

**VOLUNTARY AGREEMENT FOR
REMEDIAL INVESTIGATION/FEASIBILITY STUDY AND IRAM
DEQ NO. LQVC-NWR-04-14**

BETWEEN: Precision Castparts Corporation

AND: Oregon Department of Environmental Quality

EFFECTIVE DATE: Upon Signature

Pursuant to ORS 465.260(2) and (4), the Director, Oregon Department of Environmental Quality (DEQ), enters this Agreement with Precision Castparts Corp. (PCC). This Agreement contains the following provisions:

<u>TITLE</u>	<u>PAGE</u>
I. RECITALS	1
II. AGREEMENT	3
A. Work	3
B. Public Participation.....	4
C. DEQ Access and Oversight	4
D. Project Managers	4
E. Notice and Samples.....	5
F. Quality Assurance.....	5
G. Records	5
H. Progress Reports	6
I. Other Applicable Laws	6
J. Reimbursement of DEQ Oversight Costs	7
K. Prior Approval	7
L. Dispute Resolution.....	7
M. Failure to Implement Agreement and Reservation of Rights	8
N. Hold Harmless	9
O. Parties Bound.....	9
P. Modification.....	9
Q. Duration and Termination.....	9
R. Signatures.....	10

I. RECITALS

A. PCC is a “person” under ORS 465.200(20).

B. The PCC Small Structures Business Operations (SBBO) Property is a “facility” under ORS 465.200(12). The PCC SBBO facility is located at 13340 SE 84TH Avenue in Clackamas, Oregon, and is hereafter in this Agreement referred to as the “SBBO facility” or “Property”. A vicinity map and a site map are included in Attachment A of this Agreement.

- C. The SSBO facility produces metal parts by the investment casting process. The process includes fabricating a wax pattern of the component to be cast. The wax pattern is then coated in ceramic. The wax is removed from the ceramic shell, and molten metal is poured into it.
- D. In June 2002, URS conducted a Phase II Environmental Site Assessment of the property located at 13309 SE 84th Avenue (“former PCC property”) under a due diligence for the sale of the former PCC property by PCC to a third party. The investigation identified volatile organic compounds (VOCs) including trichloroethylene (TCE), cis-dichloroethylene (cis-DCE), and vinyl chloride (VC) in shallow groundwater beneath the former PCC property. A second Phase II assessment was completed in August 2002, which confirmed the previous detections of VOCs in groundwater, and the apparent source of contamination originating from off-site.

Between September 2002 and May 2003, PCC conducted a subsurface investigation at the SSBO facility, which included installation of 28 subsurface borings to assess the potential source of VOC contamination downgradient of the SSBO facility. The results of this investigation confirmed the source of contamination from the SSBO facility, with the primary source of groundwater contamination originating from the former location of a vapor degreaser system located in the current Zyglo area within the manufacturing area of the building. Monitoring results from this area indicated the presence of non-aqueous phase TCE contamination.

The substances described in this Section are “hazardous substances” under ORS 465.200(15). DEQ has concluded that the presence of hazardous substances in the soils and ground water at and under the SSBO Facility constitute a “release” or “threat of release” into the environment under ORS 465.200(21).

- E. PCC requested DEQ oversight of its investigation and cleanup activities and executed a Voluntary Letter Agreement with DEQ on May 1, 2003. PCC provided a \$5,000 advance deposit to cover initial DEQ oversight costs.
- F. Under the Voluntary Letter Agreement, PCC conducted two additional phases of investigation and initiated a quarterly groundwater monitoring program for the PCC SSBO facility and downgradient former PCC property. Based on the results of these investigations, DEQ has concluded that the primary source area in the Zyglo area is a potential hot-spot of contamination.
- G. DEQ considers the activities required by this Agreement to be necessary to protect public health, safety, and welfare, and the environment.

II. AGREEMENT

The parties agree as follows:

A. Work

1. Remedial Investigation and Feasibility Study (RI/FS)

PCC agrees to complete the RI initiated under the VCP letter agreement satisfying OAR 340-122-0080 and OAR 340-122-0084, applicable elements in accordance with the general Project Scope of Work and Schedule contained in Attachment B to this Agreement, and the terms and schedule of a DEQ-approved work plan developed and submitted by PCC. If necessary, PCC agrees to complete an FS satisfying OAR 340-122-0085 to address unacceptable risks to human health and the environment following implementation of interim removal action measures (IRAMs).

2. Review

DEQ agrees to provide review, approval/disapproval, and oversight in accordance with the schedule set forth in the Scope of Work, or as soon as thereafter practicable in the event staff resources or workload prevent compliance with the schedule. Any DEQ delay will correspondingly extend PCC's schedule for a related deliverable or activity.

3. Interim Removal Action Measures Selection and Implementation

Upon PCC's completion of the IRAM Work Plan, in accordance with the Scope of Work, DEQ will approve or select an interim removal measure (IRM), in accordance with ORS ch. 465 and OAR ch. 340, div.122. PCC agrees to perform the IRAM in accordance with the Scope of Work contained in Attachment B to this Agreement, and the terms and schedule of a DEQ-approved work plan developed and submitted by PCC.

4. Additional Measures

PCC may elect at any time during the term of this Agreement to undertake measures other than those specified under this Agreement necessary to address a release or threatened release of hazardous substances at the property. PCC agrees that such other measures will be subject to prior approval by DEQ, which approval will be granted if DEQ determines that the additional measures will not compromise the validity of the RI/FS and will not threaten human health or the environment. Prior approval shall not be required in emergencies where PCC reasonably believes a delay in undertaking a particular action poses an imminent threat to human health, safety or the environment. PCC will notify DEQ within 24 hours of discovery of the emergency and the actions being taken to mitigate the imminent threat.

B. Public Participation

1. Upon execution of this Agreement, DEQ may provide public notice of this Agreement through issuance of a press release, at a minimum to a local newspaper of general circulation, describing this Agreement. Copies of the Agreement will be made available to the public. DEQ shall provide PCC a draft of such press release, and consider any comments by PCC on the draft press release before publication.
2. Public notice and opportunity for comment on any proposed remedy or a No Further Action (NFA) determination will be provided in accordance with ORS. 465.320.

C. DEQ Access and Oversight

1. DEQ agrees to use its best efforts, but is not obligated, to provide reasonable advance notice before entering the Property. PCC agrees to allow DEQ to enter all portions of the Property at all reasonable times for the purposes, among other things, of inspecting records relating to work performed under this Agreement; observing PCC's progress in implementing this Agreement; conducting such tests and taking such samples as DEQ deems necessary; verifying data submitted to DEQ by PCC; and using camera, sound recording, or other recording equipment for purposes relating to work under this Agreement. DEQ shall make available to PCC upon PCC's verbal request, a split or duplicate of any sample or recording taken by DEQ pursuant to this Agreement.
2. PCC agrees to permit DEQ to inspect and copy all records, files, photographs, documents, and data relating to work under this Agreement, except that PCC will not be obligated to permit DEQ inspection or copying of items subject to attorney-client or attorney work product privilege. DEQ will use its best efforts, but not be obligated, to provide reasonable notice before records inspection and copying requests.
3. Attorney-client and work product privileges may not be asserted with respect to any records requested under Paragraphs II.G.1 and II.G.2 of this Agreement. PCC agrees to identify to DEQ, by addresser-addressee, date, general subject matter, and distribution, any document, record, or item withheld from DEQ on the basis of attorney-client or attorney work product privilege. DEQ reserves its rights under law to obtain documents DEQ asserts are improperly withheld by PCC.

D. Project Managers

1. To the extent possible, all reports, notices, and the communications required, under or relating to this Agreement, will be directed to:

DEQ PROJECT MANAGER

Bruce A. Gilles
State of Oregon
Department of Environmental Quality
2020 SW 4th Avenue, Suite 400
Portland, OR 97201
Phone: 503-229-6662
Fax: 503-229-6945
Email: gilles.bruce@deq.state.or.us

PCC PROJECT MANAGER

David E. Murray
PCC Structurals, Inc.
9200 SE Sunnybrook Suite 170
Clackamas, OR 97015
Phone: 503-652-3516
Fax: 503-652-3593
Email: dmurray@pcc-structurals.com

2. PCC's and DEQ's Project Managers, will be available and have the authority to make day-to-day decisions necessary to complete the Scope of Work under this Agreement.

E. Notice and Samples

PCC will make every reasonable attempt to notify DEQ of any excavation, drilling, or sampling (fieldwork) to be conducted under this Agreement at least five (5) working days before such activity, but in no event less than twenty-four (24) hours, before such activity. PCC agrees that no fieldwork will be conducted without an approved work plan unless DEQ has been so notified except, cases of emergency. Upon DEQ's verbal request, PCC will make available to DEQ, a split or duplicate of any sample taken pursuant to this Agreement. DEQ agrees to make every effort to complete analysis of any split or duplicate sample on a schedule consistent with PCC's schedule for related activities. DEQ shall provide PCC with copies of all analytical data from such samples as soon as practicable.

F. Quality Assurance

PCC agrees to conduct all sampling, sample transport, and sample analysis in accordance with Quality Assurance/Quality Control (QA/QC) provisions approved by DEQ as part of the work plan. All plans prepared and work conducted as part of this Agreement will be consistent with DEQ's "Quality Assurance Policy No. 760.00." PCC agrees that each laboratory used by PCC for analysis performs such analyses in accordance with such provisions.

G. Records

1. In addition to those technical reports and documents specified under this Agreement, PCC agrees to provide to DEQ within ten (10) days of DEQ's written request, copies of documents relating to work required under this Agreement, including QA/QC memoranda and audits, draft and final plans, final reports, task memoranda, field notes, and laboratory analytical data that have undergone data quality validation.

2. If DEQ determines that review of raw data or preliminary laboratory reports is necessary in order to ensure protection of public health, safety, and welfare and the environment, PCC agrees to provide that information within ten (10) days of DEQ's written request.
3. PCC and DEQ agree to preserve all records and documents in possession or control of PCC and DEQ, respectively, or their employees, agents, or contractors that relate in any way to activities performed under this Agreement for at least five (5) years after termination of this Agreement; provided that under Subsection II. Q., PCC and DEQ agree to provide the other sixty (60) days notice before destruction or other disposal of such records and to make the records available for inspection and copying.
4. PCC may assert a claim of confidentiality regarding any documents or records submitted to, or copied by, DEQ, pursuant to this Agreement. DEQ will treat documents and records for which a claim of confidentiality has been made in accordance with ORS 192.410 through 192.505. If PCC does not make a claim of confidentiality at the time the documents or records are submitted to, or copied by, DEQ, the documents or records are available for public review without notice to PCC.

H. Progress Reports

During each quarter of this Agreement, PCC agrees to provide to DEQ on or before the fifteenth (15th) day following the end of the calendar quarter, two (2) copies of a Progress Report containing the following items. DEQ anticipates that the progress report will not exceed two pages in length.

1. Actions taken under this Agreement during the previous quarter;
2. Actions scheduled to be taken in the next quarter;
3. Sampling, test results, and any other data generated by PCC during the previous quarter that have undergone data quality validation; and,
4. A description of any problems experienced during the previous quarter and the actions taken to resolve them.

I. Other Applicable Laws

1. Subject to ORS 465.315(3), all actions under this Agreement will be performed in accordance with applicable Federal, State, and local laws and regulations.
2. Without limiting the foregoing, all action under this Agreement will be performed in accordance with any applicable federal, state and local laws and regulations related to archeological objects and sites and protection thereof.

J. Reimbursement of DEQ Oversight Costs

1. PCC agrees to pay the reasonable costs actually incurred by DEQ or the State of Oregon for preparation of this agreement and in connection with any activities related to the implementation of this Agreement. DEQ will submit monthly invoices to PCC. Each invoice will include a summary of costs billed to date. DEQ's invoice for direct costs will include a direct labor summary showing the persons charging time, the amount of time, and the nature of the work performed.
2. DEQ or State of Oregon oversight costs payable by PCC will include both direct and indirect costs. Direct costs will include site-specific expenses, DEQ contractor costs, and DEQ legal costs. Indirect costs will include those general management and support costs of the DEQ and of the Environmental Cleanup Program allocable to DEQ oversight of this Agreement and not charged as direct, site-specific costs. Indirect costs will be based on a percentage of direct personal services costs.
3. PCC agrees to pay the amount of costs billed, by check made payable to the "State of Oregon, Hazardous Substance Remedial Action Fund" within forty-five (45) days of receipt of the monthly statement. PCC will pay simple interest of 9% per annum, on the unpaid balance of any oversight costs, which interest will begin to accrue at the end of the forty-five (45) day payment period.

K. Prior Approval

Except in case of emergency, where DEQ review is required for any plan or activity under this Agreement, PCC agrees to not proceed to implement the plan or activity until DEQ approval is received. Any DEQ delay in granting or denying approval will correspondingly extend the time for completion by PCC.

L. Dispute Resolution

In the event of disagreement between PCC and DEQ regarding implementation of this Agreement, PCC and DEQ will, in the following order:

1. Make a good faith effort to resolve the dispute between Project Managers;
2. If necessary, refer the dispute for resolution by the immediate supervisors of the Project Managers; and, if necessary,
3. Provide each other their respective positions in writing and refer the dispute for resolution by DEQ's Region Administrator for the Northwest Region and PCC's administrative counterpart; and if necessary,
4. Refer the dispute for resolution by DEQ's Director and PCC's administrative counterpart.

DEQ's final decision after such dialogue will be binding under this Agreement. The time required for dispute resolution shall correspondingly extend PCC's schedule for

all pending, affected deliverables or activities.

M. Failure to Implement Agreement and Reservation of Rights

1. In the event of PCC's failure to comply with this Agreement (including any failure to reimburse oversight costs), DEQ may terminate this Agreement after fifteen (15) days written notice to PCC.
2. In the event of DEQ's failure to provide oversight in accordance with this Agreement, PCC may terminate this Agreement after fifteen (15) days written notice to DEQ. Costs incurred or irrevocably obligated by DEQ before the effective date of any termination of this Agreement will be owed under the Agreement notwithstanding such termination.
3. PCC does not admit any facts (including those stated in this Agreement), legal issues, liability or violation of law by virtue of entering this Agreement.
4. Except as otherwise provided in Section II. N., nothing in this Agreement will prevent PCC from exercising any rights of contribution or indemnification PCC might have against any person, including the State of Oregon regarding activities under the Agreement, provided, PCC waives any right it might have under ORS 465.260(7) to seek reimbursement from the Hazardous Substance Remedial Action Fund for costs incurred under this Agreement.
5. PCC agrees not to litigate, in any proceeding brought by DEQ to enforce this Agreement, any issue other than PCC's compliance with this Agreement.
6. Either party may terminate this Agreement at will provided that: (a) the terminating party provides written notice to the other party of its intent to terminate, no less than 15 working days before termination; (b) the notice describes the reason for termination, and any efforts to resolve related issues; and, (c) if requested by the non-terminating party, the terminating party makes itself available with the 15-working-day period for a conference call or meeting to discuss the termination. Termination shall be effective unless withdrawn in writing by the terminating party within the 15-working-day period.
7. The following obligations shall survive termination: (a) the obligation to preserve records and make them available under Paragraph II.G.3 of this Agreement; (b) the obligation to reimburse DEQ oversight costs under Subsection II.J of this Agreement, as to costs incurred or irrevocably obligated up to the date of receipt of the notice of intent to terminate, and (c) the obligation to hold harmless and indemnify under Subsection II.N of this Agreement, as to claims arising from acts or omissions occurring up to the date of termination.

N. Hold Harmless

1. PCC shall save and hold harmless, the State of Oregon and its commissions, agencies, officers, employees, contractors, and agents, and indemnify the foregoing, from and against any and all claims arising from acts or omissions related to this Agreement of PCC or its officers, employees, contractors, agents, receivers, trustees, or assigns. DEQ shall not be considered a party to any contract made by PCC or its agents, in carrying out activities under this Agreement.
2. To the extent permitted by Article XI, Section 7, of the Oregon Constitution and by the Oregon Tort Claims Act, the State of Oregon shall save and hold harmless PCC and its officers, employees, contractors, and agents, and indemnify the foregoing, from and against, any and all claims arising from acts or omissions related to this Agreement of the State of Oregon or its commissions, agencies, officers, employees, contractors, or agents (except for acts approving or omissions constituting approval of any activity of PCC under this Agreement). PCC shall not be considered a party to any contract made by DEQ or its agents, in carrying out activities under this Agreement.

O. Parties Bound

This Agreement shall be binding on the parties and their respective successors, and assigns. The undersigned representative of each party certifies that he or she is fully authorized to execute and bind such party to this Agreement. No change in ownership or corporate or partnership status relating to the property shall in any way alter PCC's obligations under this Agreement, unless otherwise approved in writing by DEQ.

P. Modification

DEQ and PCC may modify this Agreement by mutual written agreement.

Q. Duration and Termination

Upon completion of work under this Agreement, PCC will submit to DEQ a written notice of completion. This Agreement will be deemed satisfied and terminated upon DEQ's issuance of a No Further Action (NFA) determination, or DEQ's approval or selection of a remedial action, upon payment of all oversight costs owed, and upon DEQ's issuance of a letter, acknowledging satisfactory completion of activities in accordance with this Agreement. Such letter will be issued with sixty (60) days of receipt of notice of completion and payment of outstanding DEQ Oversight Costs.

See next page for signature block.

R. Signatures

PRECISION CASTPARTS COMPANY

By: _____
(Signature)

Date: _____

(Please Print Name and Title)

**STATE OF OREGON
DEPARTMENT OF ENVIRONMENTAL QUALITY**

By: _____
Terry Hosaka
Cleanup Manager, Northwest Region

Date: _____