

**VOLUNTARY CLEANUP CONTRACT
12- 6005 -RP**

**IN THE MATTER OF
HALOCARBON SITE, AIKEN COUNTY,
and
HALOCARBON PRODUCTS CORPORATION**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and Halocarbon Products Corporation, pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. §§ 44-56-710 to 760, as amended, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601 to 9675, as amended, and the South Carolina Hazardous Waste Management Act (HWMA), S.C. Code Ann. §§ 44-56-10 to 850, as amended, with respect to the facility known as the Halocarbon Site ("Site"). The Halocarbon Products Corporation property is located at 1100 Dittman Court, North Augusta, South Carolina ("Property"). The Property includes approximately 101.24 acres and is bounded generally by I-520 to the East and North and by TTX Trailer Train to the West and the CSX Railroad to the South. The Property is identified by County of Aiken as Tax Map Serial Number 014-00-03-001; 014-00-03-002; 014,00-03-003; 013-18-01-003; and 013-19-01-002; and a legal description of the Property is attached to this Contract as Appendix A.

DEFINITIONS

1. Unless otherwise expressly provided, terms used in this Contract shall have the meaning assigned to them in CERCLA, the HWMA, and in regulations promulgated under the foregoing statutes, or the Brownfields/Voluntary Cleanup Program.

- A. "Halocarbon" shall mean Halocarbon Products Corporation. Halocarbon is authorized to do business in South Carolina with its principal place of business located at 1100 Dittman Court, North Augusta, South Carolina.
- B. "Contamination" shall mean impact by a Contaminant or Hazardous Substance.

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- C. "Contract" shall mean this Responsible Party Voluntary Cleanup Contract.
- D. "Department" shall mean the South Carolina Department of Health and Environmental Control or a successor agency of the State of South Carolina that has responsibility for and jurisdiction over the subject matter of this Contract.
- E. "Hazardous Substance" shall have the same meaning as defined under subparagraphs (A) through (F) of Paragraph (14) of CERCLA, Section 101, 42 U.S.C. Section 9601(14).
- F. "Pollutant" or "Contaminant" includes, but is not limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction, or physical deformations, in organisms or their offspring; "Contaminant" does not include petroleum, including crude oil or any fraction of crude oil, which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (i) through (vi) of Paragraph (D) of CERCLA § 101, 42 U.S.C. §§ 9601, as amended, and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline quality or mixtures of natural gas and such synthetic gas.
- G. "Property," as described in the legal description attached as Appendix A, shall mean that portion of the Site, which is subject to ownership, prospective ownership, or possessory or contractual interest of Halocarbon.
- H. "Response Action" shall mean any assessment, cleanup, inspection, or closure of a Site as necessary to remedy actual or potential damage to public health, public welfare, or the environment.

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- I. "The Site" shall mean the Property and all areas where a Contaminant has been released, deposited, stored, disposed of, or placed, or otherwise comes to be located; "Site" does not include any consumer product in consumer use or any vessel, as defined in CERCLA.
- J. "Voluntary Cleanup" shall mean a Response Action taken under and in compliance with the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. §§ 44-56-710 to 760, as amended.
- K. "Work Plan" shall mean the plan for additional Response Actions to be conducted at the Site as described in Paragraph 3 of this Contract.

FINDINGS

2. Based on the information known by or provided to the Department, the following findings are asserted for purposes of this Contract:

- A. The Property consists of approximately 101.24 acres, approximately 20 of which are fenced and developed.
- B. The Property has been owned by Halocarbon since the early 1980s. Prior to that time, it was vacant land.
- C. The Buildings on the Property are all less than 30 years old.
- D. The Site includes a number of tank farm areas, hazardous substance storage pads, cylinder storage areas, hazardous waste staging area, a flammable storage area, an iso-container storage area, gas storage facilities for oxygen, nitrogen and hydrogen; a PH adjustment pit; a process building, a warehouse building, a utility building, a cooling tower, an engineering/research building and a semi-works plant.
- E. Halocarbon voluntarily implemented a groundwater-monitoring program at the Site in 1989. Contaminants of concern include chloride, fluoride, nitrate, sulfate, chromium, lead, and phosphorus. Since the second semi-annual sampling event in 2004, concentrations of trichloroethylene (TCE) have been detected in groundwater

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- monitoring wells MW-3 and MW-5 at concentrations in excess of 5 micrograms per liter. Since that time, Halocarbon has sampled for volatile organic compounds, including 1,1-dichloromethane, carbon tetrachloride, chloroform, TCE, cis-1, 2 dichloroethene (cis-DCE), carbon disulfide, toluene, chloromethane, 1, 2,-trichloroethane and acetone.
- F. A drainage sump was identified as the most likely release point for the TCE. Soil sampling in the vicinity of the sump indicated contamination by TCE in one boring at levels in excess of the EPA Region 9 Dilution Attenuation Factor, but below EPA Region 9's Preliminary Remediation Goals for Industrial Soils.
 - G. In April 2007, an additional soil and groundwater investigation, including six borings yielding six soil samples and five groundwater samples were conducted. TCE and cis-DCE were detected in one soil boring and its companion groundwater sample.
 - H. The findings and recommendations were submitted to the Department. The Department requested an additional assessment and approved a Work Plan for Additional Soil and Groundwater Assessment on August 26, 2008.
 - I. Impacted soils in the vicinity of the sump and an associated pipeline were excavated on July 7, 2010.
 - J. Halocarbon now samples groundwater on a quarterly basis. The most recent round of groundwater testing was performed in November, 2012.
 - K. The Department invited Halocarbon to enter the DHEC's Voluntary Cleanup Program (VCP) in order to reach a CERCLA-quality cleanup at the Site and, on September 24, 2012, Halocarbon voluntarily agreed to enter the VCP.
 - L. Halocarbon agrees to provide the necessary information and/or additional investigation if so requested by DHEC in order to obtain a CERCLA-quality response action.

RESPONSE ACTIONS

3. Halocarbon agrees to submit to the Department for review and written approval within forty-five (45) days of the execution date of this Contract a Work Plan for the Site that is consistent with the technical intent of the National Contingency Plan. The Work Plan shall be implemented upon written approval from the Department. The Work Plan shall include the names, addresses, and telephone numbers of the consulting firm, the analytical laboratory certified by the Department, and Halocarbon's contact person for matters relating to this Contract. Halocarbon will notify the Department in writing of changes in the contractor or laboratory. The Department will review the Work Plan and will notify Halocarbon in writing of any deficiencies in the Work Plan, and Halocarbon will respond in writing within thirty (30) days to the Department's comments. The Work Plan and all associated reports shall be prepared in accordance with industry standards and endorsed by a Professional Engineer (P.E.) and/or Professional Geologist (P.G.) duly-licensed in South Carolina and shall set forth methods and schedules for accomplishing the following tasks:

- A. Conduct a Remedial Investigation (RI) to determine the source, nature, and extent of Contamination at the Site.
- B. Submit to the Department an RI Report (to include a Baseline Risk Assessment or other evaluation of risk to human health and the environment) in accordance with the schedule in the approved RI Work Plan. The Department shall review the report for determination of completeness of the RI and sufficiency of the documentation. If the Department determines that the field investigation is not complete, it will send written notification of such to Halocarbon, and Halocarbon shall subsequently conduct additional field investigation to further determine the source, nature, and extent of Contamination. If the Department determines that the field investigation is complete but the report is incomplete, the Department shall send to Halocarbon a letter indicating that revision of the report is necessary. Within sixty (60) days of receipt of such letter from the Department, Halocarbon shall

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submit a revised report addressing the Department's comments.

- C. If determined necessary by the Department, conduct a Feasibility Study to evaluate remedial alternatives for addressing Contamination at the Site.

4. Halocarbon shall prepare and submit under separate cover from the Work Plan, a Health and Safety Plan that is consistent with Occupational Safety and Health Administration regulations. The Health and Safety Plan is submitted for information purposes only to the Department. The Department expressly disclaims any liability that may result from implementation of the Health and Safety Plan by Halocarbon.

5. Halocarbon shall inform the Department in writing at least five (5) working days in advance of all field activities pursuant to this Contract and, if deemed necessary by the Department, shall allow the Department and its authorized representatives to take duplicates of any samples collected by Halocarbon pursuant to this Contract.

6. Within sixty (60) days of the execution date of this Contract and quarterly thereafter, Halocarbon shall submit to the Department a written progress report that must include the following: (A) actions taken under this Contract during the previous reporting period; (B) actions scheduled to be taken in the next reporting period; (C) sampling, test results, and any other data, in summary form, generated during the previous reporting period, whether generated pursuant to this Contract or not; and (D) a description of any environmental problems experienced during the previous reporting period and the actions taken to resolve them.

7. All correspondence which may or are required or permitted to be given by either party to the other hereunder shall be in writing and deemed sufficiently given if delivered by (A) regular U.S. mail, (B) certified or registered mail, postage prepaid, return receipt requested, or (C) nationally recognized overnight delivery service company, or (D) by hand delivery to the other party at the address shown below or at such place or to such agent as the parties may from time to time designate in writing.

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Unless otherwise directed in writing by either party, all correspondence, work plans, and reports should be submitted to:

The Department: Lori Landmeyer
South Carolina Department Health & Environmental Control
Bureau of Land and Waste Management
2600 Bull Street
Columbia, South Carolina 29201
landmedc@dhec.sc.gov

Halocarbon Halocarbon Products Inc.
Attention: Ken McDowell
P.O. Box 6369
North Augusta, SC 29841

All final work plans and reports shall include two (2) paper copies and one (1) electronic copy on compact disk.

PUBLIC PARTICIPATION

8. Upon execution of this Contract, the Department will seek public participation in accordance with S.C. Code Ann. § 44-56-740(D), and not inconsistent with the National Contingency Plan. Halocarbon will pay costs of response associated with public participation (e.g., publication of public notice(s), building and equipment rental(s) for public meetings, etc.).

COSTS OF RESPONSE

9. In accordance with S.C. Code Ann. §§ 44-56-200 and 44-56-740, Halocarbon shall, on a quarterly basis, reimburse the Department for Oversight Costs of activities required under this Contract. Oversight Costs include, but are not limited to, the direct and indirect costs of negotiating the terms of this Contract, reviewing Work Plans and reports, supervising corresponding work and activities and costs associated with public participation. Payments will be due within thirty (30) days of the Department's invoice date. The Department shall provide documentation of its Oversight Costs in sufficient detail so as to show the personnel involved, amount of time spent on the project for each person, expenses, and other specific costs. Invoices shall be submitted to:

Halocarbon: Halocarbon Products Inc.
 Attention: Ken McDowell
 1100 Dittman Court
 North Augusta, SC 29841

All of Halocarbon's payments should reference the Contract number on page 1 of this Contract and be made payable to:

The South Carolina Department of Health & Environmental Control

If complete payment of the past costs of response or of the quarterly billing of Oversight Costs is not received by the Department by the due date, the Department may bring an action to recover the amount owed and all costs incurred by the Department in bringing the action including, but not limited to, attorney's fees, Department personnel costs, witness costs, court costs, and deposition costs.

ACCESS

10. The Department, its authorized officers, employees, representatives, and all other persons performing Response Actions will not be denied access to the Site during normal business hours or at any time work under this Contract is being performed or during any environmental emergency or imminent threat situation, as determined by the Department (or as allowed by applicable law). All of the Department's costs associated with access and said Response Actions will be reimbursed by Halocarbon. Halocarbon and subsequent owners of the Property shall ensure that a copy of this Contract is provided to any lessee or successor or other transferee of the Property, and to any owner of other property that is included in the Site. If Halocarbon is unable to obtain access from the Property owner, the Department may obtain access and perform response activities.

RESTRICTIVE COVENANT

11. If hazardous substances in excess of residential standards exist at the Property after Halocarbon have completed the actions required under this Contract, Halocarbon shall enter and file a restrictive covenant. Upon the Department's approval of the items outlined therein, the restrictive covenant shall be signed by the Department and

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representatives of Halocarbon and, if the Property is not owned by the Halocarbon, the current owner of the Property, and witnessed, signed, and sealed by a notary public. Halocarbon shall file this restrictive covenant with the Register of Mesne Conveyance or Deeds in the county in which the Property is located. The signed covenant shall be incorporated into this Contract as an Appendix. A Certificate of Completion shall not be issued by the Department until the Restrictive Covenant, if required, is executed and recorded. With the approval of the Department, the restrictive covenant may be modified in the future if additional remedial activities are carried out which meet appropriate clean-up standards at that time or circumstances change such that the restrictive covenant would no longer be applicable. The Department may require Halocarbon or subsequent owners of the Property to modify the restrictive covenant if a significant change in law or circumstances requiring remediation occurs. Halocarbon or subsequent owners of the Property shall file an annual report with the Department by May 31st of each year detailing the current land uses and compliance with the restrictive covenants for as long as the restrictive covenant remains in effect on the Property. The report must be submitted in a manner prescribed by the Department.

OBLIGATIONS AND BENEFITS

12. Subject to Paragraph 15, nothing in this Contract is intended to be, or shall be construed as, a release or covenant not to sue for any claim or cause of action, past or future, that the Department may have against any person, firm, or corporation not a signatory of this Contract or a signatory's parent, successor, assign, or subsidiary.

13. Subject to Paragraph 15, nothing in this Contract is intended to limit the right of the Department to undertake future Response Actions at the Site or to seek to compel parties to perform or pay for costs of Response Actions at the Site. Nothing in this Contract shall in any way restrict or limit the nature or scope of Response Actions that may be taken or be required by the Department in exercising its authority under State and Federal law.

14. Subject to the provisions of Paragraph 15, nothing in this Contract is intended to be or shall be construed as a release or covenant not to sue for any claim or cause of action

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that the Department may have against Halocarbon for any matters not expressly included in this Contract.

15. Upon successful completion of the terms of this Contract and the approved Work Plan as referenced in Paragraph 3 above, Halocarbon shall submit to the Department a written notice of completion.

Once the Department determines that Halocarbon has successfully and completely complied with this Contract, the Department, pursuant to S.C. Code Ann. § 44-56-740(A)(5) and (B)(1), shall issue Halocarbon a Certificate of Completion that provides a covenant not to sue to Halocarbon, its signatories, parents, successors, and subsidiaries, for the work done in completing the Response Actions specifically covered in the Contract and completed in accordance with the approved work plans and reports. The covenant not to sue is contingent upon the Department's determination that the responsible party successfully and completely complied with the Contract.

In consideration of the Department's covenant not to sue, Halocarbon its signatories, parents, successors, assigns, and subsidiaries agree not to assert any claims or causes of action against the Department arising out of activities undertaken at the Site or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Site, except for those claims or causes of action resulting from the Department's intentional or grossly negligent acts or omissions.

16. Halocarbon and the Department each reserve the right to unilaterally terminate this Contract. Termination may be accomplished by giving a thirty-(30)-day advance written notice of the election to terminate this Contract to the other party. Should Halocarbon or subsequent owners of the Site elect to terminate, it must submit to the Department all data generated pursuant to this Contract, and certify to the Department's satisfaction that any environmental or physical hazard shall be stabilized and/or mitigated such that the Site does not pose a hazard to human health or the environment that did not exist prior to any initial Response Action addressing Contamination identified in this Contract.

17. The Department may terminate this Contract only for cause, which may include but is not limited to, the following:

- A. Events or circumstances at the Site that are inconsistent with the terms and conditions of this Contract;
- B. Failure to complete the terms of this Contract or the Work Plan;
- C. Failure to submit timely payments for Past Costs and/or for Oversight Costs as defined in Paragraph 9 above;
- D. Additional Contamination or releases or consequences at the Site caused by Halocarbon its parents, successors, assigns, and subsidiaries;
- E. Providing the Department with false or incomplete information or knowingly failing to disclose material information;
- F. Change in Halocarbon's or its parents, successors, assigns, and subsidiaries business activities on the Property or use of the Property that are inconsistent with the terms and conditions of this Contract; or
- G. Failure by Halocarbon to obtain the applicable permits from the Department for any Response Actions or other activities undertaken at the Property.

18. Upon termination of the Contract, the covenant not to sue will be null and void. Termination of this Contract by Halocarbon or the Department does not end the obligations of Halocarbon to pay Oversight Costs already incurred by the Department and payment of such costs shall become immediately due.

19. By entering into this Contract, Halocarbon does not admit liability for any Contamination or Response Action at the Site or the Property.

20. The signatories below hereby represent that they are authorized to and enter into this Contract on behalf of their respective parties.

