

**VOLUNTARY CLEANUP CONTRACT
22-7489-RP**

**IN THE MATTER OF
ELLIOTT SAWMILLING SITE, HAMPTON COUNTY
and
ELLIOTT SAWMILLING COMPANY, LLC**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and Elliott Sawmilling Company, LLC, pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. §§ 44-56-710 through 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. § 44-56-200, with respect to the facility known as the Elliott Sawmilling Site ("Site"). The Elliott Sawmilling Company, LLC property is located at 4426 Steep Bottom Road, Estill, South Carolina ("Property"). The Property includes approximately 91.28 acres and is bounded generally by a railroad right-of-way and the Columbia Highway (U.S. Route 321) to the east, Steep Bottom Road to the south, and wooded land to the west and north. The Property is identified by the County of Hampton as Tax Map Serial Numbers 050-00-00-015, 051-00-00-006, 051-00-00-057, 069-00-00-096, 051-00-00-009, 051-00-00-026, and 051-00-00-002. 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 pursuant to the Brownfields/Voluntary Cleanup Program, and if not set forth therein, shall have the meaning assigned to them pursuant to CERCLA, the HWMA, and in regulations promulgated under these statutes.

- A. "Elliott" shall mean Elliott Sawmilling Company, LLC. Elliott is a Limited Liability Company with its principal place of business located at 101 Dauphin Street, Suite 600, Mobile, Alabama 36602.
- B. "Contamination" shall mean impact by a Pollutant or Contaminant,

Petroleum and Petroleum Product, or Hazardous Substance.

- 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 § 101, 42 U.S.C. § 9601(14).
- F. "Petroleum" and "Petroleum Product" shall mean crude oil or any fraction of crude oil, which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds for each square inch absolute), including any liquid, which consists of a blend of petroleum and alcohol and which is intended for use as a motor fuel.
- G. "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 (A) through (F) of paragraph (14) of CERCLA § 101, 42 U.S.C. §§ 9601, et seq. and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline quality or mixtures of natural gas and such synthetic gas.

- H. "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 Elliott.
- I. "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.
- J. "Site" shall mean all areas where a Hazardous Substance, Petroleum, Petroleum Product, Pollutant or 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.
- K. "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.
- L. "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 consisted of undeveloped wooded land and agricultural land from at least 1958 until the early 1960s. Elliott Sawmilling Company, LLC, and its predecessors, Elliott Sawmilling Co., Inc. and Three E Land Company, Inc. began operating a sawmill and related operations on portions of the Property in the early 1960s.
 - B. Currently, a portion of the Property houses a sawmill and related operations, and another portion of the Property is used by the sawmill to support its operations. The sawmill portion of the Property includes approximately 64.35 acres. The portion of the Property that

supports the sawmill includes approximately 26.93 acres and is located across Steep Bottom Road from the sawmill.

- C. Elliott operates as a large cut sawmill. Operations consist of: receiving yellow pine logs, staging the logs, loading the logs into a debarking machine, cutting the logs into specified sizes to prepare for the planing mill, sorting the cut lumber into stacks, heat treating the lumber in one of four kilns, and storing the lumber in various pole barns or a warehouse to be shipped to customers.

RESPONSE ACTIONS

3. Elliott agrees to submit to the Department for review and written approval by a mutually agreed upon date a Remedial Investigation (RI) Work Plan for the Site that is consistent with the technical intent of the National Contingency Plan. The RI Work Plan shall be implemented upon written approval from the Department. The RI Work Plan shall include the names, addresses, and telephone numbers of the consulting firm, the analytical laboratory certified by the Department, and Elliott's contact person for matters relating to this Contract. Elliott will notify the Department in writing of changes in the contractor or laboratory. The Department will review the Work Plan and will notify Elliott in writing of any deficiencies in the Work Plan, and Elliott will respond in writing to the Department's comments within thirty (30) days. 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. Complete a Remedial Investigation (RI) to determine the source, nature, and extent of Contamination at the Site. The RI Work Plan should take into account work conducted and presented in the Limited Phase II ESA Report. The RI Work Plan should provide a framework for eliminating data gaps and delineating possible source areas 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 completion 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 Elliott, and Elliott 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 Elliott a letter indicating that revision of the report is necessary. Within thirty (30) days of receipt of such letter from the Department, Elliott shall submit a revised report addressing the Department's comments.
- C. If determined necessary by the Department, conduct a Feasibility Study or other evaluation of remedial and/or removal alternatives for addressing Contamination at the Site.
4. Elliott 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 to the Department for information purposes only. The Department expressly disclaims any liability that may result from implementation of the Health and Safety Plan by Elliott.
5. Elliott 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 Elliott pursuant to this Contract.

6. Within sixty (60) days of the execution date of this Contract and semi-annually thereafter, Elliott 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 by either party to the other shall be in writing and deemed sufficiently given if delivered by (A) email, (B) regular U.S. mail, (C) certified or registered mail, postage prepaid, return receipt requested, (D) nationally recognized overnight delivery service company, or (E) 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.

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

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

Elliott Sawmilling Company, LLC: Phil Witter
Environmental Manager, US Operations
Elliott Sawmilling Company, LLC
c/o Canfor Southern Pine, Inc.
101 Dauphin Street, Suite 600
Mobile AL 36602

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 by Elliott, 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. Elliott will reimburse the Department's costs associated with public participation (e.g., publication of public notice(s), building and equipment rental(s) for public meetings, etc.).

RESPONSE COSTS

9. In accordance with S.C. Code Ann. §§ 44-56-200 and 44-56-740, Elliott 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:

Elliott Sawmilling Company, LLC:

Phil Witter
Environmental Manager, US Operations
Elliott Sawmilling Company, LLC
c/o Canfor Southern Pine, Inc.
101 Dauphin Street, Suite 600
Mobile AL 36602

All of Elliott'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 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). Elliott 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 Elliott is unable to obtain access from the Property owner, the Department may obtain access and perform Response Actions. All the Department's costs associated with access and said Response Actions will be reimbursed by Elliott.

RESTRICTIVE COVENANT

11. If hazardous substances in excess of residential standards exist at the Property after Elliott has completed the actions required under this Contract, Elliott 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 representatives of Elliott and witnessed, signed, and sealed by a notary public. Elliott shall record this restrictive covenant with the Register of Deeds in Hampton County. 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 Elliott or subsequent owners of the Property to modify the restrictive covenant if a significant change in law or

circumstances requiring remediation occurs. Elliott 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. Upon execution of this Contract by the Department, Elliott, its signatories, parents, subsidiaries, successors, and assigns shall be deemed to have resolved their liability to the State in an administrative settlement for purposes of, and to the extent authorized under 42 U.S.C. § 9613(f)(2), S.C. Code Ann. § 44-56-200, for the matters addressed in this Contract. "Matters addressed" are all Response Actions taken or to be taken at or in connection with this Site under this Contract and any subsequent amendments to this Contract, and all response costs incurred or to be incurred under this Contract and any subsequent amendments to this Contract. Further, by resolving its liability to the State for some or all of a Response Action in this administrative settlement, Elliott may seek contribution to the extent authorized under 42 U.S.C. § 9613(f)(3)(B), S.C. Code Ann. § 44-56-200 from any person who is not a party to this administrative settlement. A thirty (30) day comment period shall be required prior to the Department's execution of this Contract, and shall commence upon publication of the notice of this proposed Contract in the *South Carolina State Register*.

13. 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 a responsible party who is not a signatory to this Contract and who is not a signatory's parent, subsidiary, successor, or assign.

14. Subject to the provisions of Paragraph 16, 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.

15. Subject to the provisions of Paragraph 16, 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 that the Department may have against Elliott for any matters not expressly addressed by and settled through this Contract.

16. Upon successful completion of the terms of this Contract, Elliott shall submit to the Department a request for a Certificate of Completion.

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

In consideration of the Department's covenant not to sue, Elliott, its signatories, parents, subsidiaries, successors and assigns 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.

17. Elliott 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 Elliott 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.

18. 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 Oversight Costs as defined in Paragraph 9 above;
- D. Additional Contamination or releases or consequences at the Site caused by Elliott, its parents, subsidiaries, successors, and assigns;
- E. Providing the Department with false or incomplete information or knowingly failing to disclose material information;
- F. Change in Elliott's or its parents', subsidiaries', successors', and assigns', business activities on the Property or uses of the Property that are inconsistent with the terms and conditions of this Contract;
or
- G. Failure by Elliott to obtain the applicable permits from the Department for any Response Action or other activities undertaken at the Property.

19. Upon termination of this Contract under Paragraph 17 or 18, the covenant not to sue and administrative settlement for purposes of contribution protection shall be null and void. Termination of this Contract by Elliott or the Department does not end the obligations to reimburse Oversight Costs already incurred by the Department and payment of such costs shall become immediately due.

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

SIGNATURE E. Vincent

THE SOUTH CAROLINA DEPARTMENT OF HEALTH
AND ENVIRONMENTAL CONTROL

BY: [Signature] DATE: 6-30-2022
Henry J. Porter, Chief
Bureau of Land and Waste Management
S.C. Department of Health & Environmental Control

[Signature] DATE: 6/30/22
Reviewed by Office of General Counsel

ELLIOTT SAWMILLING COMPANY, LLC

[Signature] DATE: 4.7.22
Signature

Tony Shaffield, President
Printed Name and Title

APPENDIX A

Legal Description of the Property

County of Hampton

Tax Map Serial Numbers 050-00-00-015, 051-00-00-006, 051-00-00-057, 069-00-00-096, 051-00-00-009, 051-00-00-026, 051-00-00-002

All that certain piece, parcel or tract of land situated, lying and being in the State of South Carolina, County of Hampton, South of the Town of Estill, and being shown and designated as "PARCEL I" on that certain plat of survey prepared by TGS Land Surveying, Thomas G. Stanley, Jr., PLS #18269 dated March 5, 2019 entitled "THIS PLAT PREPARED AT THE REQUEST OF ELLIOTT SAWMILLING CO., LLC" and recorded in the Office of the Register of Deeds for Hampton County, South Carolina in Plat Book 182, at Page 5, and having such metes and bounds, courses and distances, buttings and boundings as appear by reference to said plat, which is incorporated herein by reference thereto.

All that certain piece, parcel or tract of land situated, lying and being in the State of South Carolina, County of Hampton, South of the Town of Estill, and being shown and designated as "PARCEL II" on that certain plat of survey prepared by TGS Land Surveying, Thomas G. Stanley, Jr., PLS #18269 dated March 5, 2019 entitled "THIS PLAT PREPARED AT THE REQUEST OF ELLIOTT SAWMILLING CO., LLC" and recorded in the Office of the Register of Deeds for Hampton County, South Carolina in Plat Book 182, at Page 5, and having such metes and bounds, courses and distances, buttings and boundings as appear by reference to said plat, which is incorporated herein by reference thereto.

All that certain piece, parcel or tract of land situated, lying and being in the State of South Carolina, County of Hampton, South of the Town of Estill, and being shown and designated as "PARCEL III" on that certain plat of survey prepared by TGS Land Surveying, Thomas G. Stanley, Jr., PLS #18269 dated March 5, 2019 entitled "THIS PLAT PREPARED AT THE REQUEST OF ELLIOTT SAWMILLING CO., LLC" and recorded in the Office of the Register of Deeds for Hampton County, South Carolina in Plat Book 182, at Page 5, and having such metes and bounds, courses and distances, buttings and boundings as appear by reference to said plat, which is incorporated herein by reference thereto.

All that certain piece, parcel or tract of land situated, lying and being in the State of South Carolina, County of Hampton, South of the Town of Estill, and being shown and designated as "PARCEL IV" on that certain plat of survey prepared by TGS Land Surveying, Thomas G. Stanley, Jr., PLS #18269 dated March 5, 2019 entitled "THIS PLAT PREPARED AT THE REQUEST OF ELLIOTT SAWMILLING CO., LLC" and recorded in the Office of the Register of Deeds for Hampton County, South Carolina in Plat Book 182, at Page 4, and having such metes and bounds, courses and distances,

buttings and boundings as appear by reference to said plat, which is incorporated herein by reference thereto.

All that certain piece, parcel or tract of land situated, lying and being in the State of South Carolina, County of Hampton, South of the Town of Estill, and being shown and designated as "PARCEL V" on that certain plat of survey prepared by TGS Land Surveying, Thomas G. Stanley, Jr., PLS #18269 dated March 5, 2019 entitled "THIS PLAT PREPARED AT THE REQUEST OF ELLIOTT SAWMILLING CO., LLC" and recorded in the Office of the Register of Deeds for Hampton County, South Carolina in Plat Book 182, at Page 5, and having such metes and bounds, courses and distances, buttings and boundings as appear by reference to said plat, which is incorporated herein by reference thereto.

All that certain piece, parcel or tract of land situated, lying and being in the State of South Carolina, County of Hampton, South of the Town of Estill, and being shown and designated as "PARCEL VI" on that certain plat of survey prepared by TGS Land Surveying, Thomas G. Stanley, Jr., PLS #18269 dated March 5, 2019 entitled "THIS PLAT PREPARED AT THE REQUEST OF ELLIOTT SAWMILLING CO., LLC" and recorded in the Office of the Register of Deeds for Hampton County, South Carolina in Plat Book 182, at Page 5, and having such metes and bounds, courses and distances, buttings and boundings as appear by reference to said plat, which is incorporated herein by reference thereto.

All that certain piece, parcel or tract of land situate, lying and being in the State of South Carolina, County of Hampton, South of the Town of Estill, and being shown and designated as "PARCEL VII" on that certain plat of survey prepared by TGS Land Surveying, Thomas G. Stanley, Jr., PLS #18269 dated March 5, 2019 entitled, "THIS PLAT PREPARED AT THE REQUEST OF ELLIOTT SAWMILLING CO., LLC" and recorded in the Office of the Register of Deeds for Hampton County, South Carolina in Plat Book 182, at Page 5, and having such metes and bounds, courses and distances, buttings and boundings as appear by reference to said plat, which is incorporated herein by reference thereto.