, 2008, and

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7. Within thirty (30) days of Entry of this Decree, Settling Defendants shall pay the sum of three hundred twenty six thousand, twenty dollars (\$326,020.00) to SRL for deposit into the Miracle Mile Fund Account, comprising two separate subaccounts, the CE Administration Fund and the Murrelet Monitoring Fund (each a "Fund Account"), to be held by SRL. The Miracle Mile Fund Account shall be a segregated account within SRL's investment accounts. The monies shall be allocated as follows: \$216,500.00 into the CE Administration Fund and \$109,520.00 into the Murrelet Monitoring Fund. At the time of payment, Settling Defendants shall simultaneously send written notice of payment and a copy of any transmittal documentation (which shall reference DOJ case number 90-5-1-1-07061) to the Parties in accordance with Section XII of this Decree ("Notices"). The CE Administration Fund is to be used exclusively to reimburse SRL for costs incurred to monitor compliance with the terms of the conservation easement established in

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accordance with this Decree and to enforce the conservation easement if necessary. The Murrelet Monitoring Fund is to be used exclusively to reimburse SRL for costs incurred to monitor the presence or absence of Marbled Murrelets in the Miracle Mile Complex. The Miracle Mile Fund Account shall be managed by SRL in accordance with the Memorandum of Understanding between the U.S. Fish and Wildlife Service and the California Department of Fish and Game and Save-the-Redwoods League Regarding Management of a Conservation Easement for the Miracle Mile Complex (SRL-Trustee MOU), which will be executed in the form attached hereto as Appendix B.

VIII. STIPULATED PENALTIES

- 8. If Settling Defendants fail to cause any payment to be made when due as required by Sections VI and VII, above, or to cause the conveyance of the Easement or payment of money to SRL for deposit into the Miracle Mile Fund Account, as required by Section VII, above, Settling Defendants shall pay to the United States and to the State, respectively, a stipulated penalty of \$1,000 per day each, for each day that any such payment is late, that the Easement is not purchased, or that the payment to SRL for deposit into the Miracle Mile Fund Account is late.
- 9. Any stipulated penalties, as described above, owing to the United States shall be paid by EFT in accordance with instructions to be provided by the Financial Litigation Unit of the U.S. Attorney's Office for the Northern District of California, or by certified or cashier's check in the amount due, payable to the "U.S. Department of Justice," referencing DOJ No. 90-5-1-1-07061, and delivered to the office of the United States Attorney, Financial Litigation Unit, Northern District of California, 450 Golden Gate Avenue, San Francisco, California 94102. Payment of stipulated penalties shall be accompanied by transmittal correspondence stating that any such payment is for late payment of amount(s) due under this Decree and shall reference DOJ No. 90-5-1-1-07061 and the case name and number.
- 10. Any stipulated penalties, as described above, owning to the State shall be paid by trust check, certified check, or money order payable to the California Department of Fish and Game. Payment of stipulated penalties shall be accompanied by transmittal correspondence stating that any such payment is for late payment of amount(s) due under this Decree and shall include the

identifying information set forth in Paragraph 4(f), above. The check or money order shall be sent by certified mail to:

State of California Department of Fish and Game Office of Spill Prevention and Response Attn: Katherine Verrue-Slater, Staff Counsel 1700 "K" Street, Suite 250 Sacramento, California 95814

- 11. Settling Defendants shall not deduct any stipulated penalties paid under this Section in calculating their federal or state income taxes.
- 12. If Settling Defendants fail to pay stipulated penalties according to the terms of this Decree, Settling Defendants shall be liable for interest on such penalties, as provided for in 28 U.S.C. § 1961, accruing as of the date payment became due.

IX. <u>DECLARATION OF RESPONSIBILITY OF OPERATOR OF DREDGE STUYVESANT AS RESPONSIBLE PARTY</u>

13. Pursuant to the requirements of Section 1017(f)(2) of OPA, 33 U.S.C. § 2717(f)(2), Bean Dredging LLC, the successor corporation to Bean Dredging Corporation, is a Responsible Party for the Spill within the meaning of OPA. Additionally, Bean Dredging LLC, the successor corporation to Bean Dredging Corporation, is a Responsible Party for the Spill within the meaning of Government Code Section 8670.3(w)(2).

X. EFFECT OF SETTLEMENT

14. Effective upon Settling Defendants' performance of their payment obligations as set forth in Section VI of this Decree and upon their full and satisfactory completion of their other obligations as set forth in Section VII of this Decree, this Decree shall resolve any and all civil claims of Plaintiffs, and any of them, for removal costs, response costs, and for damages for injury to, destruction of, loss of, or loss of use of Natural Resources arising from the Spill, including natural resource damage assessment and restoration monitoring costs associated with the Spill, as provided for by Section 1002(b) of OPA, 33 U.S.C. §2702(b), Government Code § 8670.56.5, Fish and Game Code §§ 12015, 12016, 2014, and Harbors and Navigation Code §151. In addition, this Decree shall resolve Settling Defendants' liability for civil penalties under Sections 9(a)(1) and 11(a) of the ESA, 16 U.S.C. §§ 1538(a)(1), 1540(a), section 311(b)(6) and (b)(7) of the CWA, 33

U.S.C. §1321(b)(6) and (7), as amended by OPA, under Government Code § 8670.66, Fish and Game Code §§ 5650 and 5650.1, and Water Code §§ 13350 and 13385.

- 15. Notwithstanding any other provision of this Decree, the United States and the State reserve the right to institute proceedings against the Settling Defendants in this action or in a new action seeking recovery of Natural Resource Damages: (1) based on injury to, destruction of, or loss of natural resources as a result of the Spill which resulted from conditions that were unknown to the Trustees as of the date when this Decree is lodged with this Court; or (2) based on information received by the Trustees after the date when this Decree is lodged with this Court which indicates that there was injury to, destruction of, or loss of natural resources as a result of the Spill which was of a type or magnitude unknown to the Trustees as of the said date.
- 16. Notwithstanding any other provision of this Decree, and pursuant to the Declaration set forth in Section IX above, the United States reserves the right to institute proceedings against the Settling Defendants in this action or in a new action seeking recovery of removal costs resulting from the Spill based on claims submitted to or filed against the United States after the date when this Decree is lodged with this Court which indicate that there are, or may be, such removal claims and removal costs unknown to the United States as of the date when this Decree is lodged with this Court.
- 17. Subject to the provisions of the immediately following Paragraph of this Decree, Settling Defendants hereby covenant not to sue and agree not to assert any claims or causes of action of any nature against the United States or the State under federal, state, or local law, arising out of or relating to this decree or to the Spill.
- 18. On or about September 6, 2005, the Settling Defendants filed a claim pursuant to Sections 1008 and 1013 of OPA, 33 U.S.C. §§ 2708 and 2713, to recover sums claimed to have been paid by the Settling Defendants arising from or connected with the Spill, said claim based upon the grounds that Settling Defendants are entitled to limit their liability pursuant to Section 1004(a) of OPA, 33 U.S.C. § 2704(a). The Settling Defendants expressly reserve and retain their rights with respect to the above mentioned claim dated September 6, 2005, and their rights, if any, to file additional claims pursuant to Sections 1008 and 1013 of OPA, 33 U.S.C. §§ 2708 and 2713,

nd re-insurers, arising from or

to recover any sums paid by the Settling Defendants arising from or connected with the Spill upon the grounds that Settling Defendants are entitled to limit their liability pursuant to Section 1004(a) of OPA, 33 U.S.C. § 2704(a).

- 19. The United States disputes any and all claims and rights, if any, of the Settling Defendants, or any other persons or entities, to recover from the United States and/or the Oil Spill Liability Trust Fund any sums paid by any of the Settling Defendants, or any other persons or entities acting on their behalf, arising from or connected with the Spill upon any grounds or bases, including, but not limited to, the grounds reserved and retained by the Settling Defendants as set forth in the immediately preceding Paragraph concerning the Settling Defendants' claims that they are entitled to limit their liability pursuant to OPA, 33 U.S.C. §2704(a). The United States' signature on this Decree and its willingness to have this Decree entered by the Court is not an admission by the United States of such disputed claims and rights and, to the contrary, the United States expressly reserves any and all claims, rights, and defenses to such claims that have been or may in the future be asserted by the Settling Defendants.
- 20. Furthermore, with respect to the foregoing claim previously filed by one or more of the Settling Defendants on or about September 6, 2005, said claim referred to in Paragraph 18 above, the United States expressly reserves any and all claims, rights, and defenses to said claim, including, but not limited to, claims and rights based upon the United States' contention, which contention is denied by the Settling Defendants, that the filing of said claim constitutes a tortious and contractual breach of, and tortious interference with, the terms, provisions, amendments, modifications, and releases pertaining to Contract No. DACW07-99-C-0012.
- 21. Notwithstanding any other provision of this Decree, including the provisions and covenants set forth in Section X, Paragraphs 15 and 16 hereof, the United States expressly reserves and retains its rights to take whatever actions or commence any proceedings, including but not limited to, and without limitation, claims, proceedings, administrative proceedings, actions, and causes of action against the Settling Defendants and any other persons, parties or entities, including, but not limited to, any and all of the Settling Defendants' underwriters, insurers, excess insurers, and re-insurers, arising from or relating to the alleged tortious and contractual breaches of, and

alleged tortious interference with, the terms, provisions, amendments, modifications, and releases pertaining to Contract No. DACW07-99-C-0012. With respect to all rights reserved and retained by the United States pursuant to this Paragraph, the United States expressly reserves any and all rights to recover any and all sums from the Settling Defendants, including, but not limited to, and without limitation, any sums that have been or may in the future be asserted, sought, claimed, or recovered by the Settling Defendants pursuant Section X, Paragraph 18 of this Decree, including, but not limited to, claims for payment of removal costs and damages, including natural resource damages.

- 22. The Settling Defendants dispute any and all claims and rights, if any, of the United States, as set forth in the immediately preceding Paragraph, to recover from the Settling Defendants, or any or all of the Settling Defendants' underwriters, insurers, excess insurers, and re-insurers, arising from or related to, the alleged tortious and contractual breaches, and alleged tortious interference with, the terms, provisions, amendments, modifications, and releases pertaining to Contract No. DACW07-99-C-0012. The Settling Defendants' signature on this Decree and their willingness to have this Decree entered by the Court is not an admission by the Settling Defendants, or any or all of the Settling Defendants' underwriters, insurers, excess insurers, and re-insurers, or any of them, of such disputed claims and rights and, to the contrary, the Settling Defendants expressly reserve any and all claims, rights, and defenses to such claims that are or may be asserted by the United States.
- 23. With respect to the rights reserved and retained by the United States pursuant to Paragraphs 19-21 above, the United States shall not commence any such claim, proceeding, administrative proceeding, action, or cause of action referred to therein until the expiration of one hundred and twenty (120) days after the Conclusion, as defined below, of any claim filed by any Settling Defendant, their underwriters, insurers, excess insurers, or re-insurers, pursuant to the claim as described and reserved in Paragraph 18 above. For purposes of this Decree, the Conclusion of such claim as described and reserved in Paragraph 18 above shall be upon the happening of any of the following events:
 - (a) The voluntary or involuntary dismissal of such claim;

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- (b) If applicable, the entry of a final, non-appealable administrative order or, if applicable, judicial order or judgment fully and finally disposing of such claim;
- The payment by the Oil Spill Liability Trust Fund to the Settling Defendants or any (c) other entity or person with respect to or in settlement of the claim as described and reserved in Paragraph 18 above.

Within ten (10) days of the Conclusion of such claim as aforesaid, the Settling Defendants shall provide written notice to the United States of the Conclusion of such claim, such written notice to be provided to the United States in accordance with the provisions of Paragraph 28 below.

- 24. While any such claim filed by any Settling Defendant, their underwriters, insurers, excess insurers, or re-insurers pursuant to the provisions of Paragraph 18 above is pending, any claims, proceedings, administrative proceedings, actions, or causes of action reserved and retained by the United States pursuant to Paragraphs 19-21 above shall be, and the same hereby are, tolled with respect to any applicable statutes of limitation, if any, that may apply. By agreeing to the provisions of this Paragraph herein, the United States does not concede that any statutes of limitation are relevant or applicable.
- 25. This Decree does not limit or affect the rights of Settling Defendants or of the Plaintiffs against any third parties, not party to this Decree, nor does it limit the rights of third parties, not party to this Decree, against Settling Defendants, except as otherwise provided by law.
- This Decree shall not be construed to create rights in, or grant any cause of action to, 26. any third party not party to this Decree.

XI. COSTS

27. Plaintiffs shall be entitled to collect the costs (including reasonable attorneys' fees) incurred in any action necessary to collect any portion of the amounts due under Sections VI, VII, and Paragraph 16 of Section X, above, or any stipulated penalties due but not paid under Section VIII, above.

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1	1 To the State:					
2	Ainta Kuud					
3	³ 455 Golden Gate Avenue, Suite 11000	Deputy Attorney General 455 Golden Gate Avenue, Suite 11000				
4	4	San Francisco, California 94102-3664				
5		To CDFG:				
6	Starr Counsel III					
7	Staff Counsel III					
8	Office of Spill Prevention and Response	Department of Fish and Game Office of Spill Prevention and Response				
9	9 1700 "K" Street, Suite 250 Sacramento, California 95814	1700 "K" Street, Suite 250				
10	10 Settling Defendants:					
11	Eugene J. O'Connor	•				
12	366 Main Street					
13	· 1					
14	17 I State To Table 1					
15	Holland & Knight					
16	San Francisco, California 94111					
17 18	10					
19	Any Party may, by written notice to the other Part	ies, change its designated notice				
20	recipient or notice address provided above.					
21	Notices submitted pursuant to this Section shall be	,				
22	22	_				
23	AIII. EFFECTIVE DATE					
24	31. The Effective Date of this Decree shall be the date	e of the Entry of this Decree by the				
25	Court.	(CELON				
	AIV. RETENTION OF JURISDI					
27	32. The Court shall retain jurisdiction over this case t					
28	the purpose of effectuating or enforcing compliance with the ten	ns of this Decree.				

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XV. MODIFICATION

33. The terms of this Decree may be modified only by a subsequent written agreement signed by all the Parties. Where the modification constitutes a material change to any term of this Decree, it shall be effective only upon approval by the Court.

XVI. TERMINATION

34. This Decree shall be terminated when the Plaintiffs determine that Settling Defendants have satisfactorily completed performance of their obligations required by this Decree, including payment of the amounts required under Sections VI and VII, and any outstanding stipulated penalties under Section VIII and performance of all obligations under Section VII. Upon such termination, the Parties shall file with the Court an appropriate stipulation reciting that the requirements of the Decree have been met.

XVII. PUBLIC PARTICIPATION

35. This Decree shall be lodged with this Court for a period of not less than thirty (30) days to allow the opportunity for public notice and comment. The Plaintiffs reserve the right to withdraw from or withhold their consent to this Decree if the comments from the public regarding the Decree disclose facts or considerations indicating that the Decree is inappropriate, improper, or inadequate. Settling Defendants consent to Entry of this Decree without further notice.

XVIII. SIGNATORIES/ SERVICE

- 36. Each undersigned representative of Settling Defendants, the CDFG, the CSLC, and the RWQCB, together with the Assistant Attorneys General for the Civil and the Environment and Natural Resources Divisions of the Department of Justice, certifies that he or she is fully authorized to enter into the terms and conditions of this Decree and to execute and legally bind the Party or Parties he or she represents to this document.
- 37. This Decree may be signed in counterparts, and its validity shall not be challenged on that basis.
- 38. Settling Defendants agree not to oppose the Entry of this Decree by the Court or to challenge any provision of the Decree, unless the consent of Plaintiffs, or any of them, has been withdrawn or withheld under the circumstances set forth in Paragraph 35 above, or Plaintiffs, or any

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this Court or any other court of competent jurisdiction to enforce any of the terms of this Decree or any other matter arising under or relating to this Decree, then, with respect to such action and only with respect to such action, Settling Defendants agree to accept service of process by mail of such

Should Plaintiffs or any of them, after Entry of this Decree, commence an action in

of them have notified Settling Defendants in writing that such Plaintiff no longer supports or agrees

action 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.

to the Entry of this Decree.

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XIX. <u>INTEGRATION</u>

40. This Decree, together with its Appendices, constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in the Decree and supersedes all prior agreements and understandings, whether oral or written, concerning the settlement embodied herein. Other than the Appendices, which are attached to and incorporated into this Decree, no other document, nor any representation, inducement, agreement, understanding, or promise, constitutes any part of this Decree or the settlement it represents, nor shall it be used in construing the terms of this Decree.

XX. FINAL JUDGMENT

41. Upon approval and Entry of this Decree by the Court, this Decree shall constitute a final judgment of the Court, in accordance with Rules 54 and 58 of the Federal Rules of Civil Procedure, as among the Parties.

XXI. APPENDICES

- 42. The following appendices are attached to and incorporated into this Decree:
 - "Appendix A" is the draft Conservation Easement; and
 - "Appendix B" is the draft SRL-Trustee MOU.

- 24 -

United States, et al. v. Bean Stuyvesant, LLC, et al.

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Document 51

С	se 3:03-cv-05694-CRB Document 51 Filed 09/29/2006 Page 26 of 29			
1 2 3	We hereby consent to the Entry of the foregoing Consent Decree, subject to the Notice and Comment provisions of Section XVII of this Decree: FOR THE STATE OF CALIFORNIA DEPARTMENT OF FISH AND GAME:			
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5	DATED: 6/8/06 Sise Tilly			
6	LISA CURTIS Acting Administrator			
7	Office of Spill Prevention and Response California Department of Fish and Game			
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Ca	se 3:03-cv-05694-CRB Document 51 Filed 09/29/2006 Page 27 of 29
	We hereby consent to the Entry of the foregoing Consent Decree, subject to the Notice and
1	Comment provisions of Section XVII of this Decree:
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5	DATED: 6/26/06 Catruire Kullmon
6	CATHERINE KUHLMAN Executive Officer
7	California Regional Water Quality Board North Coast Region
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	1/2/1	Da	A Dett	
5	DATED: 6/27/06	TOO	WUM	yes
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7		Californ	nia State Lands Comm	ission
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Ca	se 3:03-cv-05694-CRB	Document 51	Filed 09/29/2006	Page 29 of 29
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1	We hereby consent to Entr	v of the foregoing	Consent Decree:	
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3	FOR SETTLING DEFEN	DANTS:	·	
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5	DATED: July 10	,2006	Luene fr	· OCurve
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