NON-PROSECUTION AGREEMENT

INTRODUCTION

1. Exide Technologies, 13000 Deerfield Parkway, Suite 200, Milton, Georgia ("Exide"), by its undersigned officer and through its attorneys, Sheppard Mullin Richter and Hamilton LLP, and the United States Attorney's Office for the Central District of California ("the USAO") hereby enter into this Non-Prosecution Agreement ("the Agreement"). The Agreement shall be in effect for ten years from the date it is fully executed, provided, however, that the effectiveness of the Agreement is contingent in all respects—including without limitation the admissions set forth herein—on (i) bankruptcy court approval of Exide's entry into the Agreement; (ii) confirmation of Exide's plan of reorganization in *In re Exide Technologies*, U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482; and (iii) the occurrence of the effective date of Exide's plan of reorganization in *In re Exide Technologies*, U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482. If (i)-(iii) above do not occur, the Agreement is null and void.

2. This Agreement is limited to the USAO and cannot bind any other federal, state, or local prosecuting, administrative or regulatory authorities.

NON-PROSECUTION

3. The USAO agrees that if Exide is in full compliance with the material obligations under this Agreement, then the USAO will not prosecute Exide or any of Exide's officers, directors, or employees during the ten year term of the Agreement or thereafter for any alleged violations of federal criminal laws related to the conduct described in the Statement of Admissions and Facts attached hereto as Appendix 1, the Statute of Limitations Tolling Agreement attached hereto as Appendix 5, or any other conduct for which Exide was or had been under investigation by the USAO as of the effective date of the Agreement. This Agreement is intended to resolve the USAO's grand jury investigation of Exide.

ADMISSIONS AND ACCEPTANCE OF RESPONSIBILITY FOR VIOLATIONS

4. Upon satisfaction of the contingencies in paragraph 1, above, Exide admits that it committed the felony violations set forth in the Statement of Admissions and Facts attached hereto, and incorporated herein, as Appendix 1. Exide accepts and acknowledges responsibility for such criminal conduct. In the event that the USAO determines that Exide has breached this Agreement, and a decision is made by the USAO to proceed with a criminal prosecution of Exide, Exide agrees that the Statement of Admissions and Facts are admissible against it at any subsequent trial or district court proceeding. In the event that the USAO determines that there has been a breach of this Agreement, the USAO will give Exide notice and 30 days to cure.

5. Exide agrees that it shall not publicly deny any admission or statement of fact contained in the Statement of Admissions and Facts. The decision of whether any statement by any agent or employee of Exide contradicting a fact contained in the Statement of Admissions and Facts will be imputed to Exide for the purpose of determining whether Exide has breached this Agreement shall be in the sole and reasonable discretion of the USAO. Upon the USAO's notification to Exide's counsel, Sheppard Mullin Richter and Hamilton LLP, of a public statement by any agent or employee of Exide, that in whole or in part publicly denies a statement of fact contained in the Statement of Admissions and Facts, Exide may avoid breach of this Agreement by publicly repudiating such statement within 48 hours after notification by the USAO. Nothing herein is intended to or shall prevent Exide from defending itself in legal proceedings and/or administrative actions involving any third party or prevent any Exide employee or agent from making any statements in any third party legal proceedings and/or administrative actions.

CLOSURE OF THE RECYCLING FACILITY IN THE CITY OF VERNON

6. Exide is the owner and operator of a lead-acid battery recycling facility located at 2700 South Indiana Street, Vernon, California ("the Facility").

7. The Facility has been operated by Exide since it purchased its predecessor, GNB Technologies Inc., in 2000. The property on which the Facility is located has been operated as a secondary lead and/or metal recycling operation on a nearly-continual basis since 1922.

8. This Agreement requires Exide to immediately and permanently cease recycling operations at the Facility. Exide agrees to close the Facility and to demolish, deconstruct, and remove all Facility structures, equipment, and appurtenances, and to correct and remediate any surface, subsurface, and groundwater contamination, in accordance with the terms of the "Closure and Clean-up Agreements" and "Closure/Post-Closure Plan" (as defined below).

CORRECTIVE AND REMEDIAL ACTION

9. Exide has entered into several agreements with the State of California, Department of Toxic Substances Control ("DTSC") regarding Facility closure and post-closure requirements, and requirements for the assessment, correction, and remediation of both on-site and off-site environmental contamination. These agreements are hereinafter referred to as the "Closure and Clean-up Agreements," and include the following documents, along with their appendices, exhibits, and necessarily incorporated reference documents:

a. The 2002 Corrective Action Consent Order, Docket No. P3-01/02-010, attached hereto, and incorporated herein, as Appendix 2;

b. The 2013 Stipulation and Order, Docket HWCA P3-12/13-010 OAH No. 2013050540, attached hereto, and incorporated herein, as Appendix 3; and

c. The 2014 Stipulation and Order, Docket HWCA No. 2014-6489, attached hereto, and incorporated herein, as Appendix 4.

10. Exide shall cease operations at the Facility and shall close the Facility in accordance with the requirements of the Closure and Clean-up Agreements and the "Closure/Post-Closure Plan" submitted to DTSC on October 1, 2014 as part of its Hazardous Waste Permit Application or amendments thereof.

11. Exide shall comply with the terms of the Closure and Clean-up Agreements. In addition, in lieu of making the 2015 and 2016 anniversary payments to the Residential Off-Site Corrective Action Trust Fund on the schedule set forth in paragraph 10 of the 2014 Stipulation and Order, Exide shall make a single payment of $3,000,000 to the Residential Off-Site Corrective Action Trust Fund within 30 days after the effective date of Exide's plan of reorganization in *In re Exide Technologies*, U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482. Such payment shall satisfy Exide's obligation to make the 2015 and 2016 payments.

12. During the effective period of this Agreement, Exide shall prepare and submit to the USAO, on or before January 15th and July 15th of each year, a biannual report that summarizes the closure and clean-up findings, activities, and progress, as required by Paragraphs 9, 10, and 11, that were conducted and obtained during the preceding six month period, including, among other things, (1) the addresses, locations, and results of any sampling and laboratory analyses relating to the affected properties, (2) the completion of any remediation on those properties, (3) the disposition of any wastes and materials removed from those properties, and (4) any related activities planned for the next six month reporting period. The USAO reserves the right to release and disseminate the annual report to affected population groups, regulatory agencies, and political subdivisions.

BLOOD TESTING FOR LOCAL POPULATION

13. Exide agrees to pay for periodic blood lead and arsenic level monitoring, as defined and directed by the Los Angeles County Department of Public Health, for the local population surrounding the Facility. The term "local population" is defined as those individuals residing within the Northern and Southern Residential Assessment Areas and the Expanded Northern and Southern Residential Assessment Areas, as those areas are defined in the written

description set forth below, and as further described and defined in the maps attached hereto, and incorporated herein, as Appendix 6: Expanded Northern Residential Assessment Area – north of Noakes, west of Marianna St. to E. 5th St/LanFranco west to Pomona Freeway southwest to Euclid south to 8th St. east to Grande Vista south to Olympic east to Los Palos south to Union Pacific east to Herbert south to Noakes east to Marianna. Expanded Southern Residential Assessment Area – south of Fruitland east of Downey to the LA River to Heliotrope Ave south to 61st west to Riverside south to Gage Ave west to Cedar north to Randolph east to Downey north to Fruitland. This obligation shall continue for a period of five years from the date this Agreement is executed.

14. Exide agrees to pay for and cause the dissemination of public notifications once per annum, on or about January 15th of each year during the five year effective period of this requirement, advising and notifying the local population that such blood tests are available free-of-charge.

TOLLING OF STATUTE OF LIMITATIONS

15. Exide agrees to toll all applicable statutes of limitations for alleged criminal violations occurring within the Central District of California arising under various federal environmental crimes statutes and the attendant regulations, including the federal Resource Conservation and Recovery Act, Title 42, United States Code, Sections 6901 et seq., the federal Hazardous Materials Transportation Act, Title 49, United States Code, Sections 5101 et seq., the federal Clean Air Act, Title 42, United States Code, Sections 7401, et seq., the federal Clean Water Act, Title 33, United States Code, Sections 1251, et seq., and Title 18, United States Code, Sections 2, 371, and 1001, during the time period that this Agreement is in effect. The tolling agreement is attached hereto and incorporated by reference herein as Appendix 5.

SUCCESSOR LIABILITY

16. The Agreement shall apply to and be binding upon Exide and its successors and assigns. Exide shall disclose the terms and conditions of the Agreement to all employees, consultants or independent contractors who are assigned or engaged to assist Exide in complying with its obligations and duties hereunder.

PUBLIC DISSEMINATION OF AGREEMENT

17. This Agreement is a public document. The parties agree that it may be disclosed by the USAO to the media or public at the sole discretion of the USAO. Exide agrees that it shall not disclose the Agreement to any party, except as follows:

a. Exide is required to disclose the Agreement to any party by the Bankruptcy Court, the terms and obligations of its Chapter 11 reorganization, or any term of obligation of any agreement entered into pursuant to the reorganization, or to effectuate the reorganization; or

b. The USAO has previously disclosed the Agreement to the media or public.

NO ADDITIONAL AGREEMENTS

18. Except as expressly set forth herein, there are no additional promises, understandings or agreements between the USAO on the one hand, and Exide on the other, concerning any other criminal prosecution, civil litigation or administrative proceeding relating to any other federal, state or local charges that may now be pending or hereafter be brought against Exide. Nor may any additional agreement, understanding or condition relating to the conduct described in the Statement of Admissions and Facts, attached hereto as Appendix 1, be entered into unless in writing and signed by all parties.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF CALIFORNIA

STEPHANIE YONEKURA
Acting United States Attorney

_____ _____

JOSEPH O. JOHNS
Assistant United States Attorney
Chief, Environmental Crimes Section

Date

a. Exide is required to disclose the Agreement to any party by the Bankruptcy Court, the terms and obligations of its Chapter 11 reorganization, or any term of obligation of any agreement entered into pursuant to the reorganization, or to effectuate the reorganization; or

b. The USAO has previously disclosed the Agreement to the media or public.

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18. Except as expressly set forth herein, there are no additional promises, understandings or agreements between the USAO on the one hand, and Exide on the other, concerning any other criminal prosecution, civil litigation or administrative proceeding relating to any other federal, state or local charges that may now be pending or hereafter be brought against Exide. Nor may any additional agreement, understanding or condition relating to the conduct described in the Statement of Admissions and Facts, attached hereto as Appendix 1, be entered into unless in writing and signed by all parties.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF CALIFORNIA

STEPHANIE YONEKURA
Acting United States Attorney

JOSEPH O. JOHNS
Assistant United States Attorney
Chief, Environmental Crimes Section

3/11/15
Date

I have read this Agreement, and carefully reviewed every part of it with the attorneys for Exide Technologies. I understand it, and I voluntarily agree to it on behalf of Exide Technologies. As the representative of Exide Technologies, I represent that I have authority to act for and on behalf of the corporation. Further, I have consulted with the corporation's attorneys and fully understand the corporation's rights that may apply to this matter. No other promises or inducements have been made to the corporation, other than those set forth in this Agreement. In addition, no one has threatened or forced me or any member of the corporation in any way to enter into this Agreement. Finally, I am satisfied with the representation of the corporation's attorneys in this matter.

ROBERT M. CARUSO, solely in his capacity as
President and Chief Executive Officer
EXIDE TECHNOLOGIES

3/11/15
Date

We are the attorneys for Exide Technologies. We have carefully reviewed every part of this Agreement with Robert M. Caruso, President and Chief Executive Officer of Exide Technologies, who to my knowledge has authority to act for and on behalf of the corporation. To my knowledge, the corporation's decision to enter into this Agreement is an informed and voluntary one.

CHARLES L .KREINDLER
Sheppard Mullin Richter and Hampton LLP
Attorneys for Exide Technologies

3/11/15
Date

APPENDIX 1

APPENDIX 1

STATEMENT OF ADMISSIONS AND FACT

A. Factual Background and History of Exide and the Facility

The Exide Facility is located at 2700 South Indiana Street in the City of Vernon, California. The property occupies a total area of approximately 15 acres, which is bounded by East 26th Street towards the north and Bandini Boulevard towards the south. The Facility is an operating battery recycling facility and is characteristic of the heavy industrial nature of the immediate, surrounding land uses. The outskirts of the industrial area surrounding the Facility are bounded by the Boyle Heights residential area to the north and the Maywood residential area to the south. The site has been operated as a secondary lead and/or metal recycling operation on a nearly-continual basis since 1922. The Facility generates hazardous wastes, including corrosive fluids and waste containing metals such as lead, cadmium, arsenic, antimony, zinc, and chromium. Other compounds emitted pursuant to permits at the site include semi-volatile organic compounds, and aromatic and halogenated volatile organic compounds such as benzene, ethyl benzene, and trichloroethylene. The generation, management, storage, treatment, and release of hazardous wastes and pollutants are regulated and permitted by several agencies, including the California Department of Toxic Substances Control and the South Coast Air Quality Management District.

B. Allegations Regarding Lead in Blood Impacts

Lead is a soft, heavy metal. Lead enters the body by two paths, inhalation or ingestion. With respect to lead in blood, the USAO alleges that: (1) children under the age of six are known to ingest more lead than adults because of the normal hand-to-mouth behavior of young children; (2) the most common manner by which children ingest lead is by placing objects that have lead-contaminated soil or dust on them in their mouths; and (3) there is no known safe level of lead in human blood. During the early 1990s, the United States Centers for Disease Control and Prevention determined that nearly 1,000,000 children within the United States had levels of lead in their blood stream high enough to cause irreversible damage to their health.

C. Admissions Regarding Felony Violations

The Facility is designed to receive and recycle lead-acid batteries into their basic, constituent parts – lead and plastic. At peak operation, the Facility receives approximately 40,000 batteries per day, which are initially crushed and broken apart in a hammer mill. During this process, the batteries are separated into three primary components streams: acid, lead, and plastic. The lead is reprocessed and smelted to produce a lead product that can be reused to

manufacture new lead-acid batteries. The plastic is rinsed, loaded into van trailers, and transported to an off-site facility for reprocessing into new, resin-coated plastic pellets which can be used to manufacture new lead-acid batteries and other consumer products. The acid is neutralized and treated on-site.

Illegal Storage of Hazardous Waste

Exide admits that it knowingly stored corrosive and lead-contaminated hazardous waste inside leaking van trailers, owned by Wiley Sanders Truck Line, Inc., parked at the Facility. Exide admits that it illegally stored such hazardous waste a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Resource Conservation and Recovery Act, Title 42, United States Code, Section 6928(d)(2), with a maximum corporate fine of up to $500,000 per incident.

Illegal Disposal of Hazardous Waste

Exide admits that it knowingly caused the disposal of corrosive and lead-contaminated hazardous waste by allowing it to leak from van trailers owned by Wiley Sanders Truck Line, Inc., which were parked at the Facility. Exide admits that it allowed such disposal to occur a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Resource Conservation and Recovery Act, Title 42, United States Code, Section 6928(d)(2), with a maximum corporate fine of up to $500,000 per incident.

Illegal Shipment of Hazardous Waste in Leaking Trailers

Exide admits that it knowingly and willfully caused the shipment of hazardous waste contaminated with lead and corrosive acid in leaking van trailers owned by Wiley Sanders Truck Line, Inc. and operated by Lutrel Trucking, Inc. and KW Plastics of California, Inc., from the Facility to Bakersfield, California, a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Hazardous Materials Transportation Act, Title 49, United States Code, Section 5124, with a maximum corporate fine of up to $500,000 per incident.

Illegal Transportation of Hazardous Waste to an Unpermitted Facility

Exide admits that it knowingly caused the transportation of hazardous waste contaminated with corrosive acid to a facility in Bakersfield, California, namely, KW Plastics of California, Inc., that was not permitted by the State of California, Department of Toxic

Substances Control to receive corrosive hazardous wastes. Exide admits that it caused these illegal transportations of hazardous waste a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Resource Conservation and Recovery Act, Title 42, United States Code, Section 6928(d)(1), with a maximum corporate fine of up to $500,000 per incident.

D. Exide Costs Associated with the Non-Prosecution Agreement

The direct costs of Exide's compliance with the terms and conditions of this Agreement are estimated by the parties to be between approximately $108,000,000 and approximately $133,000,000 . Facility closure and clean-up costs, including contamination in the Northern and Southern Residential Assessment Areas, is presently estimated to be approximately $50,000,000. Recycling of lead-acid batteries at the Facility generates cost savings for Exide for the raw goods that it uses to manufacture lead-acid batteries (for sale to retail consumers), including metallic lead and plastic needed to mold battery cases. The parties estimate that closure of the Facility will cost Exide between $15,000,000 and $38,000,000 on an annualized basis for the cost of metallic lead and case plastic that must otherwise be purchased from other market sources. Exide also acknowledges that it has invested approximately $35,000,000 since 2010, to upgrade and improve pollution control technology at the Facility. As a result of this Agreement, Exide must demolish and deconstruct such upgrades as part of its permanent closure of the Facility. In addition, Exide acknowledges that compliance with this Agreement will cost an additional $8,000,000 to $10,000,000 for other Facility closure related costs.

APPENDIX 2

Project File : C 1ST QRTR 2002

Department of Toxic Substances Control

2002-967

Edwin F. Lowry, Director
1011 N. Grandview Avenue
Glendale, California 91201

FILE COPY

Winston H. Hickox
Agency Secretary
California Environmental
Protection Agency

Gray Davis
Governor

RECEIVED
MAR 04 2002

M-4

February 25, 2002

Certified Mail

Mr. Neal S. Lebo
Executive Director
Global Environmental, Health & Safety
Exide Technologies
3000 Montrose Avenue
Reading, Pennsylvania 19605

CORRECTIVE ACTION CONSENT ORDER FOR EXIDE CORPORATION, 2700 SOUTH INDIANA AVENUE, CITY OF VERNON, (EPA ID NUMBER: CAD 097 854 541)

Dear Mr. Lebo:

Enclosed is a signed and executed Corrective Action Consent Order Docket No. P3-01/02-010. The effective date of the Consent Order is February 25, 2002. As set forth in section 3.1 of the Consent Order, the Department of Toxic Substances Control (DTSC) has designated Mr. Liang Chiang as the DTSC Project Coordinator for this project. All inquiries and future correspondence related to this project may be directed to Mr. Chiang at the following address:

Mr. Liang Chiang, P.E.
Hazardous Substances Engineer
Southern California Permitting Branch
Department of Toxic Substances Control
1011 N. Grandview Avenue
Glendale, California 91201

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If you have any questions, please contact me at (818) 551-2920 or Mr. Liang Chiang, P.E., at (818) 551-2964.

Sincerely,

Jose Kou, P.E., Chief
Southern California Permitting Branch
Hazardous Waste Management Program

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7099 3220 0008 0830 9103

cc: Mr. Ari Levine
Deputy General Counsel &
Assistant Secretary
Exide Corporation
645 Penn Street
Reading, PA 19612-4205

Mr. Thomas Wideman
Exide Technologies
2700 S. Indiana Street
Vernon, California 90023-0957

Mr. William L. Taylor
GNB Technologies, Inc.
375 Northridge Road
Atlanta, Georgia 30350

Mr. Thomas J.P. McHenry
Gibson, Dunn & Crutcher, LLP
333 South Grand Avenue
Los Angeles, California 90071

cc: Mr. Jeffrey Pierce
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35 Glenlake Parkway, Suite 500
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Ms. Carmen Santos-Prior
U.S. EPA, Region IX
75 Hawthorne Street
San Francisco, California 94105

Mr. Kevin Wong
U.S. EPA, Region IX
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San Francisco, California 94105

Mr. Rick Moss, Chief
Permitting Division
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Mr. Phil B. Chandler, Unit Chief
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cc: Mr. Mukul Agarwal, Unit Chief
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Mr. Hossein Nassiri
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1001 I Street, 11th Floor/ P.O. Box 0806,
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Ms. Ruth Williams-Morehead
Statewide Compliance Division, Southern California Branch
Department of Toxic Substances Control
1011 North Grandview Avenue
Glendale, California 91201

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

In the Matter of:	
Exide Corporation 2700 Indiana Avenue Vernon, CA 90058 US EPA ID No.: CAD 097 854 541	Docket No.: P3-01/02-010 CORRECTIVE ACTION CONSENT ORDER
Exide Corporation 2700 Indiana Avenue Vernon, CA 90058 Respondent.	Health and Safety Code Section 25187

1.0 INTRODUCTION

1.1. Parties. The Department of Toxic Substances Control (DTSC or Department) and Exide Corporation (formerly GNB Battery Technologies, Inc., hereinafter referred to as "Respondent"), the owner and operator of a hazardous waste treatment and storage facility, enter into this Corrective Action Consent Order (Consent Order) and agree as follows:

1.2. Permitting Status. Respondent is the owner and operator of a hazardous waste treatment and storage facility located at 2700 Indiana Avenue, Vernon, CA 90058 (Facility). The Facility engages in the management of hazardous waste pursuant to an interim status document (ISD) issued by the Department of Health Services (DHS), which was DTSC's predecessor agency, on August 19, 1983.

1.3. Jurisdiction. Jurisdiction exists pursuant to Health and Safety Code (HSC) sections 25187, 25187.1, and 25200.10. HSC 25187 authorizes DTSC to issue an order to require corrective action when DTSC determines that there is or has been a release of hazardous waste or hazardous waste constituents into the environment from a hazardous waste facility.

If DTSC determines that the presence of any hazardous waste at a facility or site at which hazardous waste is, or has been, stored, treated, or disposed of, or the release of any hazardous waste from the facility or site may present a substantial hazard to human health or the environment, HSC section 25187.1 authorizes DTSC to issue an order requiring the owner or operator of a facility or site to conduct monitoring, testing, analysis, and reporting with respect to the facility or site which DTSC deems reasonable to ascertain the nature and extent of the hazard.

HSC section 25200.10(a) mandates that DTSC require corrective action for all releases of hazardous waste or constituents from a solid waste management unit or a hazardous waste management unit at a facility engaged in hazardous waste management.

1.4. Definition of Terms The terms used in this Consent Order are as defined in section 25100 et seq. of the HSC and section 66260.10 of Title 22 of the California Code of Regulations (CCR), except as otherwise provided.

1.5. Attachments All attachments to this Consent Order are incorporated herein by this reference.

1.6 Purpose The parties enter into this Consent Order to avoid the expense of litigation and to carry out promptly the corrective action described below. The Respondent agrees to implement all approved work plans and to undertake all actions required by the terms and conditions of this Consent Order, including any portions of this Consent Order incorporated by reference. Respondent waives any right to request a hearing on this Consent Order pursuant to H&SC section 25187.

1.7. Non-Admission of Liability. By entering into this Consent Order, Respondent does not admit to any findings of fact or

conclusions of law as may be set forth herein.

2.0 FINDINGS OF FACT

2.1. In October 1990, DTSC completed a RCRA Facility Assessment (RFA) which identified solid waste management units (SWMUs) and areas of concern (AOCs). Additional SWMUs and AOCs were revealed in DTSC's review of the May 1997 Part B application. Tables 1 and 2 identify SWMUs and AOCs, where DTSC has determined that there has or may have been a release of a hazardous waste or constituent based upon the 1990 RFA, the list in the May 1997 Part B application, and its review of the May 1997 Part B application. Figures 1 through 5 illustrate the locations of the SWMUs and AOCs. DTSC has determined that further investigation is needed to ascertain the nature and extent of contamination in the SWMUs and AOCs listed in Section 2.1, from which there has or may have been a release or threatened release of hazardous waste or constituents into the environment. The presence of hazardous waste at the Facility and the release of hazardous waste from the Facility may present a substantial hazard to human health and the environment.

TABLE 1

SOLID WASTE MANAGEMENT UNITS

EXIDE CORPORATION

VERNON, CALIFORNIA

Unit	Unit Name	Map Designation
1	Earthen Disposal Pit	A-1
2	Acid Collection and Neutralization Tank	A-2
3	Battery Storage Area	A-3
4	Effluent Treatment Area	A-4

5	Wastewater Treatment/Sludge Collection System	A-5
6	Earthen Acid Dump Pit	A-6
7	Slag Storage Pile	A-7
8	Crushed Battery Storage Area	A-8
9	Rubber Chip Storage Area	A-9
10	Old Battery Separation Building	A-10
11	Old Mixed Metals Extrusion Building	A-11
12	Zinc Alloy Operations Area	A-12
13	Metals Warehouse	A-13
14	Smelting Pots	A-14
15	Lead Oxide Building and Warehouse	A-15
16	Main Smelting Building	A-16
17	Blast Furnace Flue Bins	A-17
18	Main Smelting Building Baghouses	A-18
19	Crushed Battery Storage and Crushed Case Elevator	A-19
20	Radiation Lab and North Radiation Yard	A-20
21	Acid Tanks	A-21
22	Sumps	A-22
23	Mud and Dross Bins	A-23
24	Rainwater Retention Pond	A-24
25	Truck Wash Pit	A-25
26	Truck Dumper	A-26
27	Battery Hopper and Oscillating Conveyor	A-27
28	Polypropylene Loading Dock	A-28
29	Crushed Drum Storage Piles	A-29
30	Battery Storage Areas	A-30
31	Reverberatory Furnace Feedstock Room	A-31
32	Acid Tank and Battery Dump Bin Sump	A-32
33	Hammer Mill Conical Collector	A-33

34	Muds Holding Tanks	A-34
35	Baghouse Dust Slurry Sumps	A-35
36	Reverberatory and Soft Lead Baghouses	A-36
37	Blast Furnace Feedstock Room	A-37
38	Special Alloy Kettles and Lead Casting Machinery	A-38

TABLE 2

AREAS OF CONCERN

EXIDE CORPORATION

VERNON, CALIFORNIA

Unit	Unit Name	Map Designation
39	Underground Fuel Tanks	A-39
40	Solid Soda Ash Product Storage	A-40
41	Aluminum Smelting Building/Sweat Building/Lead Shot	M-1
42	Northwest Storage Piles	M-2
43	Battery Breaking	M-3
44	Tin Dross Smelting Building	M-4
45	Copper Sulfate Building	M-5
46	Diesel Underground Fuel Tanks/Oil Pump House	M-6,7
47	Covered Bin Storage next to Copper Sulfate Building	M-8
48	Old Fill Area	M-9
49	Blue Lead Warehouse	M-10
50	Machine Shop and Maintenance Storage	M-11
51	Gasoline Underground Fuel Tanks	M-12
52	Storage Shed	M-13
53	Battery Loading Dock	M-14

54	Acid Pit	M-15
57	Garage	M-16
58	New Acid Neutralization System	M-17
59	Rubber Chip Storage	M-18
60	Battery Breaking	M-19
61	Rail Spur (between SE and NE yards)	M-20
62	Battery Breaking	M-21
63	Battery Storage	M-22
64	Rail-spur Off-loading	M-23
65	Classifier	M-24
66	Drainage System	M-25
67	Classifier	M-26
68	Storage Piles	M-27
69	Bins Along Drainage Channel	M-28
70	Pond in Center of SE Yard	M-29
71	Baghouse slurry sumps (2)	N/A
72	Mud holding tank piping system where below grade	N/A
73	Acid sump and piping beneath initial battery feed hopper	N/A
74	Acid collection system at hammer mill crusher/pan feeder and piping	N/A
75	Industrial Waste Clarifier within waste water treatment system	N/A
76	Waste Water Treatment System	N/A

2.2. Based on information available to DTSC, DTSC has determined that a release of hazardous waste has occurred at or from the following SWMUs. Respondent agrees to the characterization of these SWMUs and statement of facts contained in Section 2.2 of this Consent

Order solely for the purposes of the issuance of this Consent Order.

a. Unit 3: Battery Storage Area

Spills from spent and leaking lead-acid storage batteries occurred during the operation of this unit.

b. Unit 6: Earthen Acid Dump Pit

Releases of hazardous waste took place during the operation of the unit. Sampling of the ground water in 1987 showed that this pit was one of the prime contributors to acid, lead, and other metal contamination of the ground water.

c. Unit 9: Hard Rubber Chip Wastepile

The Department of Health Services (DHS) sampled leachate from the hard rubber chip waste pile in 1987 and 1989 and on both sample dates reported hazardous levels of lead leaching onto the asphalt.

d. Unit 10: Old Battery Separation Building

The groundwater samples taken in 1987 showed that this unit has contributed to acid and lead contamination of the ground water.

e. Unit 11: Old Mixed Metals Extrusion Building

Trichloroethene (TCE) was used as a cooling medium during the operation of this unit and sample results taken from groundwater monitoring well MW-11 indicate the release of TCE.

f. Unit 12: Zinc Alloy Operations Area

Groundwater monitoring results from monitoring well MW-5 indicate the release of zinc.

g. Unit 14: Smelting Pots

Spills occurred during the operation of this unit. In the 1950's, a spill of molten lead occurred which required cleanup of contaminated soil to a depth of 35 feet below ground surface (bgs).

h. Unit 15: Lead Oxide Building Warehouse

Powdered lead was used in the production of lead oxide. At least one release of lead oxide onto the streets adjoining the Facility was documented during the operation of this unit.

i. Unit 24: Rainwater Retention Pond

The Los Angles Regional Water Quality Control Board (LARWQCB) documented a potential release in August 1985. In August 1985 the Respondent drained water from the pond into the flood control channel and as a result water seeped under the pond's liner and damaged the liner. Samples taken by DHS on September 1, 1989, showed the pond water to have hazardous levels of soluble lead.

j. Unit 28: Polypropylene Loading Dock

DHS analyzed samples of polypropylene and leachate from the polypropylene and found hazardous levels of lead in both.

k. Unit 29: Crushed Drum Storage Piles

Samples taken by DHS in 1989 showed hazardous levels of lead and antimony to exist in the crushed drum storage piles then located in the West Yard.

2.3. Hazardous wastes or constituents have migrated or may migrate from the Facility into the environment through soil, surface water, ground water, and air pathways.

a. **Soil Matrix, Pore-gas, and Pore-liquid:**

(1) Off-site Soil Matrix Sampling - DTSC conducted soil sampling in 1994 which confirmed the off-site presence of lead contamination in surface soils.

(2) On-site Soil Matrix Sampling - A number of on-site soil sampling efforts have been conducted. For example, on September 21, 1989, and on March 5, 1997, samples were obtained by DTSC from sediment accumulated in the bottom of an impoundment used for secondary containment (SWMU 24),

referred to by Respondent as the storm water retention pond, which revealed lead contamination. Due to the discovery of cracks in the liner system for the stormwater retention pond noted by DTSC in its inspections of April 30 and June 24, 1997, the pond liners were replaced in August 1997. Sampling confirmed the presence of lead contamination in the soils underlying the pond.

(3) Pore-Gas - Lateral and vertical migration of gas phase contamination may have occurred from the Earthen Disposal Pit (SWMU 1) Earthen Acid Dump Pit (SWMU 6), Slag Storage Pile (SWMU 7), and Old Mixed Metals Extrusion Building (SWMU 11). The underground tank AOCs may also be sources of pore-gas migration. Elevated levels of methane, hydrogen sulfide or other gases may exist.

(4) Pore-Liquid - Lateral and vertical subsurface migration of pore-liquid may have occurred from the Earthen Disposal Pit (SWMU 1), Earthen Acid Dump Pit (SWMU 6), Slag Storage Pile (SWMU 7), Old Mixed Metals Extrusion Building (SWMU 11), and Stormwater Retention Pond (SWMU 24).

b. **Air:**

(1) On-site Air Contamination - Hazardous waste or constituents may be released from activities such as soil excavation for repairs or maintenance purposes undertaken at or near any of the SWMUs or AOCs. On-site effects of such releases must be evaluated.

(2) Off-site Ambient Air Contamination - Respondent has emitted lead during the operation of the Facility. Although the South Coast Air Quality Monitoring District (SCAQMD) has established emission limitations, Respondent may still emit

up to those numerical limits. Off-site effects of past releases of airborne lead must be evaluated together with current permitted emissions.

c. **Surface Water:**

(1) On-site Surface Water Contamination - The potential for past and present release(s) to on-site surface water exists because a flood control channel bifurcates the Facility. Samples obtained by DTSC from the channel and in nearby storm drains revealed concentrations of lead that exceeded hazardous waste level.

(2) Off-site Surface Water Contamination - The potential for past and present release(s) to off-site surface water exists because (a) water from the surface impoundment has historically been discharged pursuant to a discharge permit to the industrial sewer which ultimately discharges to the ocean after treatment; and (b) before the Facility was bermed, storm water, which may have contained lead particulates, was discharged to the adjoining streets and through run-off grates to storm drains and surface water channels.

d. **Ground Water:**

At present, a total of seventeen groundwater monitoring wells have been installed on- and off-site at the Facility. Analyses of groundwater samples from these wells indicate that hazardous constituents have migrated from areas of the Facility and have contaminated ground water underlying the Facility. The 1994 RFI work plan stated that six (6) of the SWMUs [Earthen Disposal Pit (SWMU 1), Old Mixed Metals Extrusion Building (SWMU 11), Old Battery Storage Area (SWMU

30), Earthen Acid Disposal Pit (SWMU 6), Crushed Battery Case Storage Area (SWMU 19), and Old Battery Separation Building (SWMU 19)] may be subject to Article 6, Chapter 14, Division 4.5 of 22CCR. Samples taken from on-site wells exceeded Federal Maximum Contaminant Levels (MCLs) for up to six (6) organic hazardous constituents, and exceed California Action Levels for up to eight (8) organic hazardous constituents. Data from earlier groundwater monitoring indicates that levels of inorganic chemicals in groundwater samples may also exceed Federal MCLs.

2.4. The hazardous waste and constituents of concern at the Facility are metals such as lead, cadmium, aluminum, arsenic, sodium, antimony, iron, manganese, zinc; acids [pH], such as sulfuric acid; semi-volatile organic compounds; and, aromatic and halogenated volatile organic compounds such as benzene, ethyl benzene, and trichloroethylene (TCE).

2.5. The Facility is bounded on the south by Bandini Blvd, on the north by 26th street, on the east by Indiana Street (the main office/administration building is east of Indiana Street), and on the west by additional industrial sites. The Facility is bifurcated east to west by the Union Pacific and Santa Fe Railroad and north to south by an open Flood Control channel and a buried storm box culvert. The Facility is located in the southern portion of the Los Angeles Forebay Area of the central Groundwater Basin of the Los Angeles Coastal Plain, approximately .1 mile north of the Los Angeles River. Based on measurements taken on-site, the first ground water encountered beneath the facility is at depths of 85 to 90 feet bgs. In 1991, the local groundwater flow pattern had 180° radius along a southeast-directed axis. However, there are no monitoring wells to the northwest, and

consequently information on flow direction is incomplete. The seventeen (17) groundwater monitoring wells at the Facility are shallow and interconnection with deeper underlying aquifer units, such as the Exposition and Gage, is unknown. The June 13, 1994, Basin Plan of the Los Angeles Regional Water Quality Control Board (LARWQCB) indicates that the ground water beneath the Facility is beneficial for municipal uses.

2.6. Releases from the Facility may migrate through the vadose zone either toward air and/or surface and ground water since some of the contaminants identified in the sampling are mobile in gas-phase.

3.0 PROJECT COORDINATOR

3.1. Within fourteen (14) days of the effective date of this Consent Order, DTSC and Respondent shall each designate a Project Coordinator and shall notify each other in writing of the Project Coordinator selected. Each Project coordinator shall be responsible for overseeing the implementation of this Consent Order and for designating a person to act in his/her absence. All communications between Respondent and DTSC, and all documents, report approvals, and other correspondence concerning activities performed pursuant to this Consent Order shall be directed through the Project Coordinators. Each party may change its Project Coordinator with at least seven (7) days prior written notice.

4.0 WORK TO BE PERFORMED

4.1. Respondent agrees to perform any and all work undertaken pursuant to this Consent Order to the extent applicable and in a manner consistent with: the attached Scopes of Work; DTSC-approved RCRA Facility Investigation Work Plan, Corrective Measures Study Work Plan, and Corrective Measures Implementation Work Plan; and any other work plans submitted by Respondent and approved by DTSC; Public

Participation Policy and Procedures Manual, published by DTSC, as previously amended; H&SC and other applicable state and federal laws and their implementing regulations; and applicable DTSC or U.S. EPA guidance documents. Applicable guidance documents include, but are not limited to, the "RCRA Facility Investigation (RFI) Guidance" (Interim Final, May 1989, EPA 530/SW-89-031), "RCRA Groundwater Monitoring Technical Enforcement Guidance Document" (OSWER Directive 9950.1, September 1986), "Test Methods For Evaluating Solid Waste" (SW-846), "Construction Quality Assurance for Hazardous Waste Land Disposal Facilities" (EPA 530/SW-85-031, July 1986), "Corrective Action Orientation Manual" (Draft Working copy, June 1994, DTSC), and the Guidance Manual for Groundwater Investigations (California Environmental protection Agency, July 1995).

5.0 INTERIM MEASURES (IM)

5.1 Respondent shall evaluate available data and assess the need for interim measures in addition to those specifically required by this Consent Order. Interim measures shall be used whenever possible to control or abate immediate threats to human health and/or the environment, and to prevent and/or minimize the spread of contaminants while long-term corrective action alternatives are being evaluated.

5.2 Within ninety (90) days of the effective date of this Consent Order, Respondent shall submit a Current Conditions Report in accordance with the scope of work outlined in the letters from Mr. Jeffery Pierce of Integrated Environmental Solutions to Mr. Liang Chiang of DTSC, dated September 6, 2001 and October 2, 2001, respectively, and appended hereto as Attachment 1 and Attachment 2.

5.3 In the event Respondent identifies an immediate or potential threat to human health and/or the environment, discovers new releases of hazardous waste and/or hazardous waste constituents, or discovers new solid waste management units not previously identified,

Respondent shall notify the DTSC Project Coordinator orally within 24 hours of discovery and notify DTSC in writing within fifteen (15) calendar days of discovery summarizing the findings, including the immediacy and magnitude of the potential threat to human health and/or the environment. Within thirty (30) calendar days of receiving DTSC's written request, Respondent shall submit to DTSC an IM Work Plan for approval. In some instances, where interim measures must be implemented quickly to prevent harm to human health and the environment, DTSC may reduce or limit the elements of, or requirement for, the submittal of work plans and specifications. The IM Work Plan shall include a schedule for submitting to DTSC an IM Operation and Maintenance (O&M) Plan and IM Plans and Specifications. The IM Work Plan, IM O&M Plan, and IM P&S shall be developed in a manner consistent with the Scope of Work for Interim Measures Implementation appended as Attachment 3. If DTSC determines that immediate action is required, the DTSC Project Coordinator may orally authorize the Respondent to act prior to DTSC's receipt of the IM Work Plan.

5.4 If DTSC identifies an immediate or potential threat to human health and/or the environment, discovers new releases of hazardous waste and/or hazardous waste constituents, or discovers new solid waste management units not previously identified, DTSC will notify Respondent in writing. Within thirty (30) calendar days of receiving DTSC's written notification, Respondent shall submit to DTSC for approval an IM Work Plan that identifies Interim Measures that will mitigate the threat. In some instances, where interim measures must be implemented quickly to prevent harm to human health and the environment, DTSC may reduce or limit the elements of, or requirement for, the submittal of work plans and specifications. The IM Work Plan shall include a schedule for submitting to DTSC an IM Operation and Maintenance (O&M)

Plan and IM Plans and Specifications. The IM Work Plan, IM O&M Plan, and IM P&S shall be developed in a manner consistent with the Scope of Work for Interim Measures Implementation appended as Attachment 3. If DTSC determines that immediate action is required, the DTSC Project Coordinator may orally authorize the Respondent to act prior to DTSC's receipt of the IM Work Plan.

5.5 All IM Work Plans shall ensure that the Interim Measures are designed to mitigate current or potential threats to human health and/or the environment, and should, to the extent practicable, be consistent with the objectives of, and contribute to the performance of, any remedy which may be required at the Facility.

5.6 Concurrent with the submission of an IM Work Plan, Respondent shall submit to DTSC a Health and Safety Plan in accordance with the Scope of Work for a Health and Safety Plan, Attachment 4.

5.7 Concurrent with the submission of an IM Work Plan, Respondent shall submit for DTSC's approval a Community Profile in accordance with Attachment 5. Based on the information provided in the Community Profile, if DTSC determines that there is a high level of community concern about the Facility, DTSC may require Respondent to prepare a Public Participation Plan or to prepare a supplement to any existing Public Participation Plan.

6.0 RCRA FACILITY INVESTIGATION (RFI)

6.1 The Respondent submitted an RFI Work Plan, dated April 1995, to DTSC for review and approval. The work plan was deemed technically insufficient and has not been approved. Within ninety (90) calendar days of receipt of DTSC's comments on the 1995 RFI Work Plan, Respondent shall submit to DTSC a revised Work Plan for a RCRA Facility Investigation ("RFI Work Plan") of the entire Facility, including the SWMUs and AOCs identified in Tables 1 and 2 of section 2.1. The RFI

Work Plan is subject to approval by DTSC and shall be developed in a manner consistent with the Scope of Work for a RCRA Facility Investigation contained in Attachment 6. DTSC will review the Current Conditions Report and RFI Work Plan and notify Respondent in writing of DTSC's approval or disapproval.

6.2 The RFI Work Plan shall detail the methodology to: (1) gather data needed to make decisions on interim measures/ stabilization during the early phases of the RCRA Facility Investigation; (2) identify and characterize all sources of contamination; (3) define the nature, degree and extent of contamination; (4) define the rate of movement and direction of contamination flow; (5) characterize the potential pathways of contaminant migration; (6) identify actual or potential human and/or ecological receptors; and (7) support development of alternatives from which a corrective measure will be selected by DTSC. A specific schedule for implementation of all activities shall be included in the RFI Work Plan.

6.3 Respondent shall submit a RFI Report to DTSC for approval in accordance with DTSC-approved RFI Work Plan schedule. The RFI Report shall be developed in a manner consistent with the Scope of Work for a RCRA Facility Investigation contained in Attachment 6. If there is a phased investigation, separate RFI Report(s) and a report that summarizes the findings from all phases of the RFI must be submitted to DTSC. DTSC will review the RFI Report(s) and notify Respondent in writing of DTSC's approval or disapproval.

6.4 Concurrent with the submission of a RFI Work Plan, Respondent shall submit to DTSC a Health and Safety Plan in accordance with Attachment 4. If work plans for both an IM and RFI are required by this Consent Order, Respondent may submit a single Health and Safety Plan that addresses the combined IM and RFI activities.

6.5 Respondent shall submit a RFI Summary Fact Sheet to DTSC that summarizes the findings from all phases of the RFI. The RFI Summary Fact Sheet shall be submitted to DTSC in accordance with the schedule contained in the approved RFI Work Plan. DTSC will review the RFI Summary Fact Sheet and notify Respondent in writing of DTSC's approval or disapproval, including any comments and/or modifications. When DTSC approves the RFI Summary Fact Sheet, Respondent shall mail the approved RFI Summary Fact Sheet to all individuals on the Facility mailing list established pursuant to 22 Cal. Code Reg. section 66271.9(c)(1)(D), within fifteen (15) calendar days of receipt of written approval.

6.6 Concurrent with the submittal of the RFI Work Plan, Respondent shall submit to DTSC a Risk Assessment Workplan for the Facility. Respondent shall submit to DTSC a Risk Assessment Report in accordance with the DTSC-approved Risk Assessment Workplan schedule.

7.0. CORRECTIVE MEASURES STUDY (CMS)

7.1 Respondent shall prepare a Corrective Measures Study if contaminant concentrations exceed the health-based action levels established by the Risk Assessment Report and/or if DTSC determines that the contaminant releases pose a potential threat to human health and/or the environment.

7.2 Within sixty (60) calendar days of DTSC's approval of the RFI Report or of Respondent's receipt of a written request from DTSC, Respondent shall submit a CMS Work plan to DTSC. The CMS Work plan is subject to approval by DTSC and shall be developed in a manner consistent with the Scope of Work for a Corrective Measures Study contained in Attachment 7.

7.3 The CMS Work Plan shall detail the methodology for developing and evaluating potential corrective measures to remedy any

contamination at the Facility. The CMS Work plan shall identify the potential corrective measures, including any innovative technologies, that may be used for the containment, treatment, remediation, and/or disposal of contamination.

7.4 Respondent shall prepare treatability studies for all potential corrective measures that involve treatment except where Respondent can demonstrate to DTSC's satisfaction that they are not needed. The CMS Work Plan shall include, at a minimum, a summary of the proposed treatability study including a conceptual design, a schedule for submitting a treatability study work plan, or Respondent's justification for not proposing a treatability study.

7.5 Respondent shall submit a CMS Report to DTSC for approval in accordance with DTSC-approved CMS Work plan schedule. The CMS Report shall be developed in a manner consistent with the Scope of Work for a Corrective Measures Study contained in Attachment 7. DTSC will review the CMS Report and notify Respondent in writing of DTSC's approval or disapproval.

8.0 REMEDY SELECTION

8.1 DTSC will provide the public with an opportunity to review and comment on the final draft of the CMS Report, DTSC's proposed corrective measures for the Facility, and DTSC's justification for selection of such corrective measures.

8.2 Following the public comment period, DTSC may select final corrective measures or may require Respondent to revise the CMS Report and/or perform additional corrective measures studies.

8.3 DTSC will notify Respondent of the final corrective measures selected by DTSC in the Final Decision and Response to Comments. The notification will include DTSC's reasons for selecting the corrective measures.

9.0 CORRECTIVE MEASURES IMPLEMENTATION (CMI).

9.1 Within sixty (60) calendar days of Respondent's receipt of notification of DTSC's selection of the corrective measures, Respondent shall submit to DTSC a Corrective Measures Implementation (CMI) Work Plan. The CMI Work Plan is subject to approval by DTSC and shall be developed in a manner consistent with the Scope of Work for Corrective Measures Implementation contained in Attachment 8.

9.2 Concurrent with the submission of a CMI Work Plan, Respondent shall submit to DTSC a Health and Safety Plan in accordance with Attachment 2.

9.3 The CMI program shall be designed to facilitate the design, construction, operation, maintenance, and monitoring of corrective measures at the Facility. In accordance with the schedule contained in the approved CMI Work Plan, Respondent shall submit to DTSC the documents listed below. These documents shall be developed in a manner consistent with the Scope of Work for Corrective Measures Implementation contained in Attachment 8.

- Operation and Maintenance Plan
- Draft Plans and Specifications
- Final Plans and Specifications
- Construction Work plan
- Construction Completion Report
- Corrective Measures Completion Report

9.4 DTSC will review all required CMI documents and notify Respondent in writing of DTSC's approval or disapproval.

9.5 As directed by DTSC, Respondent shall establish a financial assurance mechanism for Corrective Measures Implementation including operation and maintenance activities. The financial assurance mechanisms may include a performance or surety bond, liability

insurance, an escrow performance guarantee account, a trust fund, financial test, or corporate guarantee as described in Title 22 CCR section 66265.143 or any other mechanism acceptable to DTSC. The mechanism shall be established to allow DTSC access to the funds to undertake Corrective Measures Implementation tasks if Respondent is unable or unwilling to undertake the required actions.

10.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT

10.1 DTSC must comply with the California Environmental Quality Act (CEQA) insofar as activities required by this Consent Order are projects subject to CEQA. Respondent shall provide all information necessary to facilitate any CEQA analysis. DTSC will make an initial determination regarding applicability of CEQA. If the activities are not exempt from CEQA, DTSC will conduct an Initial Study. Based on the results of the Initial Study, DTSC will determine if a Negative Declaration or an Environmental Impact Report (EIR) should be prepared. DTSC will prepare and process any such Negative Declaration. However, should DTSC determine that an EIR is necessary, such EIR would be prepared under separate agreement between DTSC and Respondent.

11.0 DTSC APPROVAL

11.1. Respondent shall revise any work plan, report, specification, or schedule in accordance with DTSC's written comments. Respondent shall submit to DTSC any revised documents by the due date specified by DTSC. Revised submittals are subject to DTSC's approval or disapproval.

11.2 Upon receipt of DTSC's written approval, Respondent shall commence work and implement any approved work plan in accordance with the schedule and provisions contained therein.

11.3 Any Department-approved work plan, report, specification, or schedule required by this Consent Order shall be

deemed incorporated into this Order.

11.4 Verbal advice, suggestions, or comments given by DTSC representatives will not constitute an official approval or decision.

12.0 SUBMITTALS

12.1 Beginning with the first full month following the effective date of this Consent Order, Respondent shall provide DTSC with bi-monthly progress reports of corrective action activities conducted pursuant to this Consent Order. Progress reports are due on the 10th day of the month when reports are due. The progress reports shall conform to the Scope of Work for Progress Reports contained in Attachment 9. DTSC may adjust the frequency of progress reporting to be consistent with site-specific activities.

12.2 Any report or other document submitted by Respondent pursuant to this Consent Order shall be signed and certified by the project coordinator, a responsible corporate officer, or a duly authorized representative.

12.3 The certification required above, shall be in the following form:

> I certify that the information contained in or accompanying this submittal is true, accurate, and complete. As to those portions of this submittal for which I cannot personally verify the accuracy, I certify that this submittal and all attachments were prepared at my direction in accordance with procedures designed to assure that qualified personnel properly gathered and evaluated the information submitted.
>
> Signature: _____
> Name: _____
> Title: _____
> Date: _____

12.4 Respondent shall provide three copies of all documents, including but not limited to, work plans, reports, and correspondence of fifteen (15) pages or longer. Submittals specifically exempted from this copy requirement are all progress reports and

correspondence of less than 15 pages, of which one copy is required.

12.5 Unless otherwise specified, all reports, correspondence, approvals, disapprovals, notices, or other submissions relating to this Consent Order shall be in writing and shall be sent to the current Project Coordinators.

13.0 PROPOSED CONTRACTOR/CONSULTANT

13.1 All work performed pursuant to this Consent Order shall be under the direction and supervision of a professional engineer or registered geologist, registered in California, with expertise in hazardous waste site cleanup. Respondent's contractor or consultant shall have the technical expertise sufficient to fulfill his or her responsibilities. Within forty-five (45) days of the effective date of this Consent Order, Respondent shall notify the DTSC Project Coordinator in writing of the name, title, and qualifications of the professional engineer or registered geologist and of any contractors or consultants and their personnel to be used in carrying out the requirements of this Order.

14.0 ADDITIONAL WORK

14.1 DTSC may determine or Respondent may propose that certain tasks, including investigatory work, engineering evaluation, or procedure/methodology modifications, are necessary in addition to, or in lieu of, the tasks and deliverables included in any part of DTSC-approved work plans. DTSC shall request in writing that Respondent perform the additional work and shall specify the basis and reasons for DTSC's determination that the additional work is necessary. Within sixty (60) days after the receipt of such determination, Respondent may confer with DTSC to discuss additional work that DTSC has requested. If required by DTSC, Respondent shall submit a work plan for the additional work. Such work plan shall be submitted to DTSC within thirty (30)

calendar days of receipt of DTSC's determination or according to alternate schedule established by DTSC. Upon approval of a work plan, Respondent shall implement it in accordance with the provisions and schedule contained therein. The need for, and disputes concerning, additional work are subject to the dispute resolution procedures specified in this Consent Order.

15.0 QUALITY ASSURANCE

15.1 All sampling and analyses performed by Respondent under this Consent Order shall follow applicable Department and U.S. EPA guidance for sampling and analysis. Work plans shall contain quality assurance/quality control and chain-of-custody procedures for all sampling, monitoring, and analytical activities. Any deviations from the approved work plans must be approved by DTSC prior to implementation, must be documented, including reasons for the deviations, and must be reported in the applicable report (e.g., RFI Report).

15.2 The names, addresses, and telephone numbers of the California State certified analytical laboratories Respondent proposes to use must be specified in the applicable work plans.

15.3 All work plans required under this Consent Order shall include data quality objectives for each data collection activity to ensure that data of known and appropriate quality are obtained and that data are sufficient to support their intended uses.

15.4 Respondent shall monitor to ensure that high quality data are obtained by its consultant or contract laboratories. Respondent shall ensure that laboratories used by Respondent for analysis perform such analysis according to the latest approved edition of "Test Methods for Evaluating Solid Waste, (SW-846)", or other methods deemed satisfactory to DTSC. If methods other than U.S. EPA methods are

to be used, Respondent shall specify all such protocols in the applicable work plan (e.g., RFI Work Plan). DTSC may reject any data that do not meet the requirements of the approved work plan, USEPA analytical methods, or quality assurance/quality control procedures, and may require re-sampling and analysis.

15.5 Respondent shall ensure that the laboratories used by Respondent for analyses have a quality assurance/quality control program certified through the California State Department of Health Services Environmental Laboratory Accreditation Program (ELAP). DTSC may conduct a performance and quality assurance/quality control audit of the laboratories chosen by Respondent before, during, or after sample analyses. Upon request by DTSC, Respondent shall have its selected laboratory perform analyses of samples provided by DTSC to demonstrate laboratory performance. If the audit reveals deficiencies in a laboratory's performance or quality assurance/quality control procedures, re-sampling and analysis may be required.

16.0 SAMPLING AND DATA/DOCUMENT AVAILABILITY

16.1 Respondent shall submit to DTSC upon request the results of all sampling and/or tests or other data generated by its employees, agents, consultants, or contractors pursuant to this Consent Order.

16.2 Notwithstanding any other provisions of this Consent Order, DTSC retains all of its information gathering and inspection authority and rights, including enforcement actions related thereto, under the H&SC, and any other state or federal statutes or regulations.

16.3 Respondent shall notify DTSC in writing at least seven (7) calendar days prior to beginning each separate phase of field work approved under any work plan required by this Consent Order. If Respondent believes it must commence emergency field activities without

delay, Respondent may seek emergency telephone authorization from the DTSC Project Coordinator or, if the Project Coordinator is unavailable, his/her Branch Chief, to commence such activities immediately.

16.4 At the request of DTSC, Respondent shall provide or allow DTSC or its authorized representative to take split or duplicate samples of all samples collected by Respondent pursuant to this Consent Order. Similarly, at the request of Respondent, DTSC shall allow Respondent or its authorized representative to take split or duplicate samples of all samples collected by DTSC under this Consent Order.

17.0 ACCESS

17.1 Subject to the Facility's security and safety procedures, Respondent shall provide DTSC and its representatives access at all reasonable times to the Facility and any other property to which access is required for implementation of this Consent Order and shall permit such persons to inspect and copy all records, files, photographs, documents, including all sampling and monitoring data, that pertain to work undertaken pursuant to this Consent Order and that are within the possession or under the control of Respondent or its contractors or consultants.

17.2 To the extent that work being performed pursuant to this Consent Order must be done beyond the Facility property boundary, Respondent shall use its best efforts to obtain access agreements necessary to complete work required by this Consent Order from the present owners of such property within thirty (30) calendar days of approval of any work plan for which access is required. Best efforts as used in this paragraph shall include, at a minimum, a letter by certified mail from Respondent to the present owners of such property requesting an agreement to permit Respondent and DTSC and its authorized representatives access to such property and offering the payment by

Respondent of reasonable sums of money in consideration of granting access. Any such access agreement shall provide for access to DTSC and its representatives. Respondent shall provide DTSC's Project Coordinator with a copy of any access agreements. In the event that an agreement for access is not obtained within thirty (30) calendar days of approval of any work plan for which access is required, or of the date that the need for access becomes known to Respondent, Respondent shall notify DTSC in writing within fourteen (14) calendar days thereafter regarding both the efforts undertaken to obtain access and its failure to obtain such agreements. DTSC may, at its discretion, assist Respondent in obtaining access.

17.3 Nothing in this section limits or otherwise affects DTSC's right of access and entry pursuant to any applicable state or federal law or regulation.

17.4 Nothing in this Consent Order shall be construed to limit or otherwise affect Respondent's liability and obligation to perform corrective action including corrective action beyond the Facility boundary.

18.0 RECORD PRESERVATION

18.1 Respondent shall retain, during the implementation of this Consent Order and for a minimum of six (6) years thereafter, all data, records, and documents that relate in any way to the implementation of this Consent Order or to hazardous waste management and/or disposal at the Facility. Respondent shall notify DTSC in writing ninety (90) calendar days prior to the destruction of any such records, and shall provide DTSC with the opportunity to take possession of any such records. Such written notification shall reference the effective date, caption, and docket number of this Consent Order and shall be addressed to:

Jose Kou, Chief
Southern California Permitting Branch
Department of Toxic Substances Control
1011 North Grandview Avenue
Glendale, CA 91201

18.2 If Respondent retains or employs any agent, consultant, or contractor for the purpose of complying with the requirements of this Consent Order, Respondent will require any such agents, consultants, or contractors to provide Respondent a copy of all documents produced pursuant to this Consent Order.

18.3 All documents pertaining to this Consent Order shall be stored in a central location at the Facility to afford ease of access by DTSC and its representatives.

19.0 DISPUTE RESOLUTION

19.1 The parties agree to use their best efforts to resolve all disputes informally. The parties agree that the procedures contained in this section are the required administrative procedures for resolving disputes arising under this Consent Order. If the Respondent fails to follow the procedures contained in this section, it shall have waived its right to further contest the disputed issue. Respondent reserves its legal rights to contest or defend against any final decision rendered by DTSC under this paragraph. Disputes regarding DTSC's billings shall follow the procedures set forth in paragraph 19.4.

19.2 Respondent shall first seek resolution with DTSC's assigned project manager and unit chief. If the issue is not resolved after review by the unit chief, the Respondent shall seek resolution with the DTSC's branch chief by presenting in a letter the issues in dispute, the legal or other basis for Respondent's position, and the remedy sought. The branch chief shall issue a written decision with an explanation for the decision within thirty (30) business days after receipt of the letter from the Respondent. The branch chief's decision

shall constitute DTSC's final administrative decision on the issues in dispute.

19.3 If Respondent disputes a DTSC billing, or any part thereof, Respondent shall notify DTSC's assigned project manager and attempt to informally resolve the dispute with DTSC's project manager and branch chief. If Respondent desires to formally request dispute resolution in writing within forty five (45) business days of the date of the billing in dispute. The written request shall describe all issues in dispute and shall set forth the reasons for the dispute, both factual and legal. If the dispute pertains only to a portion of the costs included in the invoice, Respondent shall pay all costs which are undisputed in accordance with paragraphs 23.1 through 23.7. The filing of a notice of dispute pursuant to this Section shall not stay the accrual of interest on any unpaid costs pending resolution of the dispute. The written request shall be sent to:

Special Assistant for Cost Recovery and Reimbursement Policy
Department of Toxic Substances Control
P.O. Box 806
Sacramento, CA 95812-0806

A copy of the written request for dispute resolution shall also be sent to the person designated by DTSC to receive submittals under this Consent Order. A final decision on the billing dispute will be rendered by the Special Assistant for Cost Recovery and Reimbursement Policy or other DTSC designee.

19.4 The existence of a dispute shall not excuse, stay, or suspend any other compliance obligation or deadline required pursuant to this Consent Order.

20.0 RESERVATION OF RIGHTS

20.1 DTSC reserves all of its statutory and regulatory

powers, authorities, rights, and remedies, both legal and equitable, which may pertain to Respondent's failure to comply with any of the requirements of this Consent Order. Correspondingly, Respondent reserves all of its statutory and administrative rights, defenses and remedies, both legal and equitable, as they may arise under this Consent Order. This Consent Order shall not be construed as a covenant not to sue, release, waiver, or limitation on any rights, remedies, powers, defenses or authorities, civil or criminal or administrative, that DTSC or Respondent may have under any laws, regulations or common law.

20.2 DTSC reserves the right to disapprove of work performed by Respondent pursuant to this Consent Order and to request that Respondent perform additional tasks.

20.3 DTSC reserves the right to perform any portion of the work consented to herein or any additional site characterization, feasibility study, and/or remedial actions it deems necessary to protect human health and/or the environment. DTSC may exercise its authority under any applicable state or federal law or regulation to undertake response actions at any time. DTSC reserves its right to seek reimbursement from Respondent for costs incurred by the State of California with respect to such actions. DTSC will notify Respondent in writing as soon as practicable regarding the decision to perform any work described in this section.

20.4 If DTSC determines that activities in compliance or noncompliance with this Consent Order have caused or may cause a release of hazardous waste constituents, or a threat to human health and/or the environment, or that Respondent is not capable of undertaking any of the work required, DTSC may order Respondent to stop further implementation of this Consent Order for such period of time as DTSC determines may be needed to abate such release or threat. The deadlines for any actions

required of Respondent under this Consent Order affected by the order shall be extended to take into account DTSC's actions.

20.5 This Consent Order is not intended to be nor shall it be construed to be a permit. The parties acknowledge and agree that DTSC's approval of any work plan, plan, and/or specification does not constitute a warranty or representation that the work plans, plans, and/or specifications will achieve the required cleanup or performance standards. Compliance by Respondent with the terms of this Consent Order shall not relieve Respondent of its obligations to comply with the H&SC or any other applicable local, state or federal law regulation.

21.0 OTHER CLAIMS

21.1 Except as provided in this Consent Order, nothing in this Consent Order shall constitute or be construed as a release from any claim, cause of action, or demand in law or equity against any person, firm, partnership, or corporation for any liability it may have arising out of or relating in any way to the generation, storage, treatment, handling, transportation, release, or disposal of any hazardous constituents, hazardous wastes, pollutants, or contaminants found at, taken to, or taken or migrating from the Facility. Respondent waives any claims or demands for compensation or payment from the State California arising out of any activity performed or expense incurred by Respondent pursuant to this Consent Order.

22.0 OTHER APPLICABLE LAWS

22.1 All actions required to be taken pursuant to this Consent Order shall be undertaken in accordance with the requirements of local, state, and federal laws and regulations. Respondent shall obtain or cause its representatives to obtain all permits and approvals necessary under such laws and regulations.

23.0 REIMBURSEMENT OF DTSC'S COSTS

23.1 Respondent shall pay all of DTSC's costs incurred in the implementation of this Consent Order. Such costs shall include DTSC's costs incurred in the preparation of this Consent Order prior to the date it is signed.

23.2 An estimate of DTSC's costs is attached as Exhibit A showing the amount of $167,938.00. It is understood by the parties that the amount in Exhibit A is only an estimate for those activities shown in Exhibit A for the first calendar year after the effective date of this Consent Order, and may differ from the actual costs incurred by DTSC in overseeing those activities. DTSC will provide additional cost estimates for the subsequent phases of work as the work progresses.

23.3 Respondent shall make an advance payment to DTSC in the amount of $40,000.00 within thirty (30) calendar days of the effective date of this Consent Order. If the advance payment exceeds DTSC's costs, DTSC will refund the balance within one hundred twenty (120) calendar days after the execution of the Acknowledgment of Satisfaction (Acknowledgment) pursuant to Paragraph 26 of this Consent Order.

23.4 After the advance payment, DTSC will provide Respondent with a billing statement at least quarterly, which will include the name of the employee, identification of the activity, the amount of time spent on each activity, and the hourly rate charged. If Respondent does not pay an invoice within sixty (60) calendar days, the amount is subject to interest as provided in HSC section 25360.1.

23.5 DTSC will retain all cost records associated with the work performed under the Consent Order as required by state law. DTSC will make all documents which support DTSC's cost determination available for inspection upon Respondent's request, as provided by the Public Records Act.

23.6 Any dispute concerning costs pursuant to this Consent Order is subject to the Dispute Resolution provision of this Consent Order. DTSC reserves its right to recover unpaid costs under applicable state and federal laws.

23.7 All payments shall be made within thirty (30) calendar days of the date of the billing statement by check payable to the Department of Toxic Substances Control and shall be sent to:

Accounting Unit

Department of Toxic Substances Control

P.O. Box 806

Sacramento, California 95812-0806

All checks shall reference the name of the Facility, Respondent=s name and address, and the docket number of this Consent Order. Copies of all checks and letters transmitting such checks shall be sent simultaneously to DTSC's project coordinator.

24.0 MODIFICATION

24.1 This Consent Order may be modified by mutual agreement of the parties. Any agreed modifications shall be in writing, shall be signed by both parties, shall have as their effective date the date on which they are signed by DTSC, and shall be deemed incorporated into this Consent Order.

24.2 Any requests for revision of an approved work plan requirement must be in writing. Such requests must be timely and provide justification for any proposed work plan revision. DTSC has no obligation to approve such requests, but if it does, such approval will be in writing and signed by the Chief, Southern California Permitting Branch, Department of Toxic Substances Control, Region or his or her designee. Any approved work plan modification shall be incorporated by reference into this Consent Order.

25.0 SEVERABILITY

25.1 The requirements of this Consent Order are severable, and Respondent shall comply with each and every provision hereof, notwithstanding the effectiveness of any other provision.

26.0 TERMINATION AND SATISFACTION

26.1 The provisions of this Consent Order shall be deemed satisfied upon the execution by both parties of an Acknowledgment of Satisfaction (Acknowledgment). DTSC will prepare the Acknowledgment for Respondent's signature. The Acknowledgment will be executed when Respondent has demonstrated completion of the work required under this Consent Order and full payment of DTSC's costs incurred under this Consent Order. The Acknowledgment will affirm Respondent's continuing obligation to preserve all records after the rest of the Consent Order is satisfactorily completed.

27.0 COUNTERPARTS

27.1 This Consent Order may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one and the same document.

28.0 FULL AND COMPLETE AGREEMENTS

28.1 This Consent Order contains all of the covenants and agreements between DTSC and Respondent with respect to the subject matter of this Consent Order. Each Party to this Consent Order acknowledges that no representations, inducements, promises, or agreements have been made by or on the behalf of any party except those covenants and agreements embodied in this Consent Order.

29.0 CHANGE IN OWNERSHIP

29.1 No change in ownership or corporate or partnership status relating to the Facility shall in any way alter Respondent's

responsibility under this Consent Order. No conveyance of title, easement, or other interest in the Facility, or a portion of the Facility, shall affect Respondent's obligations under this Consent Order. However, DTSC may consent to the transfer of such obligations to a third party, and DTSC shall not unreasonably withhold its consent. Respondent shall be responsible for and liable for any failure to carry out all activities required of Respondent by the terms and conditions of this Consent Order, regardless of Respondent's use of employees, agents, contractors, or consultants to perform any such tasks.

30.0 NOTICE TO CONTRACTORS AND SUCCESSORS

30.1 Respondent shall provide a copy of this Consent Order to all contractors, laboratories, and consultants retained to conduct or monitor any portion of the work performed pursuant to this Consent Order and shall condition all such contracts on compliance with the terms of this Consent Order. Respondent shall give written notice of this Consent Order to any successor in interest prior to transfer of ownership or operation of the Facility and shall notify DTSC at least seven (7) calendar days prior to such transfer.

31.0 SUBMITTAL SUMMARY

31.1 Below is a summary of the major reporting requirements contained in this Consent Order. The summary is provided as a general guide and does not contain all requirements. Please refer to the specific language of this Consent Order for all the requirements.

Section	Action	Due Date
4.2	Implement approved work plans	In accordance with schedules contained in approved work plans
4.1	Designate Project Coordinator and notify DTSC in writing	14 days from effective date of Order
5.3	Notify DTSC orally of	24 hours after

	potential threats to human health	discovery
5.3	Notify DTSC in writing of potential threats to human health	15 days after discovery
5.2 5.6 5.7	Submit Current Conditions Report Health and Safety Plan, Community Profile	90 days from effective date of Order
6.1 6.4 6.6	Submit revised RFI Work Plan, Health and Safety Plan Health and Safety Plan	90 days from receipt of DTSC comments
7.2	Submit CMS Work Plan	60 days after DTSC's approval of RFI Report
9.1	Submit CMI Work Plan	60 days from receipt of notification of DTSC selection of corrective measure(s)
12.1	Submit first Progress Report	10th day of the month following the effective date of Order
12.1	Submit Progress Reports	Every two months
13.1	Notify DTSC in writing of contractors to carry out terms of Order	45 days from effective date of Order
16.3	Notify DTSC of initiation of field work	7 days before each phase of field work

32.0 EFFECTIVE DATE

32.1 The effective date of this Consent Order shall be the date on which this Consent Order is signed by all parties. Except as otherwise specified, days mean calendar days.

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32.0 SIGNATORIES

33.1 Each undersigned representative certifies that he or she is fully authorized to enter this Consent Order.

IT IS SO AGREED AND ORDERED:

EXIDE CORPORATION

Date: 2-18-02

Philip F. Milgrao

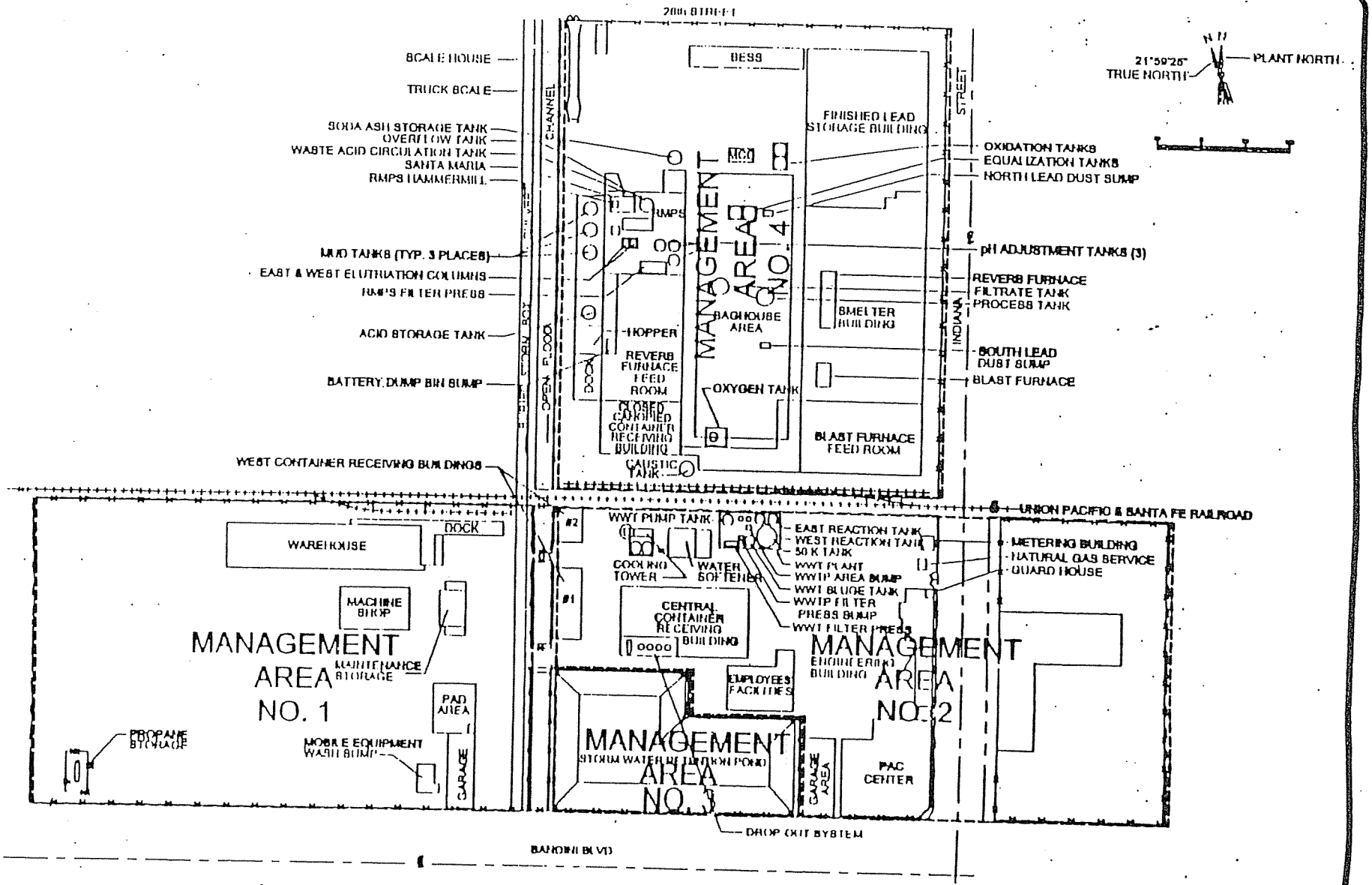
Print name and title

DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Date: 2/25/02

Jose Kou, Chief, Southern California Permitting Branch

Print name and title

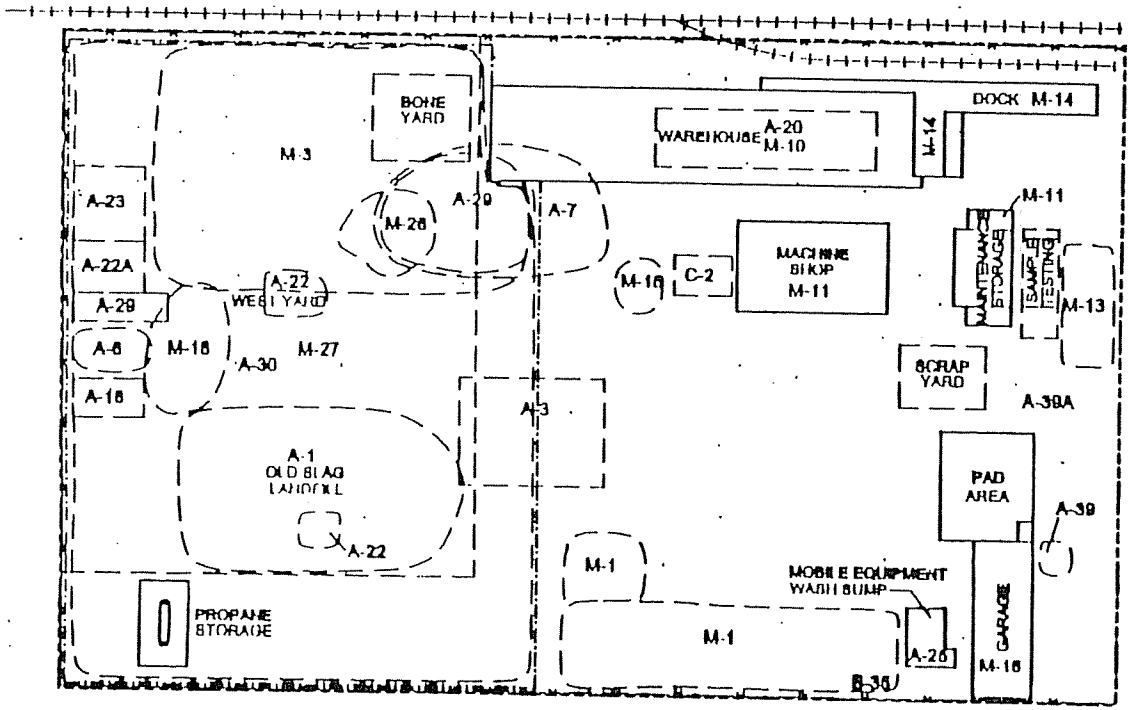


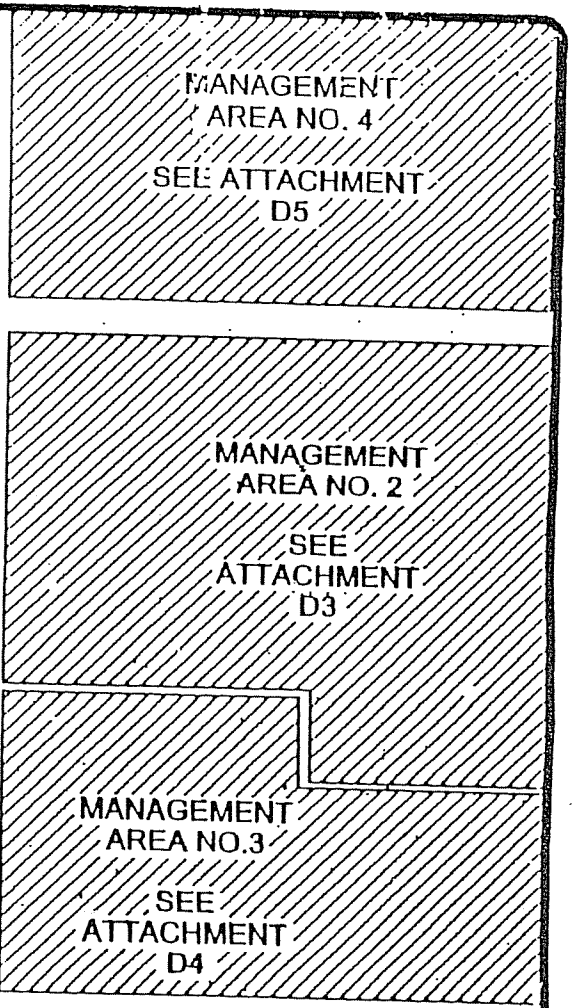
GNB TECHNOLOGIES INC. - VERNON, CA.

FIGURE 1

DESIGNATED WASTE MANAGEMENT AREAS

GNB TECHNOLOGIES INC. - VERNON, CA -





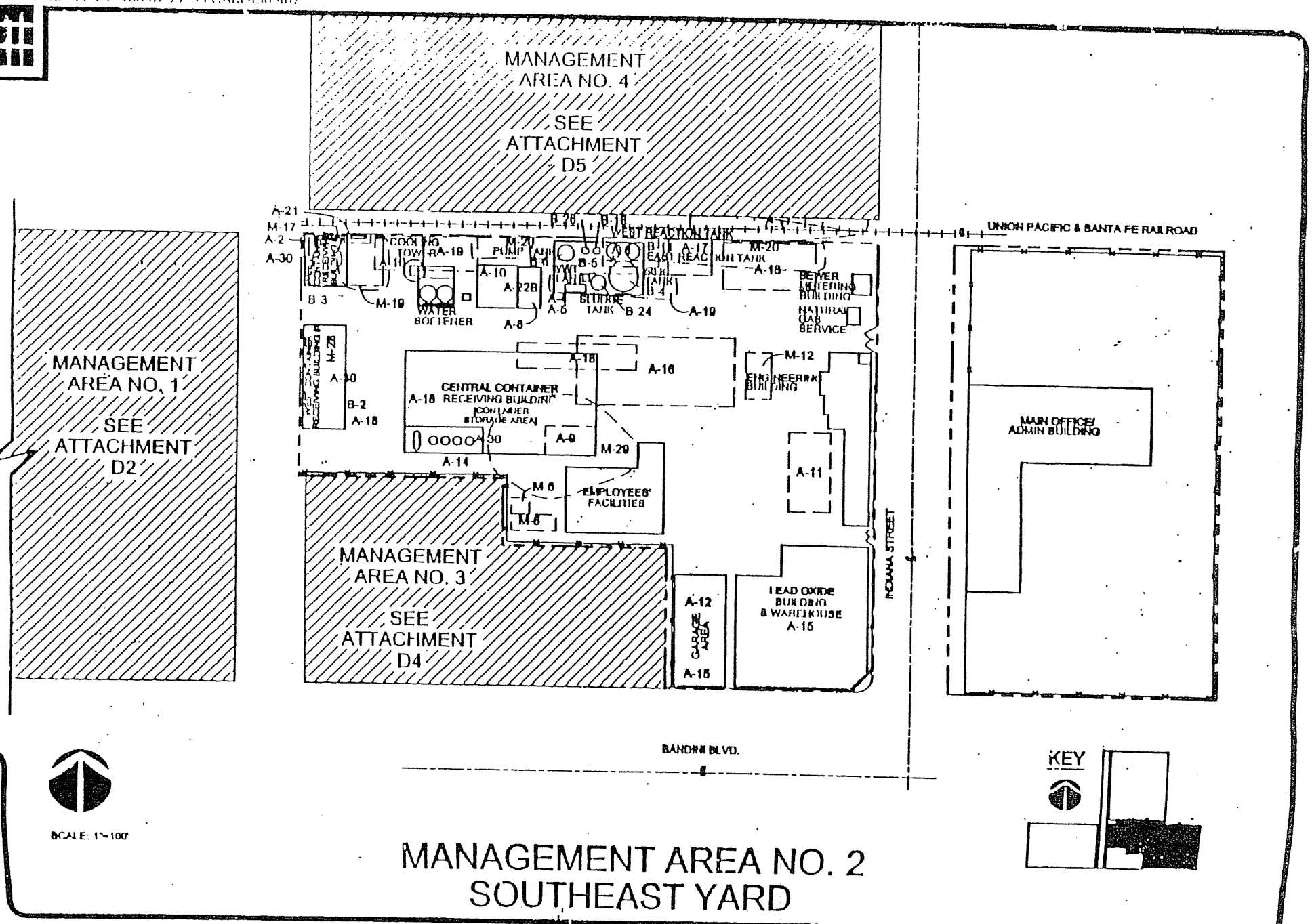
BANDINI BLVD.

KEY

SCALE 1"=100'

MANAGEMENT AREA NO. 1
WEST YARD

FIGURE 2



MANAGEMENT AREA NO. 2
SOUTHEAST YARD

GNB TECHNOLOGIES INC. - VERNON, CA - JULY 1999

FIGURE 3

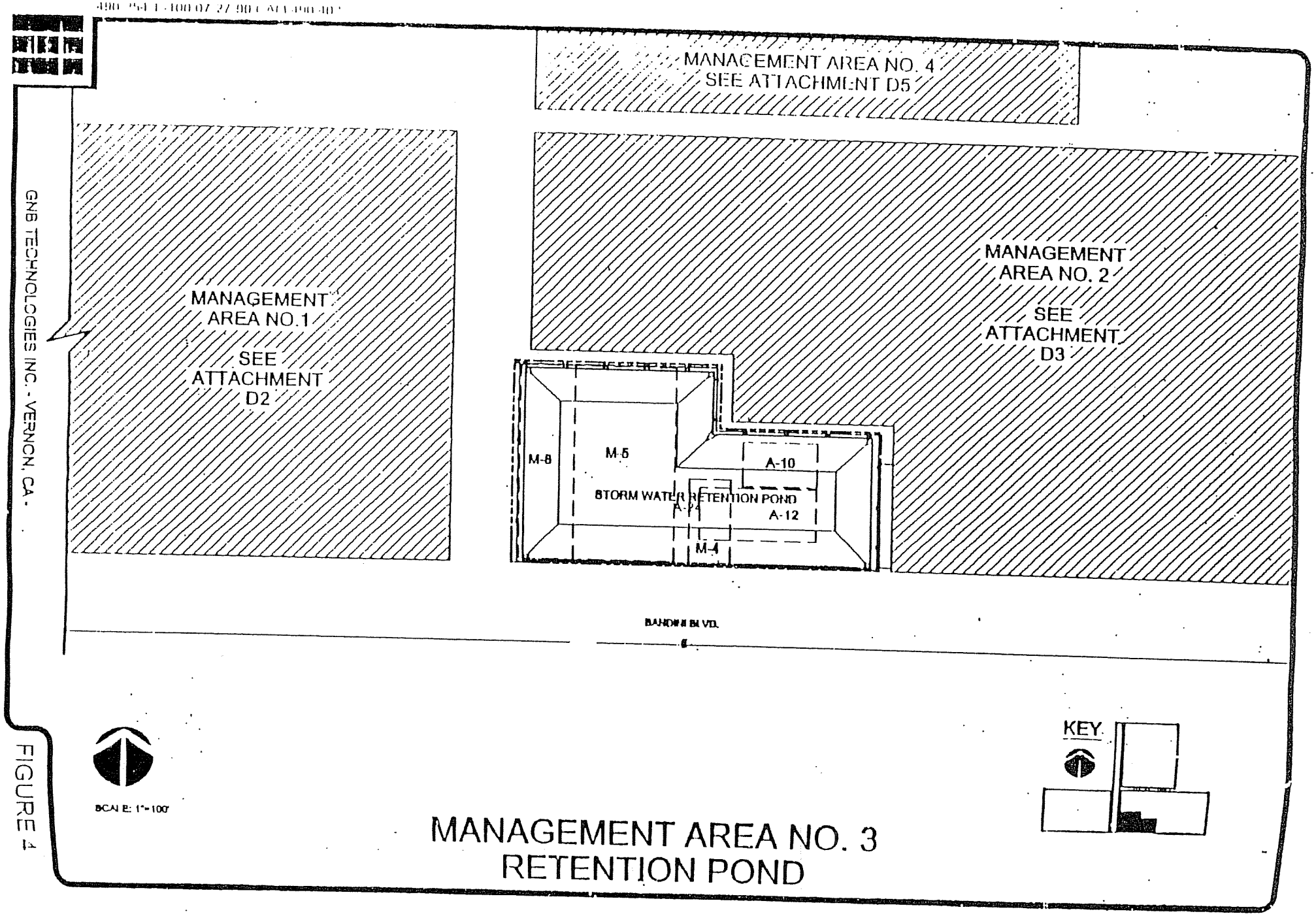
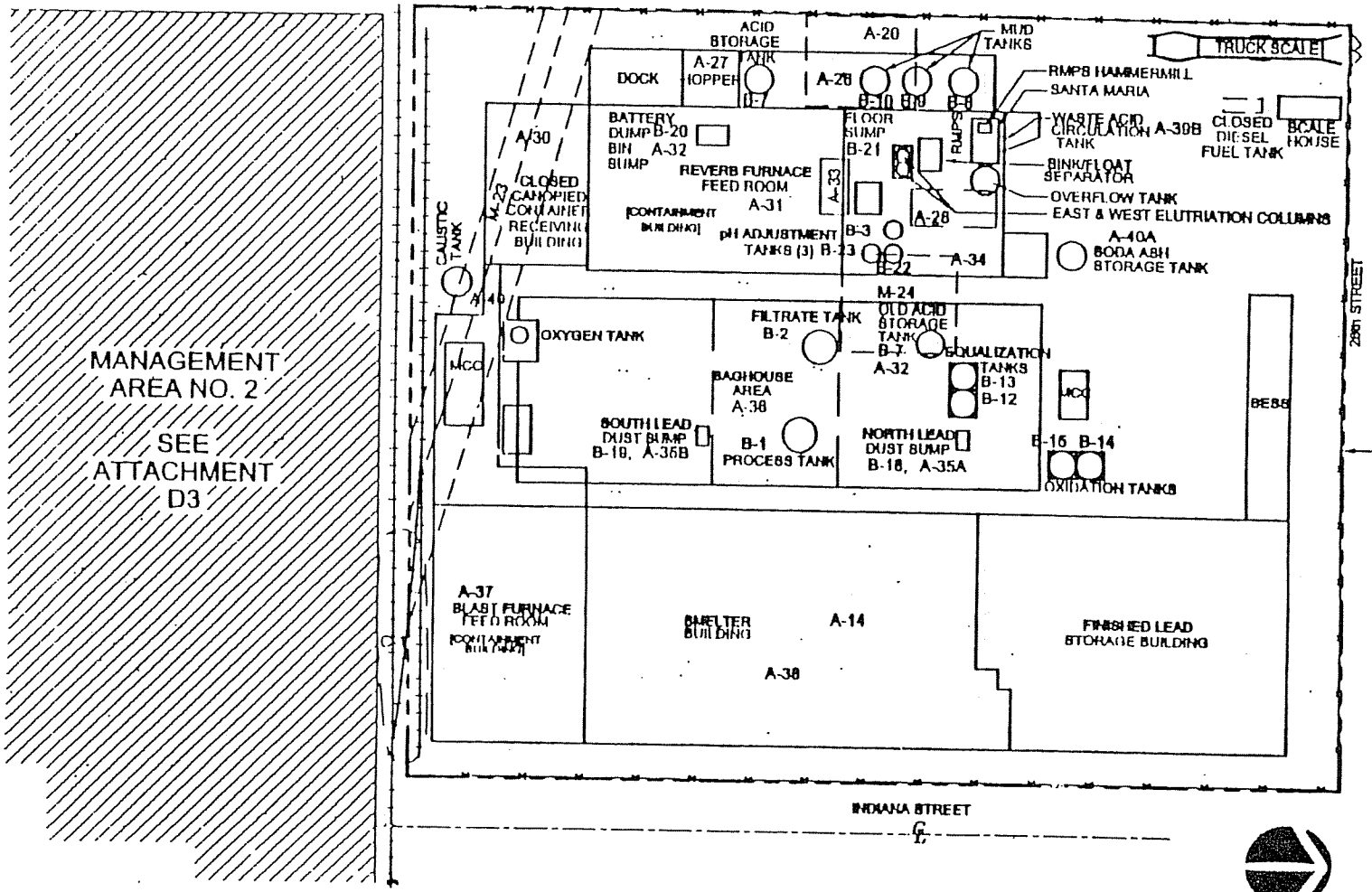


FIGURE 4

MANAGEMENT AREA NO. 3
RETENTION POND

MANAGEMENT AREA NO. 1 SITE ATTACHMENT D2



MANAGEMENT AREA NO. 4
NORTH EAST YARD

GNB TECHNOLOGIES INC. - VERNON, CA

FIGURE 5

EXHIBIT A

I. RFI Workplan Review

Project Manager reviews the Current Conditions Report, RFI Workplan, Health and Safety Plan, prepares and issues a Notice of Deficiency (NOD); reviews and approves revised RFI Workplan, and Current Condition Report; coordinates with Public Participation staff in the preparation of a Public Involvement Plan (PIP) or RFI Summary Fact Sheet.

COST ESTIMATE FOR REVIEW AND APPROVAL OF RFI WORK PLAN			
	HOURS	HOURLY RATE + INDIRECT @ 191.68%	AMOUNT
Project Manager - HSE	200	$122.00	$24,400.00
Supervisor - SHSEG I	120	$134.00	$16,080.00
Geologist - HSEG	80	$116.00	$9,280.00
Sup. Geologist- SHSEG I	24	$134.00	$3,216.00
Asso. Industrial Hygienist	32	$115.00	$3,680.00
Sup. Industrial Hygienist	16	$131.00	$2,096.00
Public Partici. Specialist	40	$103.00	$4,120.00
Public Partici. Supervisor	16	$118.00	$1,888.00
Word Processing Tech.	24	$57.00	$1,368.00
SUBTOTAL	552		$66,128.00

II. RFI Oversight

Project Manager visits the facility to take split samples, and review progress reports.

COST ESTIMATE FOR RFI OVERSIGHT			
	HOURS	HOURLY RATE + INDIRECT @ 191.68%	AMOUNT
Project Manager - HSE	80	$122.00	$9,760.00
Supervisor - SHSEG I	32	$134.00	$4,288.00
Geologist - HSEG	32	$116.00	$3,712.00
Sup. Geologist- SHSEG I	16	$134.00	$2,144.00
Asso. Industrial Hygienist	16	$115.00	$1,840.00
Sup. Industrial Hygienist	8	$131.00	$1,048.00
Word Processing Tech.	24	$57.00	$1,368.00
SUBTOTAL	208		$24,160.00

III. RFI Report Review/Approval

Project Manager reviews RFI Report, issues NOD, reviews/ approves revised RFI Report and determines whether Corrective Measure Study (CMS), Interim Measure (IM), or no further action is warranted.

COST ESTIMATE FOR REVIEW AND APPROVAL OF RFI REPORT			
	HOURS	HOURLY RATE + INDIRECT @ 196.54%	AMOUNT
Project Manager - HSE	120	$122.00	$14,640.00
Supervisor - SHSEG I	60	$134.00	$8,040.00
Geologist - HSEG	32	$116.00	$3,712.00
Sup. Geologist- SHSEG I	16	$134.00	$2,144.00
Asso. Industrial Hygienist	24	$115.00	$2,760.00
Sup. Industrial Hygienist	8	$131.00	$1,048.00
Public Partici. Specialist	32	$103.00	$3,296.00
Public Partici. Supervisor	16	$118.00	$1,888.00
Word Processing Tech.	24	$57.00	$1,368.00
SUBTOTAL	**332**		**$38,896.00**

SUMMARY

I. RFI Workplan Review	$	66,128.00
II. RFI Oversight	$	24,160.00
III. RFI Report Review/Approval	$	38,896.00
SUBTOTAL	$	129,184.00
10% Project Management	$	12,918.00
20% Contingency	$	25,836.00
TOTAL ESTIMATED COST	$	167,938.00

RMT Integrated Environmental Solutions

ATTACHMENT 1

3607 Roberts Drive
Suite 100
Atlanta, GA 30350
Telephone: 770-641-9756
Fax: 770-642-0257

3.5433-1

September 6, 2001

Mr. Liang Chiang, P.E.
Hazardous Substance Engineer
California Environmental Protection Agency
Department of Toxic Substances Control
Region 3/Facility Management Branch
1011 N. Grandview Avenue
Glendale, California 91201

Re: Contents of the Corrective Action Consent Order Required Current Conditions Report
Exide Technologies' Vernon, California Facility
EPA ID No. CAD 097 854 541

Dear Liang:

Per our discussions on July 18, 2001 about the contents of the Current Conditions Report (CCR) required as part of the Corrective Action Consent Order (CACO) with Exide Technologies' Vernon, California facility, I wanted to verify that the streamlined approach that Exide proposes to use to address the CCR requirement is satisfactory to the Department of Toxic Substances Control (DTSC). This letter serves as an agreement that the approach is sufficient to meet this requirement of the CACO. As we discussed, the language in the CACO has been agreed upon by Exide and DTSC, and is ready for signature once agreement is reached on the contents of the CCR. From our conversation, I understand that DTSC does not necessarily expect that the CCR will strictly follow the outline given in the CACO appendix.

Exide appreciates the opportunity to provide an alternative approach for preparing the CCR rather than strictly following the outline presented in the appendix of the CACO. Exide's streamlined approach for preparation of the CCR will include the following:

- A facility description that includes past and current operations;
- A facility history that includes ownership, operational, and regulatory history;
- A description of the past and current waste streams (solid and hazardous) generated at the facility;
- A description of all past waste management units and current permitted units, including any units or activities that were identified in negotiating cost recovery allocations with the prior owner/operator;
- The history of any spills and discharges at the facility;
- A brief description of surface drainage, surface water hydrology, geology, and hydrogeology;
- A detailed description of the facility groundwater monitoring system that includes a summary of the monitor well construction details, historical analytical data, and concentration maps;

RECEIVED

SEP 17 2001

Thomas J.P. McHenry

- A brief description of previous investigations conducted at the facility with a presentation of the available data;
- A brief summary of the physical properties of the contaminants detected at the facility;
- A conceptual model of potential contamination migration;
- A description of all corrective measures conducted at the facility; and
- An assessment of the data needs to be addressed in the revised RCRA Facility Investigation (RFI) Work Plan.

The objective of this approach is to provide DTSC with all of the available information needed to facilitate the review of the previously submitted RFI Work Plan, thus providing comments for the revised RFI Work Plan as required by the CACO. Exide understands that the information omitted from the CCR outline in the CACO to prepare the streamlined CCR needs to be incorporated into the revised RFI Work Plan, which will be submitted after receiving and incorporating DTSC comments.

Exide would appreciate DTSC's approval of this streamlined approach so that the CACO can be signed and the corrective action process initiated.

Please call me if you have any comments or questions concerning the contents of this letter.

Sincerely,

Jeffery A. Pierce, P.E.
Senior Project Manager

JAP:smr

cc: Fred Ganster - Exide Technologies, Reading, Pennsylvania
Tom McHenry - Gibson, Dunn & Crutcher
Tom Wideman - Exide Technologies, Vernon, California
Russell Kemp - RMT, Inc., Atlanta, Georgia
Central Files

RMT
Integrated
Environmental
Solutions

8607 Roberts Drive
Suite 100
Atlanta, GA 30350
Telephone: 770-641-9756
Fax: 770-642-0257

ATTACHMENT 2

October 2, 2001

DEPARTMENT OF TOXIC SUBSTANCES CONTROL

OCT 04 2001

RECEIVED

Mr. Liang Chiang, P.E.
Hazardous Substance Engineer
California Environmental Protection Agency
Department of Toxic Substances Control
Region 3/Facility Management Branch
1011 N. Grandview Avenue
Glendale, California 91201

Re: Contents of the Corrective Action Consent Order Required Current Conditions Report
Exide Technologies' Vernon, California Facility
EPA ID No. CAD 097 854 541

Dear Liang:

RMT, Inc. is pleased to submit this letter to confirm the approval by Department of Toxic Substances Control (DTSC) of the proposed content of the Current Conditions Report (CCR) required as part of the Corrective Action Consent Order with Exide Technologies' Vernon, California facility. The approval was given for the streamline approach detailed in the September 6, 2001 letter from RMT to DTSC with the inclusion of a study of all previously permitted units that were taken out of service and whether they are being formally closed with a certification report.

If DTSC has any additional comments concerning the streamlined approach, please contact me within 14 days or we will assume that the proposed approach with the added item has been approved.

Sincerely,

Jeffery A. Pierce, P.E.
Senior Project Manager

JAP:smr

cc: Tom McHenry - Gibson Dunn & Crutcher
Tom Wideman - Exide Technologies
Fred Ganster - Exide Technologies
Central Files

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ATTACHMENT 3

SCOPE OF WORK FOR INTERIM MEASURES IMPLEMENTATION

PURPOSE

Interim measures are actions to control and/or eliminate releases of hazardous waste and/or hazardous constituents from a facility prior to the implementation of a final corrective measure. Interim measures must be used whenever possible to achieve the goal of stabilization which is to control or abate threats to human health and/or the environment, and to prevent or minimize the spread of contaminants while long-term corrective action alternatives are being evaluated.

SCOPE

The documents required for Interim Measures (IM) are, unless the Department of Toxic Substances Control (Department) specifies otherwise, an IM Workplan, an Operation and Maintenance Plan and IM Plans and Specifications. The scope of work (SOW) for each document is specified below. The SOWs are intended to be flexible documents capable of addressing both simple and complex site situations. If the Owner/Operator or Respondent can justify, to the satisfaction of the Department, that a plan or portions thereof are not needed in the given site specific situation, then the Department may waive that requirement.

The Department may require the Owner/Operator or Respondent to conduct additional studies beyond what is discussed in the SOWs in order to support the IM program. The Owner/Operator or Respondent will furnish all personnel, materials and services necessary to conduct the additional tasks.

A. Interim Measures Workplan

The Owner/Operator or Respondent shall prepare an IM Workplan that evaluates interim measure options and clearly describes the proposed interim measure, the key components or elements that are needed, describes the designer's vision of the interim measure in the form of conceptual drawings and schematics, and includes procedures and schedules for implementing the interim measure(s). The IM Workplan must be approved by the Department prior to implementation. The IM Workplan must, at a minimum, include the following elements:

1. Introduction/Purpose

Describe the purpose of the document and provide a summary of the project.

2. Conceptual Model of Contaminant Migration

It is important to know where the contaminants are and to understand how they are moving before an adequate interim measure can be developed. To address this critical question, the Owner/Operator or Respondent must present a conceptual model of the site and contaminant migration. The conceptual model consists of a working hypothesis of how the contaminants may move from the release source to the receptor population. The conceptual model is developed by looking at the applicable physical parameters (e.g., water solubility, density, Henry's Law Constant, etc.) for each contaminant and assessing how the contaminant may migrate given the existing site conditions (geologic features, depth to groundwater, etc.). Describe the phase (water, soil, gas, non-aqueous) and location where contaminants are likely to be found. This analysis may have already been done as part of earlier work (e.g., Current Conditions Report). If this is the case, then provide a summary of the conceptual model with a reference to the earlier document.

3. Evaluation of Interim Measure Alternatives

List, describe and evaluate interim measure alternatives that have the potential to stabilize the facility. Propose interim measures for implementation and provide rationale for the selection. Document the reasons for excluding any interim measure alternatives.

4. Description of Interim Measures

Qualitatively describe what the proposed interim measure is supposed to do and how it will function at the facility.

5. Data Sufficiency

Review existing data needed to support the design effort and establish whether or not there are sufficient accurate data available for this purpose. The Owner/Operator or Respondent must summarize the assessment findings and specify any additional data needed to complete the interim measure design. The Department may require or the Owner/Operator or

Respondent may propose that sampling and analysis plans and/or treatability study workplans be developed to obtain the additional data. Submittal times for any new sampling and analysis plans and/or treatability study workplans must be included in the project schedule.

6. Project Management

Describe the levels of authority and responsibility (include organization chart), lines of communication and a description of the qualifications of key personnel who will direct the interim measure design and implementation effort (including contractor personnel).

7. Project Schedule

The project schedule must specify all significant steps in the process, when any key documents (e.g., plans and specifications, operation and maintenance plan) are to be submitted to the Department and when the interim measure is to be implemented.

8. Design Basis

Discuss the process and methods used to design all major components of the interim measure. Discuss the significant assumptions made and possible sources of error. Provide justification for the assumptions.

9. Conceptual Process/Schematic Diagrams.

10. Site plan showing preliminary plant layout and/or treatment area.

11. Tables listing number and type of major components with approximate dimensions.

12. Tables giving preliminary mass balances.

13. Site safety and security provisions (e.g., fences, fire control, etc.).

14. Waste Management Practices

Describe the wastes generated by the construction of the interim measure and how they will be managed. Also discuss drainage and indicate how rainwater runoff will be managed.

15. Required Permits

List and describe the permits needed to construct the interim measure. Indicate on the project schedule when the permit applications will be submitted to the applicable agencies and an estimate of the permit issuance date.

16. Sampling and monitoring activities may be needed for design and during construction of the interim measure. If sampling activities are necessary, the IM Workplan must include a complete sampling and analysis section which specifies the following information:
    a. Description and purpose of monitoring tasks;
    b. Data quality objectives;
    c. Analytical test methods and detection limits;
    d. Name of analytical laboratory;
    e. Laboratory quality control (include laboratory QA/QC procedures in appendices)
    f. Sample collection procedures and equipment;
    g. Field quality control procedures:
        - duplicates (10% of all field samples)
        - blanks (field, equipment, etc.)
        - equipment calibration and maintenance
        - equipment decontamination
        - sample containers
        - sample preservation
        - sample holding times (must be specified)
        - sample packaging and shipment
        - sample documentation (field notebooks, sample labeling, etc);
    h. Criteria for data acceptance and rejection; and
    i. Schedule of monitoring frequency.

The Owner/Operator or Respondent shall follow all Department and USEPA guidance for sampling and analysis. The Department may request that the sampling and analysis section be a separate document.

17. Appendices including:

Design Data - Tabulations of significant data used in the design effort;

Equations - List and describe the source of major equations used in the design process;

Sample Calculations - Present and explain one example calculation for significant calculations; and

Laboratory or Field Test Results.

B. Interim Measures Operation and Maintenance Plan

The Owner/Operator or Respondent shall prepare an Interim Measures Operation and Maintenance (O&M) Plan that includes a strategy and procedures for performing operations, maintenance, and monitoring of the interim measure(s). An Interim Measures Operation and Maintenance Plan shall be submitted to the Department simultaneously with the Plans and Specifications. The O&M plan shall, at a minimum, include the following elements:

1. Purpose/Approach

   Describe the purpose of the document and provide a summary of the project.

2. Project Management

   Describe the levels of authority and responsibility (include organization chart), lines of communication and a description of the qualifications of key personnel who will operate and maintain the interim measure(s) (including contractor personnel).

3. System Description

   Describe the interim measure and identify significant equipment.

4. Personnel Training

   Describe the training process for O&M personnel. The Owner/Operator or Respondent shall prepare, and include in the technical specifications governing treatment systems, contractor requirements for providing: appropriate service visits by experienced personnel to supervise the installation, adjustment, start up and operation of the treatment systems, and training covering appropriate operational procedures once the start-up has been successfully accomplished.

5. Start-Up Procedures

   Describe system start-up procedures including any operational testing.

6. Operation and Maintenance Procedures

   Describe normal operation and maintenance procedures including:

   a. Description of tasks for operation;

b. Description of tasks for maintenance;
c. Description of prescribed treatment or operation condition, and
d. Schedule showing frequency of each O&M task.

7. Replacement schedule for equipment and installed components.

8. Waste Management Practices

Describe the wastes generated by operation of the interim measure and how they will be managed. Also discuss drainage and indicate how rainwater runoff will be managed.

9. Sampling and monitoring activities may be needed for effective operation and maintenance of the interim measure. If sampling activities are necessary, the O&M plan must include a complete sampling and analysis section which specifies the following information:

a. Description and purpose of monitoring tasks;
b. Data quality objectives;
c. Analytical test methods and detection limits;
d. Name of analytical laboratory;
e. Laboratory quality control (include laboratory QA/QC procedures in appendices)
f. Sample collection procedures and equipment;
g. Field quality control procedures:
   - o duplicates (10% of all field samples)
   - o blanks (field, equipment, etc.)
   - o equipment calibration and maintenance
   - o equipment decontamination
   - o sample containers
   - o sample preservation
   - o sample holding times (must be specified)
   - o sample packaging and shipment
   - o sample documentation (field notebooks, sample labeling, etc);
h. Criteria for data acceptance and rejection; and
i. Schedule of monitoring frequency.

The Owner/Operator or Respondent shall follow all Department and USEPA guidance for sampling and analysis. The Department may request that the sampling and analysis section be a separate document.

10. O&M Contingency Procedures:

a. Procedures to address system breakdowns and operational problems including a list of redundant

and emergency back-up equipment and procedures;

b. Should the interim measure suffer complete failure, specify alternate procedures to prevent release or threatened releases of hazardous substances, pollutants or contaminants which may endanger public health and/or the environment or exceed cleanup standards; and

c. The O&M Plan must specify that, in the event of a major breakdown and/or complete failure of the interim measure (includes emergency situations), the Owner/Operator or Respondent will orally notify the Department within 24 hours of the event and will notify the Department in writing within 72 hours of the event. The written notification must, at a minimum, specify what happened, what response action is being taken and/or is planned, and any potential impacts on human health and the environment.

11. Data Management and Documentation Requirements

Describe how analytical data and results will be evaluated, documented and managed, including development of an analytical database. State the criteria that will be used by the project team to review and determine the quality of data.

The O&M Plan shall specify that the Owner/Operator or Respondent collect and maintain the following information:

a. Progress Report Information

- o Work Accomplishments (e.g., performance levels achieved, hours of treatment operation, treated and/or excavated volumes, concentration of contaminants in treated and/or excavated volumes, nature and volume of wastes generated, etc.).

- o Record of significant activities (e.g., sampling events, inspections, problems encountered, action taken to rectify problems, etc.).

b. Monitoring and laboratory data;
c. Records of operating costs; and
d. Personnel, maintenance and inspection records.

The Department may require that the Owner/Operator or Respondent submit additional reports that evaluate the effectiveness of the interim measure in meeting the stabilization goal.

C. **IM Plans and Specifications**

[Note - The Owner/Operator or Respondent may propose or the Department may require the submittal of other draft plans and specifications at different points in the design process.]

The Owner/Operator or Respondent shall prepare Plans and Specifications for the interim measure that are based on the conceptual design but include additional detail. The Plans and Specifications shall be submitted to the Department simultaneously with the Operation and Maintenance Plan. The design package must include drawings and specifications needed to construct the interim measure. Depending on the nature of the interim measure, many different types of drawings and specifications may be needed. Some of the elements that may be required are:

- General Site Plans
- Process Flow Diagrams
- Mechanical Drawings
- Electrical Drawings
- Structural Drawings
- Piping and Instrumentation Diagrams
- Excavation and Earthwork Drawings
- Equipment Lists
- Site Preparation and Field Work Standards
- Preliminary Specifications for Equipment and Material

General correlation between drawings and technical specifications is a basic requirement of any set of working construction plans and specifications. Before submitting the project specifications to the Department, the Owner/Operator or Respondent shall:

a. Proofread the specifications for accuracy and consistency with the conceptual design; and

b. Coordinate and cross-check the specifications and drawings.

ATTACHMENT 4

SCOPE OF WORK FOR HEALTH AND SAFETY PLAN

The Department of Toxic Substances Control (Department) may require that the Owner/Operator or Respondent prepare a Health and Safety Plan for any corrective action field activity (e.g., soil or ground water sampling, drilling, construction, operation and maintenance of a treatment system, etc.). The Health and Safety Plan must, at a minimum, include the following elements:

1. Objectives

Describe the goals and objectives of the Health and Safety Plan (must apply to on-site personnel and visitors). The Health and Safety Plan must be consistent with the facility Contingency Plan, OSHA Regulations, NIOSH Occupational Safety and Health Guidance Manual for Hazardous Waste Site Activities (1985), all state and local regulations and other Department guidance as provided.

2. Hazard Assessment

List and describe the potentially hazardous substances that could be encountered by field personnel during field activities.

Discuss the following:

- Inhalation Hazards
- Dermal Exposure
- Ingestion Hazards
- Physical Hazards
- Overall Hazard Rating

Include a table that, at a minimum, lists: Known Contaminants, Highest Observed Concentration, Media, Symptoms/Effects of Acute Exposure.

3. Personal Protection/Monitoring Equipment

For each field task, describe personal protection levels and identify all monitoring equipment.

Describe any action levels and corresponding response actions (i.e., when will levels of safety be upgraded).

Describe decontamination procedures and areas.

4. Site Organization and Emergency Contacts

List and identify all contacts (include phone numbers). Identify the nearest hospital and provide a regional map showing the shortest route from the facility to the hospital. Describe site emergency procedures and any site safety organizations. Include evacuation procedures for neighbors (where applicable).

Include a facility Map showing emergency station locations (first aid, eye wash areas, etc.).

ATTACHMENT 5

Community Profile

The following items should be included in the Community Profile:

SITE DESCRIPTION

- Description of proposed project.
- Map.
- Description of the site/facility location.
- Description of the surrounding land uses and environmental resources (including proximity to residential housing, schools, churches, etc.).
- Visibility of the site to neighbors.
- Demographics of community in which the site is located (e.g., socioeconomic level, ethnic composition, specific language considerations, etc.). This information may be found in local libraries (e.g., census records).

LOCAL INTEREST

- Contacts with community members - any inquiries from community members, groups, organizations, etc. (include names, phone numbers, and addresses on the key contact list).
- Community interactions - any current meetings, events, presentations, etc.
- Media coverage - any newspaper, magazine, television, etc., coverage.
- Government contacts - city and county staff, state and local elected officials.

KEY CONTACT LIST

- Names, addresses, and phone numbers of city manager, city/county planning department staff, local elected officials, and other community members with whom previous contact has been made.

PAST PUBLIC INVOLVEMENT ACTIVITIES

- Any ad hoc committees, community meetings, workshops, letters, newsletters, etc., about the site or similar activity.

KEY ISSUES AND CONCERNS

- Any specific concerns/issues raised by the community regarding the site/facility or any activities performed on the site/facility.
- Any anticipated concerns/issues regarding the site/facility.
- Any general environmental concerns/issues in the community.

PP Review _____ Date_____

ATTACHMENT 6

SCOPE OF WORK FOR A RCRA FACILITY INVESTIGATION

PURPOSE

The purpose of this RCRA Facility Investigation (RFI) is to determine the nature and extent of releases of hazardous waste or constituents from regulated units, solid waste management units, and other source areas at the Facility and to gather all necessary data to support the Corrective Measures Study. The RFI must include characterization of the facility (processes, waste management, etc), environmental setting, source areas, nature and extent of contamination, migration pathways (transport mechanisms) and all potential receptors.

SCOPE

The documents required for an RFI are, unless the Department of Toxic Substances Control (Department) specifies otherwise, a Current Conditions Report, a RCRA Facility Investigation Workplan, a RCRA Facility Investigation Report and a Health and Safety Plan. The scope of work (SOW) for each document is specified below. The SOW's are intended to be flexible documents capable of addressing both simple and complex site situations. If the Owner/Operator or Respondent can justify, to the satisfaction of the Department, that a plan and/or report or portions thereof are not needed in the given site specific situation, then the Department may waive that requirement.

The Department may require the Owner/Operator or Respondent to conduct additional studies beyond what is discussed in the SOW's in order to meet the objectives of the RFI. The Owner/Operator or Respondent will furnish all personnel, materials and services necessary to conduct the additional tasks.

A. Current Conditions Report

The Current Conditions Report must describe existing information pertinent to the facility including operations, processes, waste management, geology, hydrogeology, contamination, migration pathways, potential receptor populations and interim corrective measures. The required format for a current conditions report is described below. If some of this information does not exist, so indicate in the applicable section.

1. Introduction

1.1 Purpose

Describe the purpose of the current conditions report (e.g., summary and evaluation of existing information related to the facility; required as a component of the RCRA Facility Investigation).

1.2 Organization of Report

Describe how the report is organized.

2. Facility Description

Summarize background, current operations, waste management and products produced at the facility. Include a map that shows the general geographic location of the facility.

Describe current facility structures including any buildings, tanks, sumps, wells, waste management areas, landfills, ponds, process areas and storage areas.

Include detailed facility maps that clearly show current property lines, the owners of all adjacent property, surrounding land use (residential, commercial, agricultural, recreational, etc.), all tanks, buildings, process areas, utilities, paved areas, easements, rights-of-way, waste management areas, ponds, landfills, piles, underground tanks, wells and other facility features.

3. Facility History

3.1 Ownership History

Describe the ownership history of the facility.

3.2 Operational History

Describe in detail how facility operations, processes and products have changed over time (historical aerial photographs could be useful for this purpose).

3.3 Regulatory History

Describe all permits (including waste discharge requirements) requested or received, any enforcement actions taken by the Department or designated agencies and any closure activities that are planned or underway.

3.4 Waste Generation

Describe all wastes (solid or hazardous) that have been generated at the facility. Include approximate waste volumes generated and summaries of any waste analysis data. Show how the waste stream (volume and chemical composition) has changed over time.

3.5 Waste Management

Describe in detail all past solid and hazardous waste treatment, storage and disposal activities at the facility. Show how these activities have changed over time and indicate the current status. Make a clear distinction between active waste management units and older out of service waste management units. Identify which waste management units are regulated under RCRA or California Health and Safety Code.

Include maps showing: (1) all solid or hazardous waste treatment, storage or disposal areas active after November 19, 1980, (2) all known past solid waste or hazardous waste treatment, storage or disposal areas regardless of whether they were active on November 19, 1980 and (3) all known past or present underground tanks or piping.

3.6 Spill and Discharge History

Provide approximate dates or periods of past product and waste spills, identify the materials spilled and describe any response actions conducted. Include a summary of any sampling data generated as a result of the spill. Include a map showing approximate locations of spill areas at the facility.

3.7 Chronology of Critical Events

Provide a chronological list (including a brief description) of major events, communications, agreements, notices of violation, spills, discharges that occurred throughout the facility's history.

4. Environmental Setting

4.1 Location/Land Use

Discuss facility size, location and adjacent land use. Include a rough demographic profile of the human population who use or have access to the facility and

adjacent lands. Provide approximate distance to nearest residential areas, schools, nursing homes, hospitals, parks, playgrounds, etc.

4.2 Local Ecology

Describe any endangered or threatened species near the facility. Include a description of the ecological setting on and adjacent to the facility. Provide approximate distance to nearest environmentally sensitive areas such as marsh lands, wetlands, streams, oceans, forests, etc.

4.3 Topography and Surface Drainage

Describe the regional and site specific topography and surface drainage patterns that exist at the facility. Include a map that shows the topography and surface drainage depicting all waterways, wetlands, floodplains, water features, drainage patterns and surface water containment areas.

4.4 Climate

Discuss mean annual temperatures, temperature extremes, 24-hour rainfall, average annual rainfall, prevailing wind direction, etc.

4.5 Surface Water Hydrology

Describe the facility's proximity (distance) to surface water bodies (e.g., coastal waters, lakes, rivers, creeks, drainage basins, floodplains, vernal pools, wetlands, etc.).

4.6 Geology

Describe the regional and site specific geology including stratigraphy and structure. Include cross sections to show the subsurface stratigraphy.

4.7 Hydrogeology

Describe the regional and site specific hydrogeologic setting including any information concerning local aquifers, ground water levels, gradients, flow direction, hydraulic conductivity, and velocity. Include potentiometric surface contour maps. Describe the beneficial uses of the ground water (e.g., drinking water supply, agricultural water supply, etc.).

4.8 Ground Water Monitoring System

Describe the facility's ground water monitoring system including a table detailing the existing well construction. The table must, at a minimum, identify the following construction details for each well:

Well ID
Completion Date
Drilling Method
Borehole Diameter (inches)
Well Casing Diameter and Type
Measuring Point Elevation (feet MSL)
Borehole Depth (feet BGS)
Depth of Well (feet)
Screened Interval
Formation Screened
Slot Size & Type (inches)
Filter Pack Material
Filter Pack Thickness
Type of Filter Pack Seal
Thickness of Filter Pack Seal
Pump System (dedicated or non-dedicated)
Type of Pump
Approximate Depth to Water (feet BGS)

If some of this information is not available, so indicate on the table with an "NA". {BGS: Below Ground Surface, MSL: Mean Sea Level}

The monitoring well locations must be shown on the facility map (see Section A.2 of this Attachment).

5. Existing Degree and Extent of Contamination

For each medium where the Permit or Order identifies a release (e.g., soil, ground water, surface water, air, etc.), describe the existing extent of contamination. This description must include all available monitoring data and qualitative information on the locations and levels of contamination at the facility (both onsite and offsite). Include a general assessment of the data quality, a map showing the location of all existing sampling points and potential source areas and contour maps showing any existing ground water plumes at the facility (if ground water release). Highlight potential ongoing release areas that would warrant use of interim corrective measures (see Section 8, Interim Corrective Measures).

5.1 Previous Investigations

List and briefly describe all previous investigations that have occurred at the facility, agencies (e.g., the Department's Site Mitigation Branch, the Regional Water Quality Control Board, etc.) which required and/or oversaw the investigations, and agency contacts.

6. Potential Migration Pathways

6.1 Physical Properties of Contaminants

Identify the applicable physical properties for each contaminant that may influence how the contaminant moves in the environment. These properties could include melting point (degrees C), water solubility (mg/l), vapor pressure (mm Hg), Henry's law constant (atm-m3/mol), density (g/cc), dynamic viscosity (cp), kinematic viscosity (cs), octanol/water partition coefficient (log Kow), soil organic carbon/water partition coefficient (log koc) and soil/water partition coefficients. Include a table that summarizes the applicable physical properties for each contaminant.

6.2 Conceptual Model of Contaminant Migration

Develop a conceptual model of contaminant migration. The conceptual model consists of a working hypothesis of how the contaminants may move from the release source to the receptor population. The conceptual model is developed by looking at the applicable physical parameters for each contaminant and assessing how the contaminant may migrate given the existing site conditions (geologic features, depth to ground water, etc.).

Describe the phase (water, soil, gas, non-aqueous) and location where contaminants are likely to be found (e.g., if a ground water contaminant has a low water solubility and a high density, then the contaminant will likely sink and be found at the bottom of the aquifer, phase: non-aqueous). Include a discussion of potential transformation reactions that could impact the type and number of contaminants (i.e., what additional contaminants could expected as a result of biotic and abiotic transformation reactions given the existing soil conditions).

A typical conceptual model should include a discussion similar to the following: benzene, ethylbenzene,

toluene and xylenes are potential contaminants at the facility. Based on their high vapor pressures and relatively low water solubilities (see Henry's law constant), the primary fate of these compounds in surface soils or surface water is expected to be volatilization to the atmosphere. These mono-cyclic aromatic hydrocarbons may leach from soils into groundwater. The log koc (soil organic carbon/water partition coefficient) values for these compounds ranges from 1.9 to 4.0, indicating that sorption to original matter in soils or sediments may occur only to a limited extent.

7. Potential Impacts of Existing Contamination

Describe the potential impacts on human health and the environment from any existing contamination and/or ongoing activities at the facility. This description must consider the possible impacts on sensitive ecosystems and endangered species as well as on local populations. Potential impacts from any releases to ground water, surface water, soil (including direct contact with contaminated surface soil) and air (including evaporation of volatile organic compounds from contaminated soil) must be discussed.

7.1 Ground Water Releases

Identify all wells (municipal, domestic, agricultural, industrial, etc.) within a 1 mile radius of the facility. Include a summary of available water sampling data for any identified municipal, industrial or domestic supply wells.

Develop a well inventory table that lists the following items for each identified well:

Well Designation
State ID
Reported Owner
Driller
Date of Completion
Original Use of Well
Current Use of Well
Drilling Method
Borehole Diameter (inches)
Casing Diameter (inches)
Perforated Interval (feet)
Gravel Pack Interval (feet)
Total Well Depth (feet)
Depth to Water (feet below ground surface)
Date of Water Level Measurement

If some of this information is not available, so indicate on the table with an "NA".

Include a regional map showing the facility, ground water flow direction (if known) and the location of all identified wells within a 1 mile radius of the facility.

Identify and describe any potential ground water discharge to surface water bodies.

Identify and list all relevant and applicable water standards for the protection of human health and the environment (e.g., maximum contaminant levels, water quality standards, etc).

7.2 Surface Water Releases

Discuss the facility's potential impact on surface water within a 2 mile radius of the facility. Describe the potential beneficial uses of the surface water (e.g., drinking water supply, recreational, agricultural, industrial, or environmentally sensitive). Identify all water supply intake points and contact areas within a 2 mile radius of the facility. Include a summary of the most recent water sampling data available for each of the identified water supply intake points. Include a description of the biota in surface water bodies on, adjacent to, or which can be potentially affected by the release. Also summarize any available sediment sampling data.

Include a regional map showing the facility, surface water flow direction, beneficial use areas, and the location of any identified water supply intake points or contact areas that are within a 2 mile radius of the facility.

7.3 Sensitive Ecosystems/Habitats

Discuss the facility's potential impact on sensitive ecosystems.

8. Interim Corrective Measures and Stabilization Assessment

Identify all corrective measures that were or are being undertaken at the facility to stabilize contaminant releases. Describe the objectives of the corrective measures including how the measure is mitigating a potential threat to human health and the environment. Summarize the design features of the corrective measure. Include a

schedule for completing any ongoing or future work.

Identify and describe potential interim corrective measure alternatives that could be implemented immediately to stabilize any ongoing releases and/or prevent further migration of contaminants.

9. Data Needs

Assess the amount and quality of existing data concerning the facility and determine what additional information must be collected to meet the objectives of the RFI. This assessment must identify any additional information that may be needed to (1) support development of interim measures for early action and (2) adequately evaluate and compare corrective measures alternatives (e.g., field work, treatability studies, computer modeling, literature searches, vendor contacts, etc.). For example, if soil vapor extraction (SVE) is a likely option to address contamination at the facility, then the RFI should collect applicable field data to assess SVE (e.g., soil gas analysis, depth to ground water, etc.). The RFI Workplan must detail how this additional information will be collected.

10. References

Provide a list of references cited in the Current Condition Report.

B. RCRA Facility Investigation Workplan

The RCRA Facility Investigation (RFI) Workplan shall define the procedures necessary to:

- Characterize the presence, magnitude, extent (horizontal and vertical), rate of movement and direction of any ground water contamination in and around the facility (only required for releases to ground water);
- Characterize the geology and hydrogeology in and around the facility (only required for releases to ground water and possibly for releases to soil);
- Characterize the presence, magnitude, extent (horizontal and vertical), rate of movement and direction of any soil contamination in and around the facility (only required for releases to soil);
- Characterize the presence, magnitude, extent (horizontal and vertical), rate of movement and direction of any soil gas contamination in and around the facility (may be required for releases to ground water and/or soil depending on the circumstances);
- Characterize the presence, magnitude, extent (horizontal and vertical), rate of movement and direction of any surface water contamination (includes surface water sediments) at the facility (only required for releases to surface water);
- Characterize the presence, magnitude, extent (horizontal and vertical), rate of movement and direction of any air releases at the facility (only required for air releases);
- Characterize any potential sources of contamination (required for all releases);
- Characterize the potential pathways of contaminant migration (required for all releases);
- Identify any actual or potential receptors (required for all releases);
- Gather all data to support a risk and/or ecological assessment (if required);
- Gather all necessary data to support interim corrective measures to stabilize ongoing releases and prevent

further contaminant migration (required for all releases); and

- Gather all necessary data to support the Corrective Measures Study (required for all releases). This could include conducting pilot, laboratory and/or bench scale studies to assess the effectiveness of a treatment method.

The RFI Workplan shall describe all aspects of the investigation, including project management, sampling and analysis, well drilling and installation and quality assurance and quality control. If the scope of the investigation is such that more than one phase is necessary, the "Phase 1" RFI Workplan must include a summary description of each phase.

The required format for an RFI Workplan is described below:

1. Introduction

Briefly introduce the Workplan. Discuss the Order or Permit requiring the RFI and how the Workplan is organized.

2. Investigation Objectives

2.1 Project Objectives

Describe the overall objectives and critical elements of the RFI. State the general information needed from the site (e.g., soil chemistry, hydraulic conductivity of aquifer, stratigraphy, ground water flow direction, identification of potential receptors, etc.). The general information should be consistent with the objectives of the RFI and the data needs identified in the Current Conditions Report.

2.2 Data Quality Objectives

Provide data quality objectives that identify what data are needed and the intended use of the data.

3. Project Management

Describe how the investigation will be managed, including the following information:

- Organization chart showing key personnel, levels of authority and lines of communication;

- o Project Schedule; and
- o Estimated Project Budget.

Identify the individuals or positions who are responsible for: project management, field activities, laboratory analysis, database management, overall quality assurance, data validation, etc. Include a description of qualifications for personnel performing or directing the RFI, including contractor personnel.

4. Facility Background

Summarize existing contamination (e.g., contaminants, concentrations, etc.), local hydrogeologic setting and any other areas of concern at the facility. Include a map showing the general geographic location of the facility and a more detailed facility map showing the areas of contamination. Provide a reference to the Current Conditions Report and/or other applicable documents as a source of additional information.

5. Field Investigation

5.1 Task Description

Provide a qualitative description of each investigation task. Example tasks may include, but are not limited to the following:

Task 1: Surface Soil Sampling
Task 2: Subsurface Soil Boring
Task 3: Data Gathering to Support Interim Corrective Measures
Task 4: Monitoring Well Installation
Task 5: Aquifer Testing
Task 6: Ground Water Sampling
Task 7: Potential Receptor Identification
Task 8: Treatability Studies

5.2 Rationale for Sampling

Describe where all samples will be collected (location and depth), types of matrices that will be sampled and the analytical parameters. Explain the rationale for each sampling point, the total number of sampling points, and any statistical approach used to select these points. The conceptual model of contaminant migration developed in the Current Conditions Report should be considered when selecting sampling locations

and depths. If some possible sampling points are excluded, explain why. Describe any field screening techniques that will be used to identify samples for laboratory analysis. Include the rationale for use of field screening techniques and criteria for sample selection.

5.2.1 Background Samples

Background samples should be analyzed for the complete set of parameters for each matrix; treat sediments, surface soils and subsurface soils as separate matrices. Background samples are collected, numbered, packaged, and sealed in the same manner as other samples. For long term and/or especially large projects, it is recommended that 10% of samples collected be from background locations.

5.3 Sample Analysis

List and discuss all analysis proposed for the project. Include a table that summarizes the following information for each analysis to be performed:

- Analytical Parameters
- Analytical Method Reference Number (from EPA SW 846)
- Sample Preparation and/or Extraction Method Reference Number (from SW 846)
- Practical Quantitation Limits

Discuss the rationale for selection of the analytical parameters. The rationale must relate to site history and the RFI objectives. The achievable detection limits or quantitation limits stated in the selected methods must be adequate for valid comparisons of analytical results against any action levels or standards. For example, the objective may be to collect ground water data for comparison with Maximum Contaminant Levels (MCL's). If this were the case, it would be important to ensure that any ground water test methods had detection limits below the MCL's. Give an explanation if all samples from the same matrix will not be analyzed for the same parameters.

Provide the name(s) of the laboratory(s) that will be doing the analytical work. Indicate any special certifications or ratings of the laboratory. Describe the steps that will be taken to select and pre-qualify analytical laboratories to be used including any

previous audits and/or other criteria. If a definite laboratory has not yet been selected, list at least 3 laboratories that are being considered for the analytical work.

5.4 Sample Collection Procedures

Describe how sampling points will be selected in the field, and how these locations will be documented and marked for future reference. If a sampling grid will be used, describe the dimensions and lay out planned for the grid.

Outline sequentially or step-by-step the procedure for collecting a sample for each matrix and each different sampling technique. Include a description of sampling equipment (including materials of construction), field measurements, sample preservation, housekeeping/ cleanliness techniques and well purging procedures. The procedure described must ensure that a representative sample is collected, and that sample handling does not result in cross contamination or unnecessary loss of contaminants. Special care in sample handling for volatile organic samples must be addressed.

Describe how and when duplicates, blanks, laboratory quality control samples and background samples will be collected.

The Owner/Operator or Respondent must include sufficient maps and tables to fully describe the sampling effort. This shall include, at a minimum, a map showing all proposed sampling locations and tables that contain the following information:

Sample Collection Table

Sampling Location/Interval
Analytical Parameters (e.g., volatile organic compounds)
Analytical Method Number
Matrix
Preservation Method
Holding Times
Containers (quantity, size, type plus footnotes that discuss source and grade of containers)

Sample Summary Table

Sample Description/Area (include QC samples)
Analytical Parameters

Analytical Method Number
Preparation or Extraction Method Number
Matrix
Number of Sample Sites
Number of Analyses

5.4.1 Equipment Decontamination

Describe the decontamination procedure for all drilling and sampling equipment (including metal sleeves).

The following is a recommended generic procedure for decontamination of sampling equipment:

- Wash with non-phosphate detergent
- Tap water rinse
- 0.1M nitric acid rinse (when cross contamination from metals is a concern)
- Deionized/distilled water rinse
- Pesticide grade solvent rinse (when semivolatiles and non-volatile organic contamination may be present)
- Deionized/distilled water rinse (twice)
- Organic free water rinse (HPLC grade)

The above procedure is not appropriate for every field condition. Clearly document the decontamination procedures.

5.4.2 Equipment Calibration and Maintenance

Logbooks or pre-formatted calibration worksheets should be maintained for major field instruments, to document servicing, maintenance and instrument modification. The calibration, maintenance and operating procedures for all instruments, equipment and sampling tools must be based upon manufacturer's instructions. List all field equipment to be used, specify the maintenance/calibration frequency for each instrument and the calibration procedures (referenced in text and included in appendices).

5.4.3 Sample Packaging and Shipment

Describe how samples will be packaged and shipped. All applicable Department of Transportation regulations must be followed.

5.4.4 Sample Documentation

Discuss the use of all paperwork including field notebooks, record logs, photographs, sample paperwork, and Chain of Custody forms (include a blank copy in RFI Workplan Appendices) and seals.

Describe how sample containers will be labeled and provide an example label if available. At a minimum, each sample container label should include: project ID, sample location, analytical parameters, date sampled and any preservative added to the sample.

A bound field log book must be maintained by the sampling team to provide a daily record of events.

Field log books shall provide the means of recording all data regarding sample collection. All documentation in field books must be made in permanent ink. If an error is made, corrections must be made by crossing a line through the error and entering the correct information. Changes must be initialed, no entries shall be obliterated or rendered unreadable. Entries in the log book must include, at a minimum, the following for each day's sampling:

Date
Starting Time
Meteorological Conditions
Field Personnel Present
Level of Personal Protection
Site Identification
Field Observations/Parameters
Sample Identification Numbers
Location and Description of Sampling Points
Number of Samples Collected
Time of Sample Collection
Signature of Person Making the Entry

5.4.5 Disposal of Contaminated Materials

Describe the storage and disposal methods for all contaminated cuttings, well development and purge water, disposable equipment, decontamination water, and any other contaminated materials. The waste material must be disposed of in a manner consistent with local, state and federal regulations.

5.4.6 Standard Operating Procedures

If Standard Operating Procedures (SOPs) are referenced, the relevant procedure must be summarized in the RFI Workplan. The SOP must be specific to the type of tasks proposed and be clearly referenced in the RFI Workplan. The SOP must also be directly applicable, as written, to the RFI Workplan; otherwise, modifications to the SOP must be discussed. Include the full SOP description in the RFI Workplan appendix.

5.5 Well Construction and Aquifer Testing

When new monitoring wells (or piezometers) are proposed, describe the drilling method, well design and construction details (e.g., depth of well, screen length, slot size, filter pack material, etc.) and well development procedures. Describe the rationale for proposed well locations and selection of all well design and construction criteria (i.e., provide rationale for selection of slot size and screen length - FYI, USEPA recommends 10 foot screen lengths).

When aquifer testing is proposed, describe the testing procedures, flow rates, which wells are involved, test periods, how water levels will be measured, and any other pertinent information.

6. Quality Assurance and Quality Control

Quality control checks of field and laboratory sampling and analysis serve two purposes: to document the data quality, and to identify areas of weakness within the measurement process which need correction.

Include a summary table of data quality assurance objectives that, at a minimum, lists:

- Analysis Group (e.g., volatile organic compounds)
- Matrix
- Practical Quantitation Limits (PQL)
- Spike Recovery Control Limits (%R)
- Duplicate Control Limits +/-(RPD)
- QA Sample Frequency

A reference may note the specific pages from USEPA's SW 846 Guidance Document that list the test method objectives for precision and accuracy. If the field and laboratory numerical data quality objectives for precision are the same and presented on a single table, then a statement should be

made to this effect and added as a footnote to the table (e.g., "These limits apply to both field and laboratory duplicates"). Include a copy of the analytical laboratory quality assurance/quality control plan in the appendices of the RFI Workplan and provide the equations for calculating precision and accuracy.

6.1 Field Quality Control Samples

6.1.1 Field Duplicates

Duplicates are additional samples that must be collected to check for sampling and analytical precision. Duplicate samples for all parameters and matrices must be collected at a frequency of at least one sample per week or 10 percent of all field samples, whichever is greater.

Duplicates should be collected from points which are known or suspected to be contaminated. For large projects, duplicates should be spread out over the entire site and collected at regular intervals.

Duplicates must be collected, numbered, packaged, and sealed in the same manner as other samples; duplicate samples are assigned separate sample numbers and submitted blind to the laboratory.

6.1.2 Blank Samples

Blanks are samples that must be collected to check for possible cross-contamination during sample collection and shipment and in the laboratory. Blank samples should be analyzed for all parameters being evaluated. At least one blank sample per day must be done for all water and air sampling. Additionally, field blanks are required for soil sampling if non-dedicated field equipment is being used for sample collection.

Blank samples must be prepared using analytically-certified organic-free (HPLC-grade) water for organic parameters and metal-free (deionized-distilled) water for inorganic parameters. Blanks must be collected, numbered, packaged, and sealed in the same manner as other samples; blank samples are assigned separate sample numbers and submitted blind to the laboratory. The following types of blank samples may be required:

Equipment Blank: An equipment blank must be

collected when sampling equipment (e.g., bladder pump) or a sample collection vessel (e.g., a bailer or beaker) is decontaminated and reused in the field. Use the appropriate "blank" water to rinse the sampling equipment after the equipment has been decontaminated and then collect this water in the proper sample containers.

Field Bottle Blank: This type of blank must be collected when sampling equipment decontamination is not necessary. The field bottle blank is obtained by pouring the appropriate "blank" water into a container at a sampling point.

6.2 Laboratory Quality Control Samples

Laboratories routinely perform matrix spike and laboratory duplicate analysis on field samples as a quality control check. A minimum of one field sample per week or 1 per 20 samples (including field blanks and duplicates), whichever is greater, must be designated as the "Lab QC Sample" for the matrix and laboratory duplicate analysis.

Laboratory quality control samples should be selected from sampling points which are suspected to be moderately contaminated. Label the bottles and all copies of the paperwork as "Lab QC Sample"; the laboratory must know that this sample is for their QC analyses. The first laboratory QC sample of the sampling effort should be part of the first or second day's shipment. Subsequent laboratory QC samples should be spread out over the entire sampling effort.

For water matrices, 2-3 times the normal sample volume must be collected for the laboratory QC sample. Additional volume is usually not necessary for soil samples.

6.3 Performance System Audits by the Owner/Operator or Respondent

This section should describe any internal performance and/or system audit which the Owner/Operator or Respondent will conduct to monitor the capability and performance of the project. The extent of the audit program should reflect the data quality needs and intended data uses. Audits are used to quickly identify and correct problems thus preventing and/or reducing costly errors. For example, a performance audit could include monitoring field activities to ensure consistency with the workplan. If the audit

strategy has already been addressed in a QA program plan or standard operating procedure, cite the appropriate section which contains the information.

7. Data Management

Describe how investigation data and results will be evaluated, documented and managed, including development of an analytical database. State the criteria that will be used by the project team to review and determine the quality of data. To document any quality assurance anomalies, the RFI QC Summary Forms (see Appendix A of this attachment) must be completed by the analytical laboratory and submitted as part of the RFI Report. In addition, provide examples of any other forms or checklists to be used.

Identify and discuss personnel and data management responsibilities, all field, laboratory and other data to be recorded and maintained, and any statistical methods that may be used to manipulate the data.

8. References

Provide a list of references cited in the RFI Workplan.

C. RCRA Facility Investigation Report

An RFI Report must be prepared that describes the entire site investigation and presents the basic results. The RFI Report must clearly present an evaluation of investigation results (e.g., all potential contaminant source areas must be identified, potential migration pathways must be described, and affected media shown, etc.).

The RFI Report must also include an evaluation of the completeness of the investigation and indicate if additional work is needed. This work could include additional investigation activities and/or interim corrective measures to stabilize contaminant release areas and limit contaminant migration. If additional work is needed, the Owner/Operator or Respondent must submit a Phase 2 RFI Workplan and/or Interim Corrective Measures Workplan must be submitted to the Department along with the RFI Report.

At a minimum, the RFI Report must include:

- A summary of investigation results (include tables that summarize analytical results).
- A complete description of the investigation, including all data necessary to understand the project in its entirety including all investigative methods and procedures.
- A discussion of key decision points encountered and resolved during the course of the investigation.
- Graphical displays such a isopleths, potentiometric surface maps, cross-sections, plume contour maps (showing concentration levels, isoconcentration contours), facility maps (showing sample locations, etc.) and regional maps (showing receptor areas, water supply wells, etc.) that describe report results. Highlight important facts such as geologic features that may affect contaminant transport.
- Tables that list all chemistry data for each matrix investigated.
- An analysis of current and existing ground water data to illustrate temporal changes for both water chemistry and piezometric data (use graphics whenever possible).
- A description of potential or known impacts on human and environmental receptors from releases at the facility. Depending on the site specific

circumstances, this analysis could be based on the results from contaminant dispersion models.

- A discussion of any upset conditions that occurred during any sampling events or laboratory analysis that may influence the results. The discussion must include any problems with the chain of custody procedures, sample holding times, sample preservation, handling and transport procedures, field equipment calibration and handling, field blank results that show potential sample contamination and any field duplicate results that indicate a potential problem. Summary tables must be provided that show the upset condition and the samples that could be impacted. The RFI QC Summary Forms (see Appendix A of this attachment) must be completed by the analytical laboratory and submitted as part of the RFI Report.

- Assessment of the entire QA/QC program effectiveness.

In addition to the RFI Report, the Department may require the Owner/Operator or Respondent to submit the analytical results (database) on a floppy disk (Department will specify the format). All raw laboratory and field data (e.g., analytical reports) must be kept at the facility and be made available or sent to the Department upon request.

APPENDIX A

RCRA INVESTIGATION QC SUMMARY FORMS

REGION 9 RCRA FACILITY INVESTIGATION LABORATORY QC SUMMARY

PART 1: SUMMARY OF QC LIMITS

Inorganic Analyses

Method:

LABORATORY:
COMPLETED BY:
ORGANIZATION:
DATE:

SITE/PROJECT:
NUMBER OF SAMPLES:
TYPE OF SAMPLES:
BATCH NUMBER:

QC SUMMARY ELEMENT	LABORATORY CONTROL LIMITS	FREQUENCY PERFORMED
LABORATORY BLANKS		
SAMPLE DUPLICATE %RPD		
LABORATORY CONTROL SAMPLE RECOVERY		
STANDARD ADDITION RESULTS*		
ICP SERIAL DILUTION %D		
SPIKED SAMPLE RECOVERY		
INITIAL CALIBRATION VERIFICATION %D		
CONTINUING CALIBRATION VERIFICATION %D		
INTERFERENCE CHECK SAMPLE RECOVERY		

* expressed as the correlation coefficient

Describe any method modifications or specific problem areas:

1. Does the laboratory have access to the project QAPjP? YES/NO
2. Are the Laboratory Control Limits listed above the same as the limits in the QAPjP? YES/NO
3. Were there QC results outside the stated Control Limits or Frequency listed above? YES/NO
4. If yes to 3, report, in PART 2, all QC results which are outside the stated QC limits or frequency.
5. Was a Case Narrative, describing any difficulties and deviations submitted? YES/NO

All information reported on this form are certified true and correct.

Name: _____

Title: _____

Date: _____

ATTACHMENT 7

SCOPE OF WORK FOR A CORRECTIVE MEASURES STUDY

PURPOSE

The purpose of the Corrective Measures Study (CMS) is to:

1. Develop and evaluate corrective measure alternatives (or a single corrective measure) that may be taken at the Facility to address releases of hazardous wastes (including hazardous constituents); and

2. Recommend the corrective measures to be taken at the Facility that are protective of human health and the environment.

SCOPE

A Corrective Measures Study Workplan and Corrective Measures Study Report are, unless otherwise specified by the Department of Toxic Substances Control (Department), required elements of the CMS. The Scope of Work (SOW) for the Corrective Measures Study Workplan and Report describe what should be included in each document. The SOW's are intended to be flexible documents capable of addressing both simple and complex site situations. If the Owner/Operator or Respondent can justify, to the satisfaction of the Department, that sections of a plan and/or report are not needed in the given site specific situation, then the Department may waive that requirement.

The Department may require the Owner/Operator or Respondent to conduct additional studies beyond what is discussed in the SOW's in order to support the CMS. The Owner/Operator or Respondent will furnish all personnel, materials and services necessary to conduct the additional tasks. The SOW for the Corrective Measures Study Workplan and Report are specified below:

A. Corrective Measures Study Workplan

The Corrective Measures Study (CMS) Workplan shall, at a minimum, include the following elements:

1. A description of the overall purpose of the Corrective Measure Study;

2. Corrective measure objectives including proposed media cleanup standards (promulgated federal and state

standards, risk derived standards) and points of compliance;

3. A description of the specific corrective measure technologies and/or corrective measure alternatives which will be studied;

4. A description of the general approach to investigating and evaluating potential corrective measures;

5. A summary description of any proposed pilot, laboratory and/or bench scale studies. Proposed studies must be further detailed in either the CMS Workplan or in separate workplans. Submittal times for separate workplans must be included in the CMS Workplan project schedule;

6. A proposed outline for the CMS Report including a description of how information will be presented;

7. A description of overall project management including overall approach, levels of authority (include organization chart), lines of communication, budget and personnel. Include a description of qualifications for personnel directing or performing the work; and

8. A project schedule that specifies all significant steps in the process and when key documents (e.g., CMS Report) are to be submitted to the Department.

B. Corrective Measures Study Report

The Corrective Measures Study (CMS) Report shall, at a minimum, include the following elements:

1. Introduction/Purpose

Describe the purpose and intent of the document.

2. Description of Current Conditions

The Owner/Operator or Respondent shall include a brief discussion of any new information that has been developed since the RCRA Facility Investigation Report was finalized. This discussion should concentrate on those issues which could significantly affect the evaluation and selection of the corrective measure alternative(s).

3. Corrective Action Objectives

The Owner/Operator or Respondent shall propose corrective action objectives including applicable media cleanup standards. The corrective action objectives must be based on available promulgated federal and state cleanup standards, risk derived standards, data and information gathered during the corrective action process (e.g., from interim measures, RCRA Facility Investigation, etc.), and/or other applicable guidance documents. If no specific standards exist for a given contaminant and media, the Owner/Operator or Respondent shall propose and justify a media cleanup standard. The Department may require that the Owner/Operator or Respondent conduct a risk assessment to develop appropriate cleanup standards.

4. Identification and Screening of Corrective Measure Technologies

a. <u>Identification</u>

List and briefly describe potentially applicable technologies for each affected media that may be used to achieve the corrective action objectives. The Owner/Operator or Respondent should consider including a table that summarizes the available technologies.

The Owner/Operator or Respondent should consider innovative treatment technologies, especially in situations where there are a limited number of applicable corrective measure technologies. Innovative technologies are defined as those technologies for source control other than incineration,

solidification/stabilization and pumping with conventional treatment for contaminated groundwater. Innovative treatment technologies may require extra initial effort to gather information, analyze options and to adapt the technology to site specific situations. However, in the long run, innovative treatment technologies could be more cost effective. Pilot, laboratory and/or bench scale studies are useful for evaluating innovative treatment technologies. Depending on the site-specific situation, the Department may require the Owner/Operator or Respondent to consider additional technologies.

b. Screening

Technologies must be screened to eliminate those that may prove unfeasible to implement given the existing set of waste and site-specific conditions. The screening is accomplished by evaluating technology limitations (e.g., for volume, area, contaminant concentrations, interferences, etc.) and using contaminant and site characterization information from the RCRA Facility Investigation to screen out technologies that cannot be fully implemented at the facility. The screening process must focus on eliminating those technologies which have severe limitations for a given set of waste and site-specific conditions (e.g., depth to groundwater and aquitards).

As with all decisions during the CMS, the screening of technologies must be fully documented. This is especially true if the screening step indicates that only one corrective action technology should proceed to the next step and be evaluated in detail. List the corrective action technologies selected for further evaluation. Also document the reasons for excluding any corrective action technologies. The Owner/Operator or Respondent should consider including a table that summarizes the findings.

5. **Corrective Measure Alternative Development**

Assemble the technologies that pass the screening step into specific alternatives that have potential to meet the corrective action objectives. Options for addressing less complex sites could be relatively straightforward and may only require evaluation of a single or limited number of alternatives.

Each alternative may consist of an individual technology or a combination of technologies used in sequence (e.g., treatment train). Depending on the site specific situation,

different alternatives may be considered for separate areas of the facility. List and briefly describe each corrective measure alternative.

6. Evaluation of Corrective Measure Alternatives

Each corrective measure alternative must be evaluated (including its components) based on Short- and Long-Term Effectiveness, Reduction of Toxicity, Mobility and/or Volume, Long Term Reliability, Implementability, and Preliminary Cost.

a. Short-and Long-Term Effectiveness

Each corrective measure alternative must be evaluated for effectiveness in protecting human health and the environment and meeting the corrective action objectives. Both short- and long-term components of effectiveness must be evaluated; short-term referring to the construction and implementation period, and long-term referring to the period after the remedial action is complete. Estimate approximately how much time it will take to implement each corrective measure alternative, how much time to see initial beneficial results, and how much time to achieve the corrective action objectives.

The evaluation of short-term effectiveness must include possible threats to the safety of nearby communities, workers, and environmentally sensitive areas (e.g., oceans, wetlands) during construction of the corrective measure alternative. Factors to consider are fire, explosion, exposure to hazardous substances and potential threats associated with treatment, excavation, transportation and re-disposal or containment of waste material. Laboratory and/or field studies are extremely useful in estimating the effectiveness of corrective measures and should be used whenever possible.

The evaluation of long-term effectiveness must include possible threats to the safety of nearby communities, workers, and environmentally sensitive areas (e.g., oceans, wetlands) during operation of the corrective measure alternative.

b. Reduction of Toxicity, Mobility and/or Volume

Each corrective measure alternative must be evaluated for its ability to reduce the toxicity, mobility, and/or volume of the contaminated media. Reduction in toxicity, mobility, and/or volume refers to changes in

one or more characteristics of the contaminated media by the use of corrective measures that decrease the inherent threats associated with the media.

Estimate how much the corrective measure alternative will reduce the waste toxicity, volume and/or mobility (compare initial site conditions to post-corrective measure conditions). In general, corrective measures that have a high degree of permanence and reduce the contaminant toxicity, mobility and volume through treatment.

c. Long-Term Reliability

Each corrective measure alternative must be evaluated as to its long-term reliability. This evaluation includes consideration of operation and maintenance requirements.

Demonstrated and expected reliability is a way of assessing the risk and effect of failure. Discuss whether the technology or combination of technologies have been used effectively together under analogous site conditions, whether failure of any one technology in the alternative has an impact on receptors or contaminant migration, and whether the alternative would have the flexibility to deal with uncontrollable changes at the site (e.g., heavy rain storms, earthquakes, etc).

Operation and maintenance requirements include the frequency and complexity of necessary operation and maintenance. Technologies requiring frequent or complex operation and maintenance activities should be regarded as less reliable than technologies requiring little or straightforward operation and maintenance. The availability of labor and materials to meet these requirements must also be considered.

Most corrective measure technologies, with the exception of destruction, deteriorate with time. Often, deterioration can be slowed through proper system operation and maintenance, but the technology eventually may require replacement. Each corrective measure alternative shall be evaluated in terms of the projected useful life of the overall alternative and of its component technologies. Useful life is defined as the length of time the necessary or required level of effectiveness can be maintained.

d. Implementability of Corrective Measure Alternatives

The implementability criterion addresses the technical and administrative feasibility of implementing a corrective measure alternative and the availability of various services and materials needed during implementation. Each corrective measure alternative must be evaluated using the following criteria:

Construction and Operation: Corrective measure alternatives must be feasible to implement given the existing set of waste and site-specific conditions. This evaluation was initially done for specific technologies during the screening process and is addressed again in this detailed analysis of the alternative as a whole. It is not intended that the screening process be repeated here, but instead to highlight key differences and/or changes from the screening analysis that may result from combining technologies.

Administrative Feasibility: Discuss the administrative activities needed to implement the corrective measure alternative (e.g., permits, public acceptance, rights of way, off-site approvals, etc.).

Availability of Services and Materials: Discuss the availability of adequate off-site treatment, storage capacity, disposal services, needed technical services and materials, and the availability of prospective technologies for each corrective measure alternative.

e. Preliminary Cost Estimates

Develop a preliminary cost estimate for each corrective measure alternative (and for each phase or segment of the alternative). The cost estimate shall include both capital and operation and maintenance costs. Include a description of how the costs were estimated and what assumptions were used.

- The preliminary capital cost estimate must consider all key costs including, at a minimum, costs for engineering, mobilization, demobilization, site preparation, construction, materials, labor, equipment purchase and rental, sampling, analysis, waste disposal, permitting and health and safety measures.

- The preliminary operation and maintenance cost estimate must consider all key costs including, at a minimum, costs for labor, training, sampling,

analysis, maintenance materials, utilities, waste disposal, waste treatment, permitting and health and safety measures.

- o Calculate the net present value of preliminary capital and operation and maintenance costs for each corrective measure alternative.

7. Recommendation and Justification of the Corrective Measure Alternative

The Owner/Operator or Respondent shall recommend and justify a corrective measure alternative using the five criteria specified in Section 6. This recommendation shall include summary tables which allow the alternative or alternatives to be easily understood. Tradeoffs among implementability, effectiveness, reliability, and other pertinent factors shall be highlighted.

In addition, the recommended corrective measure alternative(s) must meet the following corrective action standards:

a. Protect human health and the environment;

b. Attain corrective action objectives including media cleanup standards;

c. Control the source(s) of releases so as to reduce or eliminate, to the extent practicable, further releases of hazardous wastes (including hazardous constituents) that may pose a threat to human health and the environment; and

d. Comply with any applicable federal, state, and local standards for management of wastes.

The Owner/Operator or Respondent must document how the recommended alternative meets the corrective action standards (a-d above).

8. Summary of Recommended Corrective Measure Alternative

Provide a description of the recommended corrective measure alternative and qualitatively describe what the alternative is supposed to do and how it will function at the facility.

ATTACHMENT 8

SCOPE OF WORK FOR CORRECTIVE MEASURES IMPLEMENTATION

PURPOSE

The purpose of the Corrective Measures Implementation (CMI) program is to design, construct, operate, maintain and monitor the performance of the corrective measure or measures selected by the Department. Corrective measures are intended to protect human health and/or the environment from hazardous waste releases from the Facility. The Owner/Operator or Respondent will furnish all personnel, materials and services necessary to implement the corrective measures program.

SCOPE

The documents required for Corrective Measures Implementation are, unless the Department of Toxic Substances Control (Department) specifies otherwise, a Conceptual Design, Operation and Maintenance Plan, Draft Plans and Specifications, Final Plans and Specifications, Construction Workplan, Construction Completion Report, Corrective Measure Completion Report, Health and Safety Plan and Progress Reports. The scope of work (SOW) for each document is specified below. The SOW's are intended to be flexible documents capable of addressing both simple and complex site situations. If the Owner/Operator or Respondent can justify, to the satisfaction of the Department, that a plan and/or report or portions thereof are not needed in the given site specific situation, then the Department may waive that requirement.

The Department may require the Owner/Operator or Respondent to conduct additional studies beyond what is discussed in the SOW's in order to support the CMI program. The Owner/Operator or Respondent will furnish all personnel, materials and services necessary to conduct the additional tasks.

A. Conceptual Design

The Owner/Operator or Respondent shall prepare a Conceptual Design (CD) that clearly describes the size, shape, form, and content of the proposed corrective measure, the key components or elements that are needed, describes the designers vision of the corrective measure in the form of conceptual drawings and schematics, and includes procedures and schedules for implementing the corrective measure(s).

It should be noted that more that one conceptual design may be needed in situations where there is a complex site with multiple technologies being employed at different locations. The CD must be approved by the Department prior to implementation. The CD must, at a minimum, include the following elements:

1. Introduction/Purpose

   Describe the purpose of the document and provide a summary description of the project.

2 Corrective Measure Objectives

   Discuss the corrective measure objectives including applicable media cleanup standards.

3. Conceptual Model of Contaminant Migration

   It is important to know where the contaminants are and to understand how they are moving before an adequate corrective measure can be developed. To address this critical question, the Owner/Operator or Respondent must present a conceptual model of the site and contaminant migration. The conceptual model consists of a working hypothesis of how the contaminants may move from the release source to the receptor population. The conceptual model is developed by looking at the applicable physical parameters (e.g., water solubility, density, Henry's Law Constant, etc.) for each contaminant and assessing how the contaminant may migrate given the existing site conditions (geologic features, depth to groundwater, etc.). Describe the phase (water, soil, gas, non-aqueous) and location where contaminants are likely to be found. This analysis may have already been done as part of earlier work (e.g., Current Conditions Report). If this is the case, then provide a summary of the conceptual model with a reference to the earlier document;

4. Description of Corrective Measures

   Considering the conceptual model of contaminant migration, qualitatively describe what the corrective measure is supposed to do and how it will function at the Facility. Discuss the constructability of the corrective measure and its ability to meet the corrective measure objectives.

5. Data Sufficiency

Review existing data needed to support the design effort and establish whether or not there are sufficient accurate data available for this purpose. The Owner/Operator or Respondent must summarize the assessment findings and specify any additional data needed to complete the corrective measure design. The Department may require or the Owner/Operator or Respondent may propose that sampling and analysis plans and/or treatability study workplans be developed to obtain the additional data. Submittal times for any new sampling and analysis plans and/or treatability study workplans must be included in the project schedule.

6. Project Management

Describe the management approach including levels of authority and responsibility (include organization chart), lines of communication and the qualifications of key personnel who will direct the corrective measure design and implementation effort (including contractor personnel).

7. Project Schedule

The project schedule must specify all significant steps in the process and when all CMI deliverables (e.g., Operation and Maintenance Plan, Corrective Measure Construction Workplan, etc.) are to be submitted to the Department.

8. Design Criteria

Specify performance requirements for the overall corrective measure and for each major component. The Owner/Operator or Respondent must select equipment that meets the performance requirements.

9. Design Basis

Discuss the process and methods for designing all major components of the corrective measure. Discuss the significant assumptions made and possible sources of error. Provide justification for the assumptions;

10. Conceptual Process/Schematic Diagrams.

11. Site plan showing preliminary plant layout and/or treatment area.

12. Tables listing number and type of major components with approximate dimensions.

13. Tables giving preliminary mass balances.

14. Site safety and security provisions (e.g., fences, fire control, etc.).

15. Waste Management Practices

Describe the wastes generated by the construction of the corrective measure and how they will be managed. Also discuss drainage and indicate how rainwater runoff will be managed;

16. Required Permits

List and describe the permits needed to construct and operate the corrective measure. Indicate on the project schedule when the permit applications will be submitted to the applicable agencies and an estimate of the permit issuance date.

17. Long-Lead Procurement Considerations

The Owner/Operator or Respondent shall prepare a list of any elements or components of the corrective measure that will require custom fabrication or for some other reason must be considered as long-lead procurement items. The list must include the reason why the items are considered long-lead items, the length of time necessary for procurement, and recognized sources of such procurement;

18. Appendices including:

Design Data - Tabulations of significant data used in the design effort;

Equations - List and describe the source of major equations used in the design process;

Sample Calculations - Present and explain one example calculation for significant or unique design calculations; and

Laboratory or Field Test Results.

B. **Operation and Maintenance Plan**

The Owner/Operator or Respondent shall prepare an Operation and Maintenance (O&M) Plan that includes a strategy and procedures for performing operations, long term maintenance, and monitoring of the corrective measure. A draft Operation and Maintenance Plan shall be submitted to the Department simultaneously with the draft Plans and Specifications. A final Operation and Maintenance Plan shall be submitted to the Department simultaneously with the final Plans and Specifications. The O&M plan shall, at a minimum, include the following elements:

1. Introduction/Purpose

   Describe the purpose of the document and provide a summary description of the project.

2. Project Management

   Describe the management approach including levels of authority and responsibility (include organization chart), lines of communication and the qualifications of key personnel who will operate and maintain the corrective measures (including contractor personnel);

3. System Description

   Describe the corrective measure and identify significant equipment.

4. Personnel Training

   Describe the training process for O&M personnel. The Owner/Operator or Respondent shall prepare, and include in the technical specifications governing treatment systems, contractor requirements for providing: appropriate service visits by experienced personnel to supervise the installation, adjustment, start up and operation of the treatment systems, and training covering appropriate operational procedures once the start-up has been successfully accomplished.

5. Start-Up Procedures

   Describe system start-up procedures including any operational testing.

6. Operation and Maintenance Procedures

   Describe normal operation and maintenance procedures including:

a. Description of tasks for operation;
b. Description of tasks for maintenance;
c. Description of prescribed treatment or operation conditions; and
d. Schedule showing frequency of each O&M task.

7. Replacement schedule for equipment and installed components.

8. Waste Management Practices

Describe the wastes generated by operation of the corrective measure and how they will be managed. Also discuss drainage and indicate how rainwater runoff will be managed.

9. Sampling and monitoring activities may be needed for effective operation and maintenance of the corrective measure. If sampling activities are necessary, the O&M plan must include a complete sampling and analysis section which specifies the following information:

a. Description and purpose of monitoring tasks;
b. Data quality objectives;
c. Analytical test methods and detection limits;
d. Name of analytical laboratory;
e. Laboratory quality control (include laboratory QA/QC procedures in appendices)
f. Sample collection procedures and equipment;
g. Field quality control procedures:
   - o duplicates (10% of all field samples)
   - o blanks (field, equipment, etc.)
   - o equipment calibration and maintenance
   - o equipment decontamination
   - o sample containers
   - o sample preservation
   - o sample holding times (must be specified)
   - o sample packaging and shipment
   - o sample documentation (field notebooks, sample labeling, etc);
h. Criteria for data acceptance and rejection; and
i. Schedule of monitoring frequency.

The Owner/Operator or Respondent shall follow all EPA guidance for sampling and analysis. The Department may request that the sampling and analysis section be a separate document.

10. Corrective Measure Completion Criteria

Describe the process and criteria (e.g., groundwater cleanup goal met at all compliance points for 1 year)

for determining when corrective measures may cease. Also describe the process and criteria for determining when maintenance and monitoring may cease. Criteria for corrective measures such as a landfill cap must be carefully crafted to account for the fact that a landfill cap will never actually "cease" but will need to be maintained and monitored for a long period of time. Satisfaction of the completion criteria will trigger preparation and submittal of the Corrective Measures Completion Report.

11. O&M Contingency Procedures:

    a. Procedures to address system breakdowns and operational problems including a list of redundant and emergency back-up equipment and procedures;

    b. Should the corrective measure suffer complete failure, specify alternate procedures to prevent release or threatened releases of hazardous substances, pollutants or contaminants which may endanger public health and/or the environment or exceed cleanup standards;

    c. The O&M Plan must specify that, in the event of a major breakdown and/or complete failure of the corrective measure (includes emergency situations), the Owner/Operator or Respondent will orally notify the Department within 24 hours of the event and will notify the Department in writing within 72 hours of the event. The written notification must, at a minimum, specify what happened, what response action is being taken and/or is planned, and any potential impacts on human health and/or the environment; and

    d. Procedures to be implemented in the event that the corrective measure is experiencing major operational problems, is not performing to design specifications and/or will not achieve the cleanup goals in the expected timeframe. For example, in certain circumstances both a primary and secondary corrective measure may be selected for the Facility. If the primary corrective measure were to fail, then the secondary would be implemented. This section would thus specify that if the primary corrective measure failed, then design plans would be developed for the secondary measure.

12. Data Management and Documentation Requirements

Describe how analytical data and results will be evaluated, documented and managed, including development of an analytical database. State the criteria that will be used by the project team to review and determine the quality of data.

The O&M Plan shall specify that the Owner/Operator or Respondent collect and maintain the following information:

a. Progress Report Information

- o Work Accomplishments (e.g., performance levels achieved, hours of treatment operation, treated and/or excavated volumes, concentration of contaminants in treated and/or excavated volumes, nature and volume of wastes generated, etc.).

- o Record of significant activities (e.g., sampling events, inspections, problems encountered, action taken to rectify problems, etc.).

b. Monitoring and laboratory data;
c. Records of operating costs; and
d. Personnel, maintenance and inspection records.

These data and information should be used to prepare Progress Reports and the Corrective Measure Completion Report.

C. Draft Plans and Specifications

[Note - The Owner/Operator or Respondent may propose or the Department may require the submittal of other draft plans and specifications.

The Owner/Operator or Respondent shall prepare draft Plans and Specifications that are based on the Conceptual Design but include additional design detail. A draft Operation and Maintenance Plan and Construction Workplan shall be submitted to the Department simultaneously with the draft Plans and Specifications. The draft design package must include drawings and specifications needed to construct the corrective measure. Depending on the nature of the corrective measure, many different types of drawings and specifications may be needed. Some of the elements that may be required are:

- General Site Plans
- Process Flow Diagrams
- Mechanical Drawings
- Electrical Drawings
- Structural Drawings
- Piping and Instrumentation Diagrams
- Excavation and Earthwork Drawings
- Equipment Lists
- Site Preparation and Field Work Standards
- Preliminary Specifications for Equipment and Material

General correlation between drawings and technical specifications is a basic requirement of any set of working construction plans and specifications. Before submitting the project specifications to the Department, the Owner/Operator or Respondent shall:

a. Proofread the specifications for accuracy and consistency with the conceptual design; and

b. Coordinate and cross-check the specifications and drawings.

D. Final Plans and Specifications (100% Design Point)

The Owner/Operator or Respondent shall prepare final Plans and Specifications that are sufficient to be included in a contract document and be advertised for bid. A final Operation and Maintenance Plan and Construction Workplan shall be submitted to the Department simultaneously with the final Plans and Specifications. The final design package must consist of the detailed drawings and specifications needed to construct the corrective measure. Depending on the nature of the corrective measure, many different types of drawings and specifications may be needed. Some of the elements that may be required are:

- o General Site Plans
- o Process Flow Diagrams
- o Mechanical Drawings
- o Electrical Drawings
- o Piping and Instrumentation Diagrams
- o Structural Drawings
- o Excavation and Earthwork Drawings
- o Site Preparation and Field Work Standards
- o Construction Drawings
- o Installation Drawings
- o Equipment Lists
- o Detailed Specifications for Equipment and Material

General correlation between drawings and technical specifications is a basic requirement of any set of working construction plans and specifications. Before submitting the final project specifications to the Department, the Owner/Operator or Respondent shall:

a. Proofread the specifications for accuracy and consistency with the preliminary design; and

b. Coordinate and cross-check the specifications and drawings.

E. Construction Workplan

The Owner/Operator or Respondent shall prepare a Construction Workplan which documents the overall management strategy, construction quality assurance procedures and schedule for constructing the corrective measure. A draft Construction Workplan shall be submitted to the Department simultaneously with the draft Plans and Specifications and draft Operation and Maintenance Plan. A final Construction Workplan shall be submitted to the Department simultaneously with the final Plans and Specifications and final Operation and Maintenance Plan. Upon receipt of written approval from the Department, the Owner/Operator or Respondent shall commence the construction process and implement the Construction Workplan in accordance with the schedule and provisions contained therein. The Construction Workplan must be approved by the Department prior to the start of corrective measure construction. The Construction Workplan must, at a minimum, include the following elements:

1. Introduction/Purpose

   Describe the purpose of the document and provide a summary description of the project.

2. Project Management

   Describe the construction management approach including levels of authority and responsibility (include organization chart), lines of communication and the qualifications of key personnel who will direct the corrective measure construction effort and provide construction quality assurance/quality control (including contractor personnel);

3. Project Schedule

   The project schedule must include timing for key elements of the bidding process, timing for initiation and completion of all major corrective measure construction tasks as specified in the Final Plans and Specifications, and specify when the Construction Completion Report is to be submitted to the Department;

4. Construction Quality Assurance/Quality Control Program

   The purpose of construction quality assurance is to ensure, with a reasonable degree of certainty, that a completed corrective measure will meet or exceed all design criteria, plans and specifications. The Construction Workplan must include a complete construction quality assurance program to be

implemented by the Owner/Operator or Respondent.

5. Waste Management Procedures

Describe the wastes generated by construction of the corrective measure and how they will be managed.

6. Sampling and Analysis

Sampling and monitoring activities may be needed for construction quality assurance/quality control and/or other construction related purposes. If sampling activities are necessary, the Construction Workplan must include a complete sampling and analysis section which specifies the following information:

a. Description and purpose of monitoring tasks;
b. Data quality objectives;
c. Analytical test methods and detection limits;
d. Name of analytical laboratory;
e. Laboratory quality control (include laboratory QA/QC procedures in appendices)
f. Sample collection procedures and equipment;
g. Field quality control procedures:
    - o duplicates (10% of all field samples)
    - o blanks (field, equipment, etc.)
    - o equipment calibration and maintenance
    - o equipment decontamination
    - o sample containers
    - o sample preservation
    - o sample holding times (must be specified)
    - o sample packaging and shipment
    - o sample documentation (field notebooks, sample labeling, etc);
h. Criteria for data acceptance and rejection; and
i. Schedule of monitoring frequency.

The Owner/Operator or Respondent shall follow all Department and USEPA guidance for sampling and analysis. The Department may request that the sampling and analysis section be a separate document.

7. Construction Contingency Procedures

a. Changes to the design and/or specifications may be needed during construction to address unforeseen problems encountered in the field. Procedures to address such circumstances, including notification of the Department, must be included in the Construction Workplan;

b. The Construction Workplan must specify that, in

the event of a construction emergency (e.g., fire, earthwork failure, etc.), the Owner/Operator or Respondent will orally notify the Department within 24 hours of the event and will notify the Department in writing within 72 hours of the event. The written notification must, at a minimum, specify what happened, what response action is being taken and/or is planned, and any potential impacts on public health and/or the environment; and

c. Procedures must be implemented if unforeseen events prevent corrective measure construction. For example, in certain circumstances both a primary and secondary corrective measure may be selected for the Facility. If the primary corrective measure could not be constructed, then the secondary would be implemented. This section would thus specify that if the primary corrective measure could not be constructed, then design plans would be developed for the secondary measure.

8. Construction safety procedures should be specified in a separate Health and Safety Plan.

9. Data Management and Documentation Requirements

Describe how analytical data and results will be evaluated, documented and managed, including development of an analytical database. State the criteria that will be used by the project team to review and determine the quality of data.

The Construction Workplan shall specify that the Owner/Operator or Respondent collect and maintain the following information:

a. Progress Report Information

- Work Accomplishments (e.g., hours of operation, excavated volumes, nature and volume of wastes generated, area of cap completed, length of trench completed, etc.).

- Record of significant activities (e.g., sampling events, inspections, problems encountered, action taken to rectify problems, etc.).

b. Monitoring and laboratory data;

c. Records of construction costs; and
d. Personnel, maintenance and inspection records.

This data and information should be used to prepare progress reports and the Construction Completion Report.

10. Cost Estimate/Financial Assurance

If financial assurance for corrective measure construction and operation is required by an enforcement order, facility permit, or through use of Department discretion, the Construction Workplan must include a cost estimate, specify which financial mechanism will be used and when the mechanism will be established. The cost estimate shall include both construction and operation and maintenance costs. An initial cost estimate shall be included in the draft Construction Workplan and a final cost estimate shall be included in the final Construction Workplan. The financial assurance mechanism may include a performance or surety bond, a trust fund, a letter of credit, financial test and corporate guarantee equivalent to that in 40 CFR 265.143 or any other mechanism acceptable to the Department.

Financial assurance mechanisms are used to assure the Department that the Owner/Operator or Respondent has adequate financial resources to construct and operate the corrective measure.

F. **Construction Completion Report**

The Owner/Operator or Respondent shall prepare a Construction Completion (CC) Report which documents how the completed project is consistent with the Final Plans and Specifications. A CC Report shall be submitted to the Department when the construction and any operational tests have been completed. The CC Report shall, at a minimum, include the following elements:

1. Purpose;

2. Synopsis of the corrective measure, design criteria, and certification that the corrective measure was constructed in accordance with the Final Plans and Specifications;

3. Explanation and description of any modifications to the Final Plans and Specifications and why these were necessary for the project;

4. Results of any operational testing and/or monitoring, indicating how initial operation of the corrective measure compares to the design criteria;

5. Summary of significant activities that occurred during construction. Include a discussion of problems encountered and how they were addressed;

6. Summary of any inspection findings (include copies of key inspection documents in appendices);

7. As built drawings; and

8. A schedule indicating when any treatment systems will begin full scale operations.

ATTACHMENT 9

SCOPE OF WORK FOR PROGRESS REPORTS

Progress reports shall, at a minimum, include:

1. All actions taken during the reporting period to achieve compliance with the Order;

2. A summary of any findings made during the reporting period;

3. All problems or potential problems encountered during the reporting period (also discuss problem solutions);

4. All projected work for the next reporting period as well as anticipated problems and avoidance measures;

5. A discussion of any changes in personnel that occurred during the reporting period;

6. Summaries of all contacts with representatives of the press local community or public interest groups; and

7. If requested by the Department, the results of any sampling, tests or other data generated during the RCRA Facility Investigation or Corrective Measures Study.

APPENDIX 3

AMENDED MEMORANDUM OF UNDERSTANDING

Exide Technologies ("Exide") and the California Environmental Protection Agency, Department of Toxic Substances Control (the "Department") (collectively referred to as the Parties") agree to, and approve, the submittal forthwith of the attached final Stipulation and Order to the Bankruptcy Court for the District of Delaware. The Parties understand that Exide must obtain approval by the Bankruptcy Court to enter into the Stipulation and Order. Upon approval by the Bankruptcy Court, Exide will execute the document and thereafter, the Department. Upon execution by the Parties, the Stipulation and Order will become effective by its terms and the Parties hereby waive the provisions of paragraph 37 of the Stipulation and Order that require the Approval Order to be a Final Order (as defined in the Stipulation and Order).

AGREED TO AND APPROVED:

Dated: October 24, 2013

Department of Toxic Substances Control

By: Deborah O. Raphael
Deborah O. Raphael, Director

Dated: October ___, 2013

Exide Technologies, Inc.

By:_____
Robert M. Caruso, President & CEO

AMENDED MEMORANDUM OF UNDERSTANDING

Exide Technologies ("Exide") and the California Environmental Protection Agency, Department of Toxic Substances Control (the "Department") (collectively referred to as the Parties") agree to, and approve, the submittal forthwith of the attached final Stipulation and Order to the Bankruptcy Court for the District of Delaware. The Parties understand that Exide must obtain approval by the Bankruptcy Court to enter into the Stipulation and Order. Upon approval by the Bankruptcy Court, Exide will execute the document and thereafter, the Department. Upon execution by the Parties, the Stipulation and Order will become effective by its terms and the Parties hereby waive the provisions of paragraph 37 of the Stipulation and Order that require the Approval Order to be a Final Order (as defined in the Stipulation and Order).

AGREED TO AND APPROVED:

Dated: October __ 2013

Department of Toxic Substances Control

By:_____
Deborah O. Raphael, Director

Dated: October 25, 2013

Exide Technologies, Inc.

By:_____
Robert M. Caruso, President & CEO

MOU ATTACHMENT

MOU ATTACHMENT

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Exide Technologies, Inc. 13000 Deerfield Parkway, Suite 200 Milton, Georgia 30004 In the Matter of: Exide Technologies, Inc. 2700 South Indiana Avenue Vernon, California 90058 CAD 097854541 Respondent.	Docket HWCA: P3-12/13-010 OAH No: 2013050540 STIPULATION AND ORDER Health and Safety Code Section 25186.1 & 25186.2

Whereas, on April 24, 2013 the California Environmental Protection Agency, Department of Toxic Substances Control ("Department" or "DTSC") issued an Order for Temporary Suspension and an Accusation for Suspension of Interim Status (attached hereto as Exhibits 1 and 2, respectively), (collectively, the "Suspension Order") pursuant to its police and regulatory authority under Health and Safety Code sections 25186.1 and 25186.2, to Exide Technologies, Inc. ("Exide") (collectively the Department and Exide referred to as "the Parties"). Exide is an owner and operator of a facility located at 2700 South Indiana Avenue, Vernon, California 90058 (the "Facility"), which the Department regulates pursuant to a comprehensive statutory and regulatory framework, for the generation,

handling, treatment, transport and disposal of hazardous waste.

Whereas, Exide has interim status authorization from the Department to operate the Facility. Exide has submitted a Part B hazardous waste facility permit application to the Department, which is under review by the Department. Further, in February 2002, the Department issued a Corrective Action Consent Order, Docket No. P 3-01-02-010, to Exide requiring corrective action for the Facility and Exide remains subject to the requirements of that Corrective Action Consent Order.

Whereas, on May 6, 2013, Exide filed a Notice of Defense (attached as Exhibit 3) in this administrative enforcement action requesting a hearing to present its defense to the allegations contained in the Suspension Order.

Whereas, on June 3 through June 5, 2013 an administrative hearing was held before Administrative Law Judge Julie Cabos-Owen in this administrative enforcement action. The administrative hearing did not conclude, and has been continued to an as yet unscheduled date.

Whereas, on June 10, 2013, Exide filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code, 11 U.S.C.§§ 101 et seq. (the "Bankruptcy Code" in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). As such, Exide is a debtor and debtor-in-possession in bankruptcy case no. 13-11482 (the "Bankruptcy Case").

Whereas, Exide requires Bankruptcy Court authorization to enter into this Stipulation and Order, and Exide will seek approval from the Bankruptcy Court prior to the Department and Exide signing this Stipulation and the Department issuing its Order thereon.

Whereas, on June 13, 2013, Exide filed a verified petition for writ of mandate and ex parte application for temporary restraining order and order to show cause re: preliminary injunction in the Superior Court of Los Angeles County, California, Case No. BS143369, (the "California State Court Action").

Whereas, on June 17, 2013, the Los Angeles Superior Court granted Exide's ex parte application and issued a temporary restraining order which stayed the Order for Temporary Suspension and prevented the Department from enforcing it until the hearing and determination on the order to show cause re preliminary injunction.

Whereas, on July 2, 2013, in the California State Court Action, the Los Angeles Superior Court granted Exide's request for preliminary injunction, subject to specified conditions regarding Exide's operations of the Facility. The preliminary injunction stayed the Order for Temporary Suspension until this administrative enforcement proceeding is completed.

Whereas, on September 16, 2013, the Los Angeles Superior Court, on its own motion, scheduled an order to show cause for October 15, 2013 regarding lifting the stay and dissolving the preliminary injunction granted on July 2, 2013. Litigation in the California State Court Action continues between Exide and the Department.

Whereas, a dispute exists between the Department and Exide regarding the Suspension Order.

Whereas, Exide has agreed to take certain actions to address air emissions and the storm water conveyance system that were the subject of the Suspension

Order.

Whereas, Exide has agreed to install additional emission control devices at the Facility and to replace its storm water conveyance system at the Facility based on the Schedule for Compliance set forth below.

Whereas, Exide has agreed in cooperation with local health officials and the Department, to institute a soil sampling and blood testing program for properties and residents in the vicinity of the Facility.

Whereas, Exide agrees to continue to adhere to all applicable South Coast Air Quality Management District ("SCAQMD") rules, regulations and standards in connection with Exide's ownership and operation of the Facility.

Whereas, the Department and Exide have agreed to renew efforts to address remaining issues relating to Exide's pending hazardous waste permit application for the Facility.

Whereas, the Department and Exide have agreed to apply certain health risk-based standards for both operational and remediation purposes in connection with the Facility as specified in this Stipulation and Order.

Whereas, the Department and Exide agree that continued outreach to, and communication with, local communities is vital to keep the public apprised and to address public confidence in Exide's Facility operations.

Whereas, the Parties wish to avoid the expense of further litigation and to jointly ensure prompt action to achieve the Schedule for Compliance set forth below.

Therefore, without any findings of fact, conclusions of law or admissions of

liability, the Department and Exide enter into and agree to be bound by this Stipulation and Order ("Stipulation and Order") as follows:

1. Jurisdiction to enter into this Stipulation and Order exists pursuant to Health and Safety Code section 25186.1 and 25186.2.

2. Exide and the Department waive any further rights to a hearing, an appeal and any further proceedings on the Suspension Order in this matter.

3. This Stipulation and Order shall constitute full settlement of the allegations alleged in the Suspension Order and as specified in paragraph 35. It does not limit the Department from taking appropriate enforcement action concerning other matters, including enforcement of this Stipulation and Order. The Order for Temporary Suspension (Exhibit 1) issued by the Department shall be deemed dismissed with prejudice on the effective date of this Stipulation and Order. In addition, Exide agrees to stipulate to dissolution of the preliminary injunction against the Department issued in the California State Court Action and further agrees to stipulate to a dismissal of the entire action in Case No. BS143369, with prejudice, said dismissal to be filed within 10 days of the effective date of this Stipulation and Order. Each side in Case No. BS143369 and OAH Case No. 2013050540, Docket HWCA: P3-12/13-010, is to bear its own attorney's fees and costs.

4. By entering into this Stipulation and Order, Exide denies the allegations of the Suspension Order. The Parties agree no provision of this Stipulation and Order shall be construed as an admission of any wrongdoing or a violation of any rule, law, statute, ordinance or regulation by Exide.

SCHEDULE FOR COMPLIANCE

5. Exide and the Department stipulate and agree each shall comply with the following as further specified in paragraphs 5.1 through 5.31 below:

Proposed Storm Sewer Piping Plan:

5.1. Exide shall operate and maintain a temporary storm water and washdown water collection system (the "Temporary System") in accordance with the Standard Operating Procedure dated May 20, 2013 and conditionally approved by the Department on May 16, 2013.

5.2. By December 27, 2013, Exide shall remove the Temporary System. Failure to remove the Temporary System by that date shall subject Exide to stipulated penalties as provided in this Stipulation and Order.

5.3. Exide shall implement the comprehensive interim measure ("IM") removal action workplan (the "IM Workplan") approved by the Department on August 21, 2013.

5.4. Exide shall implement a Department-approved sampling plan to determine the full extent of any contamination (lateral and vertical) in soils surrounding the storm sewer pipe system at the Facility as provided in the Department's July 26, 2013 partial approval of the IM Workplan. Soil sampling may be performed in advance of storm sewer pipe removal activities.

5.5. By December 27, 2013, Exide shall complete implementation of the IM Workplan, as approved by the Department, and sampling activities set forth in sections 5.3 and 5.4 above. Failure to implement the IM Workplan and sampling

activities as provided herein by that date shall subject Exide to stipulated penalties as provided in this Stipulation and Order.

5.6. Exide has submitted a cost estimate and shall establish, as provided in section 5.32 below, a financial assurance mechanism to fund activities associated with the maintenance and removal of the Temporary System, and the implementation of the IM Workplan and sampling plan described in sections 5.1-5.5 above.

5.7. Exide submitted to the Department a storm sewer pipeline/sump replacement plan (the "Replacement Plan") dated July 12, 2013 that was re-issued on August 19, 2013 in response to the Department's comments dated August 14, 2013. The Department approved the implementation of the Replacement Plan on August 21, 2013.

5.8. Exide has submitted a request to the Department for temporary authorization for implementing the Replacement Plan according to California Code of Regulations, title 22, Chapter 20, article 4 followed by submittal to the Department of a Class 2 modification for the Replacement Plan according to California Code of Regulations, title 22, Chapter 20, article 4 within sixty (60) days after the issuance of the temporary authorization. The Department reviewed the request for temporary authorization to implement the Replacement Plan and approved the request for implementation on August 21, 2013.

5.9. Exide shall notify the Department in writing at least seven (7) days prior to beginning each separate phase of field work associated with implementation of the Replacement Plan. At the request of the Department, and

subject to the Facility's security and safety procedures, Exide shall allow the Department, or its authorized representative to take splits or duplicate samples of all soil, dust, sediment and water (if encountered) samples collected pursuant to this Stipulation and Order.

5.10. Exide shall submit a completion report which contains as-builts and land survey of the new storm sewer system for the Facility within 30 calendar days after completion.

5.11. Exide may request a modification of the Replacement Plan and the Department shall review and approve, approve with specified conditions or disapprove (with explanation) the request for modification.

5.12. Failure to implement the Replacement Plan and Department-approved sampling activities as provided herein shall subject Exide to stipulated penalties as provided in this Stipulation and Order.

Health Impacts Reduction Plan:

5.13. On or before January 1, 2015, Exide shall reduce potential health impacts from stationary air emissions sources at the Facility as determined by the AB2588 Health Risk Assessment to a level such that the theoretical cancer risks to affected workers do not exceed ten in a million, theoretical cancer risks to affected residents and sensitive receptors do not exceed four in a million, and the non-cancer Hazard Index does not exceed 1 for workers, residents or sensitive receptors.

5.14. For purposes of Exide's continuing operations, the Department agrees to apply: (1) prior to January 1, 2015, the SCAQMD Rule 1402 air quality

standards; and (2) on and after January 1, 2015, the air quality standards set forth in section 5.13 above, until the Department takes final action on Exide's Part B hazardous waste facility permit application.

5.15. For purposes of imposing specific permit terms and conditions in a hazardous waste permit for the Facility, the Department shall use a cumulative risk management range of 10^{-6} to 10^{-4}, with 10^{-6} being the point of departure or that level of theoretical cancer risk considered to be de minimis risk. (40 C.F.R. §300.430(e)(2)(i)(A)(2); see also Office of Solid Waste and Emergency Response ("OSWER") #9355.0-30 (4/22/91).) The upper bound of the risk management range, 10^{-4}, shall be considered an unacceptable risk requiring mitigation or remedial action, although feasible mitigation or remediation measures may be required at risks less than 10^{-4}, based on site-specific considerations. (OSWER #9355.0-30 (4/22/91).). In evaluating any mitigation or remedial action measures, the nine balancing criteria in the National Contingency Plan shall be analyzed and applied by the Department. (40 C.F.R. §300.430(e)(9)(iii).)

5.16. For purposes of a cumulative risk evaluation, the risk assessment pursuant to AB2588 shall be considered by the Department as one element of the cumulative risk evaluation (outline approved by the Department on April 17, 2012.) Other elements of the cumulative risk evaluation shall include 1) the Human Health and Ecological Risk Assessment ("HHERA") (HHERA workplan approved by the Department on December 5, 2011) addressing potential impacts to all media from past operations at the Exide Facility; 2) Risk Analysis for Accidental Releases (risk assessment received October 2012) addressing potential releases from handling of

hazardous waste, malfunction of processes, accidental chemical releases, releases from traffic accidents of vehicles, and fire releases; and 3) Mobile Source Risk Assessment (risk assessment is pending) addressing vehicle emissions associated with Exide Facility Operations. (OSWER #9355.3-01 (10/88).)

5.17. For purposes of complying with the California Environmental Quality Act (CEQA, Pub. Res. Code, § 21000 et seq., pursuant to California's State Environmental Impact Report (EIR) Guidelines, 14, Cal. Code Regs., tit. 14, § 15000 et seq.) the Department shall apply the SCAQMD's Air Quality Significance Thresholds in making any permit or other determinations respecting whether the Facility, and its operations, will have significant air quality impacts.

5.18. The Department reserves its right to impose any feasible mitigation measure that may be warranted as a result of Exide's Part B permit application being evaluated in the CEQA process in a manner consistent with the law. Exide reserves its right to contest in the appropriate California forum the Department's above health impact standards, and the Department's application of same as violative of law.

5.19. Exide shall install at the Facility secondary HEPA filter controls on: (a) the material handling baghouse, (b) MAC baghouse, (c) soft lead baghouse, and (d) the hard lead baghouse, as well as (e) reconfigure the secondary HEPA filter controls on the RMPS scrubber, as provided herein. By February 15, 2014, Exide shall complete installation of the HEPA filter controls on the material handling baghouse and reconfigure the secondary HEPA filter controls on the RMPS scrubber (a & e). By September 1, 2014, Exide shall complete installation of all

remaining HEPA filter controls (b, c, & d), subject to AQMD permit approval. Failure to install the secondary HEPA filter controls as provided herein shall subject Exide to stipulated penalties as provided in this Stipulation and Order.

5.20. Exide shall install at the Facility a Regenerative Thermal Oxidizer to control organic compound emissions from the feed dryer baghouse. By September 1, 2014, Exide shall complete installation of the feed dryer organic emission control device, subject to AQMD permit approval. Failure to install the feed dryer organic emission control device as provided herein shall subject Exide to stipulated penalties as provided in this Stipulation and Order.

5.21. By January 1, 2015, Exide shall prepare, in connection with the operation of the Facility, full source test reports and a comprehensive Human Health Risk Assessment following the current SCAQMD Risk Assessment Guidelines as of the Effective Date (as defined in section 37) to determine if objectives required by section 5.13 above have been met.

5.22. In connection with operating the Facility, Exide shall continue to comply with the SCAQMD's Rule 1402 health impact reduction compliance requirements and procedures as follows: (a) by October 4, 2013, conduct source tests to measure the effectiveness of the blast furnace isolation door; and (b) by December 1, 2013, submit a revised risk reduction plan including (i) an updated air toxics emissions inventory and health risk assessment which includes the isolation door source testing results, and (ii) description of the expected emissions and health impacts reduction benefits of the control projects set forth in sections 5.19-5.20 above.

5.23. For purposes of reviewing Exide's Part B permit application for the Facility, the Department shall use the Comprehensive Risk Assessment (updated air toxics emission inventory and health risk assessment), the outline for which was approved by the Department on April 17, 2012.

5.24. If SCAQMD requires any additional measures as part of the Rule 1402 risk reduction plan approval, Exide shall install such measures at the Facility within one year of Exide being so notified of the requirement by the SCAQMD, or, as otherwise required/approved by the SCAQMD, whichever is earlier. Exide shall notify the Department of the timeline set by the SCAQMD. Notwithstanding the above, Exide reserves all legal rights to appeal or otherwise challenge in the appropriate California forum any such SCAQMD-required additional measures.

Blood Lead Testing Program:

5.25. Exide agrees to fund a blood lead testing program in the area surrounding the Facility to be implemented by the Los Angeles County Department of Public Health ("LACDPH"). The initial geographic scope of the blood testing is to be within a polygon area bordered on the south along Gage Avenue from South Soto Street to Eastern Avenue; bordered on the west along South Soto Street from Gage Avenue to Highway 60; bordered on the north along Highway 60 to Interstate 710; bordered on the east along Interstate 710 to Interstate 5 and Interstate 5 east to Eastern Avenue and along Eastern Avenue to Gage Avenue. In consultation with the Department, Exide will consider for approval any subsequent recommendation by the LACDPH, based on the outcome of the initial test results, to expand the study's initial geographic boundaries up to an area not to exceed an outward radius

of three miles around the Facility. 5.26. Exide agrees to request the LACDPH to implement the blood lead testing program within 30 days of an agreed testing protocol between Exide and the LACDPH for a blood lead test program. The blood lead testing itself shall be run for six (6) consecutive months from the initial start date

Residential/Sensitive Receptors Surface Soil Sampling:

5.27. Following the Department's approval, Exide shall prepare and implement, in connection with its operation of the Facility, an Off-Site Soil Sampling Protocol ("Sampling Plan") for Arsenic; Lead; Antimony; Cadmium; Chromium (will require Hexavalent Chromium analysis if Chromium is above Hexavalent Chromium California Human Health Screening Level (CHHSL); Polynuclear Aromatic Hydrocarbons; Polychlorinated Biphenyls; on residential properties, schools and daycare facilities. Residential sampling shall focus on those areas with the highest predicted maximum exposed individual resident ("MEIR") for lead and arsenic north and south of the Facility as represented in Exide's recent AB2588 Health Risk Assessment of January 2013. In addition to the above required analysis, the Sampling Plan shall require analysis for dioxins and furans on five (5) representative properties agreed to by the Parties in the north and south MEIR areas.

5.28. The Sampling Plan shall include a study to establish background levels of the constituents in soil listed in section 5.27, above, to be approved by the Department. Lead in soils shall be delineated at residential/sensitive receptor areas until 80 mg/kg of lead in soils, or background, whichever is higher, is

reached.

5.29. Exide submitted to the Department a Sampling Plan dated May 16, 2013. On May 28, 2013, the Department provided comments on the Sampling Plan. By October 1, 2013, Exide shall submit a revised Sampling Plan to the Department incorporating the Department's comments. The Sampling Plan implementation shall be completed no later than 90 days after the Department's approval of the Sampling Plan. Failure to implement the Sampling Plan within the above time period shall subject Exide to stipulated penalties as provided in this Stipulation and Order.

5.30. Following Department approval, Exide shall prepare and implement a Surface Soil and Dust Sampling Plan for lead on properties immediately adjacent to the Exide Facility. By September 1, 2013, Exide shall initiate field work and provide findings to the Department by November 15, 2013. Failure to complete the Surface Soil and Dust Sampling Plan by December 1, 2013 shall subject Exide to stipulated penalties as provided in this Stipulation and Order.

5.31. By May 31, 2014, Exide shall perform a Site Specific Human Health Risk Assessment on Residential and Non-Residential exposure scenarios utilizing the data generated as a result of sections 5.27-5.30 above. Subsequently, the Department and Exide shall develop risk-based clean-up levels for corrective action purposes based upon the Site Specific Human Health Risk Assessment pursuant to the February 25, 2002 Corrective Action Consent Order.

Financial Assurance:

5.32. Within thirty (30) days of the Effective Date, Exide shall deposit the

Financial Assurance Fund (defined below) in a segregated account to be maintained by Exide for the purpose of paying the costs and expenses necessary to implement the storm sewer piping and health impact requirements set forth in Sections 5.1-5.31 of this Stipulation and Order (collectively, "Environmental Measures"). As used herein, the "Financial Assurance Fund" means the sum of $7,730,000.00 less amounts expended by Exide for Environmental Measures prior to funding of such Financial Assurance Fund.

The Financial Assurance Fund and any and all earnings, interest, income, dividends, capital gains and other amounts earned on or derived from the Financial Assurance Fund shall remain property of Exide's bankruptcy estate; provided, however, that the Financial Assurance Fund shall only be used for payment of Environmental Measures. Exide shall pay for Environmental Measures directly from the Financial Assurance Fund. Periodically, but not less frequent than monthly, or upon the request of the Department, Exide shall deliver a written itemization to the Department describing with reasonable specificity the payments made from the Financial Assurance Fund for Environmental Measures including a description of the work performed, specific costs for the work, and invoices or cost advances paid to vendors, contractors, and third parties. Exide shall at the time it deposits funds into the Financial Assurance Fund deliver to DTSC a written itemization describing with reasonable specificity the amounts it has already expended including a description of the work performed, specific costs for the work, and invoices or cost advances paid to vendors, contractors, and third parties for Environmental Measures. Notwithstanding anything herein to the contrary, in the

event that Exide delivers a written notice (the "Closure Notice") to the Department that Exide has ceased operations at the Facility pursuant to paragraph 34, the restrictions on Exide's use of the Financial Assurance Fund shall be abrogated and of no further force or affect.

It is the intent of the Parties that additional financial assurance ("Additional Financial Assurance") for specific corrective action projects directly related to the health impact requirements of this Stipulation and Order be provided, if required, by supplementing the Financial Assurance Fund, or by such other financial assurance vehicle as agreed to by Exide and the Department once the Department and Exide develop and finalize the health risk-based corrective action clean-up levels pursuant to the February 25, 2002 Corrective Action Consent Order. Any Additional Financial Assurance must be agreed to, in writing, by the Parties. The Department acknowledges that, during the pendency of its bankruptcy, Exide will be required to obtain the review and approval of the bankruptcy court for any Additional Financial Assurance.

OTHER REQUIREMENTS AND PROVISIONS

6.0. Submittals: All submittals from Exide pursuant to this Stipulation and Order shall be sent to:

Rizgar Ghazi
Branch Chief
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

Edward Nieto
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

Bill Veile
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

Peter Ruttan
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

All correspondence to Exide pursuant to this Stipulation and Order shall be sent to:

Bud DeSart, Sr. Director of Commercial Operations
Vernon Recycling Center
2700 S. Indiana Street
Vernon, California 90058

Joe Preuth, V.P. Recycling
Exide Technologies, Inc.
13000 Deerfield Parkway
Milton, Georgia 30004

Fred Ganster, Director, Environmental Health & Safety
Exide Technologies
13000 Deerfield Parkway
Milton, Georgia 30004

John Hogarth, Plant Manager
Vernon Recycling Center
2700 S. Indiana Street
Vernon, California 90058

Ed Mopas, Environmental Manager
Vernon Recycling Center
2700 S. Indiana
Vernon, California 90058

All submittals by Exide to the Department (reports, closure plans, removal

action plans, etc.) must be certified by an appropriately licensed California Professional Engineer if required by the Business and Professions Code.

7.0. Communications: All approvals and decisions of the Department made regarding such submittals and notifications shall be communicated to Exide in writing by a Branch Chief, Department of Toxic Substances Control, or his/her designee. No informal advice, guidance, suggestions, or comments by the Department regarding reports, plans, specifications, schedules, or any other writings by Exide shall be construed to relieve Exide of its obligation to obtain such formal approvals as may be required.

8.0. Quality Assurance: All sampling and analyses performed by Exide under this Stipulation and Order shall follow applicable Department and U.S. EPA guidance for sampling and analyses. Workplans shall contain quality assurance/quality control and chain of custody procedures for all sampling monitoring, and analytical activities. Any deviations from the approved workplans must be approved by the Department prior to implementation, must be documented, including reasons for the deviations, and must be reported in the applicable report.

The names, addresses, and telephone numbers of the California State-certified analytical laboratories Exide proposes to use must be specified in the applicable workplans.

All workplans required under this Stipulation and Order shall include data quality objectives for each data collection activity to ensure that data of known and appropriate quality are obtained and that data are sufficient to support their

intended uses.

9.0. Department Review and Approval: If the Department determines that any report, plan, schedule, or other document submitted for approval pursuant to this Stipulation and Order fails to comply with this Stipulation and Order or fails to protect public health or safety or the environment, the Department may:

a. Modify the document as deemed necessary and approve the document as modified; or

b. Return the document to Exide with recommended changes and a date by which Exide must submit to the Department a revised document incorporating the recommended changes.

10.0. Compliance with Applicable Laws: Exide shall carry out the obligations under this Stipulation and Order in compliance with all local, State, and federal requirements, including but not limited to requirements to obtain permits and to assure worker safety. Nothing in this Stipulation and Order shall excuse Exide from meeting any more stringent requirement that may be imposed by any applicable law or by any change in applicable law. Nothing in this Stipulation and Order is intended nor shall it be construed to preclude any other State or local agency, department, board, or entity from taking appropriate enforcement actions or otherwise exercising its authority under any law, statute or regulation.

11.0. Endangerment during Implementation: In the event that the Department determines that any circumstances or activity (whether or not occurring or conducted in compliance with this Stipulation and Order) are creating an imminent or substantial danger to the health or welfare of people on the site or

in the surrounding area or to the environment, the Department may order Exide to stop further implementation for such period of time as needed to abate the endangerment (a "Stop Work Order"). Any deadline in this Stipulation and Order directly affected by a Stop Work Order under this section shall be extended for the term of such Stop Work Order, and no stipulated penalties will be assessed if such circumstance or activity constitutes an event of force majeure under section 25.

If the Department determines an activity, or data or information becomes known to the Department, demonstrating that an activity undertaken pursuant to this Stipulation and Order is creating an imminent or substantial danger to the public, the Department shall apply the procedures set forth in Section 5.4 of the February 25, 2002 Corrective Action Consent Order, Docket No. P3-01/02-010, provided, that if Exide disputes any decision rendered pursuant to those procedures, Exide may seek direct and immediate judicial review in an appropriate California forum.

12.0. Liability: Nothing in this Stipulation and Order shall constitute or be construed as a satisfaction or release from liability for any conditions or claims arising as a result of past, current, or future operations of Exide, except as specifically provided in this Stipulation and Order. Notwithstanding compliance with the terms of this Stipulation and Order, Exide may be required to take further actions as are necessary to protect public health or welfare or the environment. Further, nothing in this Stipulation and Order shall constitute or be construed as an admission of liability by or on behalf of Exide for any conditions or claims arising as a result of past, current, or future operations, acts or omissions of Exide. Exide

specifically denies all liability and reserves all legal rights and defenses.

13.0. Government Liabilities: The State of California shall not be liable for injuries or damages to person or property resulting from acts of omissions by Exide or related parties specified in section 27 (Parties Bound) in carrying out activities pursuant to this Stipulation and Order, nor shall the State of California be held as a party to any contract entered into by Exide or its agencies in carrying out activities pursuant to this Stipulation and Order.

14.0. Reservation of Rights: By entering into this Stipulation and Order, and except as otherwise provided herein, the Department does not waive the right to take further enforcement actions and Exide does not waive the right to challenge any such actions in an appropriate California forum. Nothing in this Stipulation and Order shall be construed to preclude or prejudice the Department from taking further action with regard to any remediation required as a result of the release of hazardous wastes, constituents of hazardous waste or hazardous substances at or from the Facility, and the Department expressly reserves all such rights. Exide reserves all rights to challenge any such action in an appropriate California forum. This Stipulation and Order is without prejudice to the Department to exercise its authority to impose any conditions, requirements, standards or actions pursuant to a hazardous waste permit, nor is this Stipulation and Order intended or shall be construed to mean that the Department will approve or deny the pending Part B permit application for the Facility and Exide reserves all rights to challenge any such actions in an appropriate California forum. This Stipulation and Order shall not be construed as a release, waiver, or limitation on any rights, remedies,

powers, or authorities, that the Department or Exide has under any statutory regulatory, or common law authority, except as otherwise expressly provided in this Stipulation and Order.

15.0. Incorporation of Plans and Reports. All plans, schedules, and reports that require Department approval and are submitted by Exide pursuant to this Stipulation and Order are incorporated in this Stipulation and Order upon approval by the Department.

16.0. Site Access: Subject to the Facility's security and safety procedures, Exide shall provide access at all reasonable times to employees, contractors, and consultants of the Department, and any agency having jurisdiction. Nothing in this Stipulation and Order is intended to limit in any way the right of entry or inspection that any agency may otherwise have by operation of any law. The Department and its authorized representatives may enter and move freely about all property at the Site at all reasonable times for purposes including but not limited to: inspecting records, operating logs, and contracts relating to the Site; reviewing the progress of Exide in carrying out the terms of this Stipulation and Order; and conducting such tests as the Department may deem necessary. Exide shall permit such persons to inspect and copy all records, files, photographs and documents, and other writings, including all sampling and monitoring data, in any way pertaining to work undertaken pursuant to this Stipulation and Order to the extent consistent with applicable law. If the Department is requested or required to disclose or produce proprietary trade secrets, confidential business information or otherwise privileged information, documents or data received pursuant to this Stipulation and Order, the

Department shall comply with the procedures established pursuant to the California Public Records Act, Government Code section 6250 et seq., and Health and Safety Code sections 25173 and 25185(d).

17.0. Sampling, Data, and Document Availability: Exide shall permit the Department and its authorized representatives to inspect and copy all sampling, testing, monitoring, and other data generated by Exide or on Exide's behalf in any way pertaining to work undertaken pursuant to this Stipulation and Order to the extent consistent with applicable law. As provided above, if the Department is requested or required to disclose or produce proprietary trade secrets, confidential business information or otherwise privileged information, documents or data received pursuant to this Stipulation and Order, the Department shall comply with the procedures established pursuant to California Public Records Act, Government Code section 6250 et seq., and Health and Safety Code sections 25173 and 25185(d).

Exide shall notify the Department in writing at least seven (7) days prior to beginning each separate phase of field work. At the request of the Department, Exide shall provide or allow the Department and its authorized representatives to take splits or duplicates of any samples collected by Exide for the Proposed Storm Water Sewer Piping Plan pursuant to this Stipulation and Order, including soil, dust, sediment and water (if encountered). Similarly, at the request of Exide, the Department shall provide or allow Exide and its authorized representatives to take splits and duplicates of any samples collected by the Department pursuant to this Stipulation and Order, including soil, dust, sediment and water (if encountered).

Exide shall maintain a central depository of the data, reports, and other documents prepared pursuant to this Stipulation and Order. All such data, reports, and other documents shall be preserved by Exide for a minimum of six years after the conclusion of all activities under this Stipulation and Order. If the Department requests that some or all of these documents be preserved for a longer period of time, Exide shall either comply with that request, deliver the documents to the Department, or permit the Department to copy the documents prior to destruction. Exide shall notify the Department in writing at least six months prior to destroying any documents prepared pursuant to this Stipulation and Order.

18.0. Costs: Exide is liable for all costs associated with the matters covered by this Stipulation and Order, including, but not limited to all costs incurred by the Department in reviewing workplans and overseeing the work required by this Stipulation and Order but excluding attorney's fees and costs associated with the administrative hearing and court proceedings arising from the Suspension Order. Any costs pre-dating June 10, 2013, the date Exide filed a voluntary petition for relief under Chapter 11 in the Bankruptcy Court, may be regarded as general unsecured claims. The Department shall retain all cost records associated with the work performed under this Stipulation and Order as required by State law. The Department shall make all documents which support the Department's cost determination available for inspection upon request, as provided by the Public Records Act. Approval and allowance for the payment of the Department's post-petition oversight costs shall be subject to approval by the Bankruptcy Court, which may be granted in the Bankruptcy Court's order approving the Stipulation and

Order. If approved by the Bankruptcy Court, the Department may present to Exide invoices for oversight costs and Exide shall pay the Department such costs within thirty (30) days of presentment without the need of either Party to seek further Bankruptcy approval to present the invoice or to make the payment.

19.0 Alternative Technology: Exide may submit a request to the Department for its consideration and approval to use any technology as an alternative to those required to be used by Exide pursuant to this Stipulation and Order. Any technology proposed may require submittal of a permit modification and require approval from the Department.

20.0. Incorporation of Plans and Reports: All plans, schedules, and reports that require Department approval and are submitted by Exide pursuant to this Stipulation and Order are incorporated in this Stipulation and Order upon approval by the Department.

21.0. Extension Requests: If Exide is unable to perform any activity or submit any document within the time required under this Stipulation and Order, Exide may, prior to expiration of the time, request an extension of time in writing. The extension request shall include a justification for the delay. All requests shall be in advance of the date on which the activity or document is due.

22.0. Extension Approvals: If the Department determines that good cause exists for an extension, it will grant the request and specify in writing a new compliance schedule. Exide shall comply with the new schedule specified by the Department, which shall be incorporated by reference into this Stipulation and Order.

23.0. Additional Enforcement Actions: The Department does not waive the right to take further enforcement actions and Exide does not waive the right to challenge or appeal any Department enforcement order in an appropriate California forum, except to the extent provided in this Stipulation and Order.

24.0. Stipulated Penalties for Noncompliance: Exide shall be liable for stipulated penalties in the amount of $5,000 per day for the first three (3) days and $10,000 per day thereafter per violation as specified in sections 5.5, 5.13, 5.20, 5.21 and 5.29 above. No penalties shall be paid from the financial assurance fund set up pursuant to section 5.32, above. Subject to Exide's right to appeal or challenge stipulated penalties imposed pursuant to this Stipulation and Order, in an appropriate California forum, Exide shall pay any stipulated penalty within thirty (30) days of receiving the Department's demand for payment without the need for further Bankruptcy Court approval by the Department to request payment by Exide or by Exide to make the payment. In the event that stipulated penalties are assessed against Exide by the Department during the pendency of the Bankruptcy Case, such post-petition penalties will be afforded administrative expense priority and be deemed as an allowed administrative expense and such post-petition penalties are to be paid by Exide upon demand by the Department without the need to seek further Bankruptcy approval; provided, however Exide shall retain the right to challenge the allowance of any such stipulated penalties on any ground in an appropriate California forum. In the event that Exide submits such a challenge, upon final determination, Exide shall pay the penalty, if any, upon demand from the Department without the need for further Bankruptcy Court approval.

All penalties shall begin to accrue on the day after the complete performance is due or the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Stipulation and Order as provided by Health and Safety Code sections 25188, 25189 and 25189.2 and other applicable provisions of law. However, the Department will not assess duplicate penalties if delay of one obligation has a causal effect upon a subsequent and related obligation.

This provision shall not preclude the Department from seeking, nor Exide from challenging in an appropriate California forum, additional sanctions as provided for by law or regulation, including but not limited to civil penalties or other civil or administrative liability if Exide's failure to comply with the terms of this Stipulation and Order also is a violation of any law, regulation or obligation over which the Department has jurisdiction.

This provision shall not preclude the Department taking, nor Exide from challenging in an appropriate California forum, further action against Exide seeking penalties for violation of interim status requirements or the Hazardous Waste Control Law (Health & Saf. Code, §25100 et seq.), or equitable relief for matters not specifically addressed by this Stipulation and Order.

25.0. Force Majeure: Exide shall cause all work to be performed within the time limits set forth in this Stipulation and Order unless an extension is approved or performance is delayed by events that constitute an event of force majeure. For

purposes of this Stipulation and Order, an event of force majeure is an event arising from circumstances beyond the control of Exide that delays performance of any obligation under this Stipulation and Order, provided Exide has undertaken all appropriate planning and preventative measures to avoid any foreseeable circumstances. Increases in cost of performing the work specified in this Stipulation and Order shall not be considered circumstances beyond the control of Exide. For purposes of this Stipulation and Order, events which constitute a force majeure shall include, without limitation, events such as acts of God, war, civil commotion, unusually severe weather, labor difficulties, shortages of labor, materials or equipment, equipment breakdown or failure not resulting from operational error, neglect or improper operation or maintenance procedures, government moratorium, delays in obtaining necessary permits or approvals due to action or inaction by third parties, earthquake, fire, flood, or other casualty. Exide shall notify the Department in writing immediately after the occurrence of the force majeure event. Such notification shall describe the anticipated length of the delay, the cause or causes of the delay, the measures taken and to be taken by Exide to minimize the delay and the timetable by which these measures shall be implemented. If the Department does not agree that the delay is attributable to a force majeure event, then the matter may be subject to the dispute resolution procedures set forth in section 19.0 of the February 25, 2002 Corrective Action Consent Order.

26.0. Costs and Attorney's Fees: With respect to this administrative enforcement proceeding and the California State Court Action, each party shall

bear its own costs and attorney's fees, except as provided in section 18, above.

27.0. Parties Bound: This Stipulation and Order shall apply to and be binding upon Exide and its successors, and assignees, and upon the Department and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Stipulation and Order. Exide shall disclose the terms and conditions of this Stipulation and Order to all employees, consultants or independent contractors who are assigned or engaged to assist Exide comply with its obligations and duties hereunder.

28.0. Integration: This Stipulation and Order constitutes the entire agreement between the Parties as to the settlement of the subject dispute and may not be amended, supplemented, or modified, except as provided in this agreement.

29.0. Compliance with Waste Discharge Requirements: To the extent required by law, Exide shall comply with all applicable waste discharge requirements issued by the State Water Resources Control Board or a California regional water quality control board.

30.0. Time Periods: Unless otherwise specified, time periods begin from the effective date of this Stipulation and Order and "days" means calendar days. In computing any period of time under this Stipulation and Order, where the last day would fall on a Saturday, Sunday or federal or State holiday, the period shall run until the next business day.

31.0. Authority to Enter Into This Stipulation and Order: Each signatory to this Stipulation and Order, certifies that he or she is fully authorized by the Party he or she represents to enter into this Stipulation and Order, to execute it on behalf of

the party represented, and to legally bind that party.

32.0 Dispute Resolution: Except as otherwise provided in this Stipulation and Order, any dispute arising between Exide and the Department in connection with this Stipulation and Order shall be subject to the dispute resolution procedures set forth in section 19.0 of the February 25, 2002 Corrective Action Consent Order; provided, that if Exide disputes any decision rendered pursuant to those procedures, Exide may seek direct and immediate judicial review of the dispute in an appropriate California forum.

33.0 Choice of Forum: The Parties agree California law applies to this Stipulation and Order and that any disputes are subject to review in a California court of competent jurisdiction.

34.0 Facility Closure: In the event that Exide delivers a written notice to the Department that Exide has ceased operations at the Facility, this Stipulation and Order shall automatically terminate, except for section 35, and Exide shall comply with all requirements related to closure of the Facility, including but not limited to corrective action.

35.0 Covenant Not to Sue: Except as otherwise provided in this Stipulation and Order, the Parties covenant not to sue or pursue any and all further civil and administrative claims, demands, causes of action and/or liabilities arising out of, related to or resulting from the conduct alleged in the Suspension Order, which conduct took place prior to the execution of this Stipulation and Order. The Department specifically reserves its right to consider any and all underlying facts pertaining to the conduct alleged in the Suspension Order for purposes of

evaluating Exide's compliance history and for purposes of making any permit determinations. Exide reserves its right to dispute the underlying facts of the conduct alleged in the Suspension Order and contest any permit determination made by the Department.

36.0 Severability: If any provision of this Stipulation and Order is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Stipulation and Order, and the remaining portions of this Stipulation and Order shall continue in full force and effect, unless enforcement of this Stipulation and Order as so modified by and in response to such invalidation would be grossly inequitable under all of the circumstances, or would frustrate the fundamental purposes of this Stipulation and Order.

37.0. Effective Date: The effective date of this Stipulation and Order shall be the date on which the Stipulation and Order is signed by the Department except that the Stipulation and Order will not become effective until any order entered by the Bankruptcy Court approving the Stipulation and Order has become a final order. If for any reason this Stipulation and Order is not approved by the Bankruptcy Court, or does not become a final order (and such condition to the Effective Date is not waived by Exide and the Department), this Stipulation and Order shall be null and void As used herein, a "Final Order" means an order of the Bankruptcy Court (a) as to which the time of appeal shall have expired and as to which no appeal shall then be pending; provided, however, the Parties reserve the right to waive any appeal period or (b) if a timely appeal shall have been filed or sought, the order which is the basis of the appeal shall have been affirmed by the

highest appellate court to which such appeal could have been presented and/or the time for taking further appeals has expired.

IT IS SO STIPULATED:

Dated: 4 November 2013

Name and Title

Exide Technologies, Inc.

Approved as to form:

Dated: November 4, 2013

Randolph C. Visser

Sheppard, Mullin, Richter & Hampton

Counsel for Exide Technologies

IT IS SO STIPULATED AND ORDERED:

Dated: November 4, 2013

Name and Title

Department of Toxic Substances Control

Approved as to form:

Dated: 11/4/13

Nancy J. Bothwell

Nancy J. Bothwell

Department of Toxic Substances Control

Senior Staff Counsel

STIPULATION AND ORDER EXHIBITS

STIPULATION AND ORDER EXHIBITS

EXHIBIT 1

EXHIBIT 1

EXHIBIT 1

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Exide Technologies, Inc. 13000 Deerfield Parkway, Suite 200 Milton, Georgia 30004 In the Matter of: Exide Technologies, Inc. 2700 South Indiana Avenue Vernon, California 90058 ID No. CAD097854541 Respondent.	HWCA: P3-12/13-010 ORDER FOR TEMPORARY SUSPENSION Health and Safety Code Sections 25186.1 & 25186.2

Upon the review of the Department of Toxic Substances Control's (Department) records relating to conditions of the operation of hazardous waste management activities at Exide Technologies, Inc. (Exide), an interim status hazardous waste treatment and storage facility, located at 2700 South Indiana Avenue in City of Vernon, California, I found that an imminent and substantial danger to the public health, safety and the environment exists, as set forth in the attached Accusation.

A recent report submitted to the Department by Exide demonstrate that the Facility is operating its underground storm sewer pipelines in violation of hazardous waste requirements and are causing releases to the environment. A separate report submitted to the South Coast Air Quality Management District by Exide demonstrates that emissions from the facility operations pose a significant risk to the surrounding community.

Based upon this information, I conclude that it is necessary to issue this Order for Temporary Suspension pending hearing to prevent or mitigate the substantial danger pursuant to Health and Safety Code Section 25186.2.

THEREFORE YOUR HAZARDOUS WASTE FACILITY INTERIM STATUS IS HEREBY SUSPENDED PENDING HEARING. YOU ARE ORDERED TO CEASE OPERATIONS EFFECTIVE APRIL 24, 2013.

In ceasing operations pursuant to this Order, Exide shall ensure that all necessary steps are taken such that Exide does not pose a risk to public health or safety or the environment in its non-operational status. This requirement includes, but is not limited to, maintaining financial assurance both for liability and for closure as specified in California Code of Regulations, title 22, Div. 4.5, Chapter 15, Article 8.

Should you choose to pursue a hearing, this suspension will remain in effect until the hearing is completed and DTSC has made a final determination on the merits which shall be made within sixty (60) days after completion of the hearing pursuant to Health and Safety Code Section 25186.2.

Date: 4/24/13

Brian Johnson
Deputy Director
Hazardous Waste Management Program

EXHIBIT 2

EXHIBIT 2

EXHIBIT 2

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

	)	HWCA: P3-12/13-010
Exide Technologies, Inc.	)	
13000 Deerfield Parkway, Suite 200	)	
Milton, Georgia 30004	)	
	)	
In the Matter of:	)	
	)	
Exide Technologies, Inc.	)	ACCUSATION FOR SUSPENSION OF
2700 South Indiana Avenue	)	INTERIM STATUS
Vernon, California 90058	)	
	)	
CAD 097854541	)	Health and Safety Code
	)	Sections 25186.1 & 25186.2
Respondent.	)	
_____	)	

INTRODUCTION

1 *Parties.* The California Environmental Protection Agency, Department of Toxic Substances Control ("Department or DTSC") issues this Accusation to Exide Technologies, Inc. (Exide, "Facility"), owner and operator of a Facility located at 2700 South Indiana Avenue, Vernon, California 90058.

2. *Interim Status.* The Department of Health Services issued an Interim Status Document to Gould, Inc. for the Facility (EPA Identification Number CAD097854541) on December 18, 1981. In 1984, GNB Technologies bought the Facility from Gould. In 2000, Exide Technologies acquired GNB, Inc. including the Facility.

3. *Jurisdiction.* Health and Safety Code section 25186 authorizes DTSC to suspend permits, registrations, and certificates if DTSC determines that the holder, or in the case of a business concern, any person holding more than five (5) percent of the equity in or debt liability of that business concern, has engaged in prohibited activities.
Health and Safety Code sections 25186.1 and 25186.2 authorize DTSC to temporarily suspend permits, registrations, and certificates prior to a hearing if DTSC determines that the action is necessary to prevent or mitigate an imminent and substantial danger to the public health or safety or the environment.

REGULATORY AND FACTUAL BACKGROUND

4. Exide operates a hazardous waste storage and treatment facility located at 2700 South Indiana Avenue in Vernon, California.

5. Exide is a "hazardous waste facility" as defined at Health & Safety Code section 25117.1. The Facility has been given the following facility identification number: CAD 097854541.

6. Exide has, and at all times relevant hereto, had the power to exercise control over the management decisions at the Facility, including but not limited to hazardous waste management decisions.

7. The State of California has enacted a comprehensive statutory and regulatory framework for the generation, handling, treatment, transport and disposal of hazardous waste. The framework contained in the Hazardous Waste Control Law (HWCL), Health and Safety Code section 25100 et seq., and its implementing regulations, which are found at California Code of Regulations, Title 22, Div. 4.5, Chapter 10, sections 66260.1 et seq. mandate a "cradle to grave" registration, tracking, storage, treatment and disposal system for the protection of the public from the risks posed by hazardous wastes.

8. The HWCL provides at Health and Safety Code section 25201(a), in relevant part, that:

> " ...no operator of a storage facility, treatment facility, transfer facility, resource recovery facility, or disposal site shall accept, treat, store, or dispose of a hazardous waste at the facility, area, or site, unless the owner or operator holds a hazardous waste facilities permit or other grant of authorization from the department to use and operate the facility, area, or site..."

9. Regulations promulgated by the Department implement the HWCL and set forth the requirements to obtain an Interim Status Authorization, a Hazardous Waste Facility Permit, and a Permit by-Rule, as well as the conditions applicable to these authorizations (California Code of Regulations, Title 22, Division. 4.5, sections 66270.1-66270.60).

10. Absent specific statutory or regulatory exemption, it is illegal to treat, store, dispose of and/or transport hazardous wastes without a hazardous waste facility permit, an interim status authorization or other grant of authorization from the Department.

11. The Department of Health Services issued to Gould, Inc. for the Facility, an interim status document, effective date of December 18, 1981. In 1984, GNB Technologies bought the Facility from Gould. In 2000, Exide Technologies acquired GNB, Inc. including the Facility. The Department is informed and believes and thereon alleges that Exide began operations at the Facility in September 2000.

12. Exide is located on 24 acres which is zoned for heavy industrial use. The Facility is located at the intersection of South Indiana Avenue and Bandini Boulevard. The parcel that is located east of South Indiana Avenue houses administrative buildings. The west side of South Indiana Avenue is used for battery recycling and lead smelting activities.

The Facility is bounded by East 26th Street towards the north and Bandini Boulevard to the south.

13. Exide operates a Facility that receives spent lead acid batteries and other lead bearing materials and recycles them to recover lead and polypropylene. Liquid waste generated as a result of the battery and lead recycling is treated by an onsite wastewater treatment plant and then discharged to the sewer system. The Facility is designed to treat 310,000 gallons of wastewater per day which is equivalent to treating 53 tons of batteries per day.

14. Exide's interim status authorization allows it to receive off-site hazardous waste, to treat hazardous waste, and to store hazardous waste. Exide has no other authorization to receive, treat, or store hazardous waste at the Facility.

15. Exide has submitted a Part A and B Permit Application for a hazardous waste facility permit as part of the permit application review process. On March 5, 2013, Exide submitted a Storm Sewer Inspection Report (Report) which indicates that the underground pipelines used to convey the lead contaminated storm water to a hazardous waste treatment tank system are in poor conditions. Exide proposes to replace and design the underground pipelines to meet with the tank ancillary equipment requirements specified in California Code of Regulations, title 22, section 66264.193(f). Although the Report was written, and the Department reviewed it (April 4, 2013 Memorandum), citing chapter 14 requirements, Exide is presently required to comply with equivalent requirements under chapter 15 for an interim status facility. In the following paragraphs, the corresponding chapter 15 citations follow in brackets the chapter 14 citations.

15.1 The Department's review of the Report, photographs, and associated videos reveal an accumulation of semi-solid sludge materials (also known in the industry as mud) generally throughout the piping system that contain elevated levels of hazardous waste, specifically metals (e.g., lead, arsenic and cadmium). The documents show several areas within the pipelines which depict failed structural integrity (breaches), and

lack the cured-in-place fiberglass slip lining, which was reportedly applied in the 1990s. The videos show the slip lining scaling and fraying, or to be non-existent. The sewer system is considered ancillary equipment for the RCRA Interim Status Unit 46 (Pump Sump) and it does not comply with California Code of Regulations, title 22, sections 66264.192(l)(10) [section 66265.192(l)(10)] with regard to demonstrating its integrity to prevent releases into the environment.

15.2 The Report also shows that the storm sewer system which is ancillary to Unit 46 at the Facility is not within a required secondary containment. The sewer system does not comply with California Code of Regulations, title 22, sections 66264.192(l)(7) [Section 66265.192(l)(7)] with regard to secondary containment requirements.

15.3 The Report also shows that the storm sewer system does not comply with California Code of Regulations, title 22, sections 66264.192(l)(7) [Section 66265.192(l)(7)] and 66264.192(k)(1) [Section 66265.192(k)(1)] with regard to underground piping. No leak testing data was presented and, based upon the physical condition of the pipes, as evidenced in the Report, the existing breaches would cause the storm sewer system to fail any leak test.

15.4 The videos associated with the Report demonstrate all piping associated with the storm sewer system to be substantially deficient with regard to the slip lining and contain a significant collection of sediments and sludge. There are several areas within the sewer piping that contain approximately 600 to 1,000 gallons of fluids with little to no flow due to a lack of a gradient or pipe blockage. Several of the of the storm sewer lines have ponding of water and built-up sludge.

15.5 Exide continuously introduces hazardous waste (metal-containing water and sludge) to the storm sewer system under its daily wash-down operations that are conveyed via the storm sewer system to Unit 46 (Pump Sump).

15.6 The Report proposes a storm water piping system replacement/abandonment schedule that spans more than one-third the ten year term of the proposed permit and will not resolve the requirement to contain future releases into the environment until the new system is installed and tested to demonstrate integrity. This is in violation of California Code of Regulations, title 22, section 66265.15(c) which requires immediate remediation when an environmental hazard has already occurred.

15.7 The continued use of the underground storm water system is in violation of California Code of Regulations, title 22, section 66265.196(f)(4) which requires the entire component of a tank system to have secondary containment prior to being returned to use if a leak is from a tank system component that is not readily accessible for visual inspections.

16. As part of the permitting process, DTSC requested Exide to prepare a draft Environmental Impact Report (EIR) to assess significant impacts to human health and the environment caused by the Facility. As part of the development of the draft EIR, Exide planned to incorporate the findings of the Health Risk Assessment (HRA), approved by the Southern California Air Quality Management District (SCAQMD) on March 1, 2013, into the EIR.

16.1 In a letter dated March 1, 2013, the SCAQMD advised Exide that the HRA submitted by Exide in January, 2013 indicates the Facility poses a maximum individual cancer risk (MICR) of 156 in one million for an offsite worker receptor about 300 meters northeast of the Facility (primarily arsenic).

16.2 According to the SCAQMD, the HRA indicates the Facility poses a maximum chronic hazard index (HI) of 63 for the respiratory system at the same offsite worker receptor identified in Section 16.1 (from arsenic).

16.3 The March 1, 2013 letter from the SCAQMD also states the HRA indicates the Facility poses a maximum acute HI of 3.8 for the developmental system (from arsenic) along the eastern fenceline.

16.4 Also, according to the SCAQMD, the HRA indicates the Facility poses a maximum individual cancer risk (MICR) of 22 in one million to the nearest residential receptor.

16.5 Finally, the SCAQMD advised the Facility that the HRA indicates the Facility poses a maximum chronic HI of 2.9 to the nearest residential receptor.

16.6 DTSC accepts a cumulative risk that does not exceed a one in one million (10^{-6}) for cancer risk. A risk level of 10^{-6} implies there is a likelihood that up to one person, out of one million equally exposed people, would contract cancer if exposed to the specific concentration continuously (24 hours per day) over 70 years (an assumed lifetime). This would be in addition to those cancer cases that would normally occur in an unexposed population of one million people.

16.7 DTSC considers a hazard index of one or less than one to indicate that no adverse human health effects (noncancer) are expected to occur. A hazard index is used to analyze non-carcinogenic health effects and it assumes that a threshold exists below which no adverse health impacts are expected. A hazard index is the sum of the hazard quotients attributed to non-carcinogenic hazardous substances with similar critical endpoints (e.g., human organs/systems). A Hazard Quotient (HQ) is the ratio of the potential exposure to each substance and the level at which no adverse effects are expected. If the HQ is calculated to be equal to or less than 1, then no adverse health effects are expected as a result of exposure. If the HQ is greater than 1, then adverse health effects are possible.

16.8 In order for DTSC to consider any exceedance of the standard in Section16.6 above, Exide must demonstrate that they have employed all reasonable means to achieve the 10^{-6} standard including but not limited to installation of the best available

control technologies (BACT), housekeeping, operational controls and upgrades to existing control systems.

16.9 Exide's operates three industrial furnaces as a part of its lead recovery operations. These units meet the definition of an industrial furnace pursuant to California Code of Regulations, title 22, section 66260.10 and they are conditionally exempted from the Boiler and Industrial Furnaces (BIFs) requirements found in article 8, chapter 16, title 22 of the California Code of Regulations under section 66266.100(c). One of the conditions for the exemption is that the furnaces are operated as miscellaneous units.

16.10 The March 1, 2013 letter from the SCAQMD states that the HRA indicates the Facility operation of the industrial furnaces are not meeting the section 66264.601 provision for performance standards that require miscellaneous units be operated in a manner that will ensure protection of human health and the environment.

DETERMINATION OF BASIS FOR SUSPENSION

17. The March 5, 2013 Storm Sewer Inspection Report indicates that the degraded and compromised physical condition of the underground pipelines are a source of continuous daily releases to the environment of hazardous waste-containing water.. The hazardous waste releases to the environment are increasing the concentration of hazardous metals, in soil and groundwater underlying the Facility. Groundwater in the area underlying the Facility is already above maximum contaminant levels for drinking water, thereby increasing the urgency with which any sources of contamination must be curtailed and remediated to minimize further deleterious impacts to the state's drinking water supplies.

18. Based on the Health Risk Assessment submitted to the SCAQMD, DTSC has determined that the Facility is operating its furnaces and its air pollution devices in a manner that is not sufficiently protective of human health and the environment, impacting as many as 110,000 residents in a large geographical area that includes

portions of Vernon, Maywood, Huntington Park, Commerce, Boyle Heights and unincorporated areas of east Los Angeles. The predominant contributor to both chronic and acute cancer risk and non-cancer hazard is arsenic emissions from the Facility, with the primary human organs that are harmed are the cardiovascular system, central nervous system, developmental system, respiratory system and skin.

19. The cancer risks and non-cancer hazards to residents and offsite workers in the area exceed DTSC and SCAQMD acceptable levels as indicated below:

- The chronic cancer risk and non-cancer hazard estimated for an individual resident is 22 in a million and 2.9, respectively;
- The Facility also causes significant carcinogenic and non-carcinogenic health risk to offsite workers, such that DTSC and SCAQMD acceptable risk levels are exceeded;
- The HRA submitted to the SCAQMD, indicates the chronic cancer risk (156 in an million) and non-cancer hazard (63) for the an individual worker far exceeds DTSC's one in one million cancer risk and a one (1) for non-cancer risk;
- According to SCAQMD, the acute non-cancer hazard of (3.8) for an offsite worker also exceeds SCAQMD's action level of (3.0). In summary, the Facility's operation is the source of significant human health-impacting air emissions of toxic metals and these emissions far exceed DTSC's standards for acceptable risk to human health.

20. Based on the Facility's operation of its storm water sewer system which is a source of continuous daily releases of hazardous waste into the environment and operation of its furnaces and air pollution devices that exceed DTSC's standards for acceptable risk to human health, DTSC has determined that action is necessary to prevent or mitigate an imminent and substantial danger to the public health or safety or the environment.

SUSPENSION ORDER

21. For the reasons set forth above, the Department suspends Exide's Interim Status Authorization.

RIGHT TO A HEARING

22. Respondent has a right to a hearing. If Respondent wishes to request a hearing, the notice of defense must be delivered or mailed to the Department within 15 days after the respondent receives this accusation. Appeal rights and procedures are explained in the attached Statement to Respondent.

ADDITIONAL ENFORCEMENT ACTIONS

By issuance of this Accusation, the Department does not waive the right to take further enforcement action.

Date: 4/24/13

Brian Johnson
Deputy Director
Hazardous Waste Management Program

EXHIBIT 3

EXHIBIT 3

EXHIBIT 3

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Exide Technologies, Inc.
1300 Deerfield Parkway, Suite 200
Milton, Georgia 30004

In the Matter of:

Exide Technologies, Inc.
2700 South Indiana Avenue
Vernon, California 90058

ID No. CAD097854541

Respondent.

HWCA: P3-12/13-010

(1) NOTICE OF DEFENSE OF RESPONDENT EXIDE TECHNOLOGIES, INC.

(2) REQUEST FOR (1) AN EMERGENCY HEARING ON A MOTION FOR A TEMPORARY STAY OF THE SUSPENSION ORDER; AND (2) A HEARING ON THE MERITS WITHIN 30 DAYS IN CONFORMANCE WITH HEALTH AND SAFETY CODE SECTIONS 25186.1 AND 25186.2

(3) OBJECTIONS TO ACCUSATION; AND

(4) AFFIRMATIVE DEFENSES

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

Respondent Exide Technologies, Inc. ("Exide") files this Notice of Defense in response to the Order for Temporary Suspension served upon Exide on April 24, 2013. Exide generally and specifically denies each and every allegation set forth in the Order for Temporary Suspension (the "Order") and in the Accusation for Suspension of Interim Status (the "Accusation"). Exide

has executed a Notice of Defense in the form provided by the Department of Toxic Substances Control ("DTSC"), and that fully executed Notice of Defense is attached hereto as Exhibit A. The entirety of the executed form Notice of Defense attached as Exhibit A is incorporated herein by reference as if fully set forth in this written response.

Exide requests: (1) an emergency hearing for a temporary stay of the Suspension Order; and (2) a hearing on the merits within 30 days in conformance with Health & Safety Code Sections 25186.1 and 25186.2.

Exide objects to the Accusation upon the ground that it does not state acts or omissions upon which the agency may proceed.

Exide objects to the form of the Accusation on the ground that portions of it are so indefinite or uncertain that the Respondent Exide cannot identify the conduct alleged to support the Order or prepare a complete defense.

Exide also objects to the Accusation on the ground that, under the circumstances, compliance with the requirements of a regulation, the Order, or the Accusation would result in the material violation of another regulation enacted by another department affecting Exide's substantive rights.

In addition to the Notice of Defense, the objections set forth herein, and the request for a hearing, Exide asserts the following affirmative defenses on information and belief:

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE
(Primary Jurisdiction)

The Order and Accusation are barred on the grounds that the South Coast Air Quality Management District ("AQMD"), the State Water Resources Control Board, the Los Angeles Regional Water Quality Control Board, and/or other agencies have primary jurisdiction over the matters set forth in the Order.

SECOND AFFIRMATIVE DEFENSE
(Permit Compliance)

The DTSC's Order is barred on the grounds that Exide has been acting in compliance with the terms of its Title V/RECLAIM Permit, its interim status authorization under the Resource Conservation and Recovery Act of 1976, and any other permit issued by an appropriate agency with jurisdiction over the permitted activity.

THIRD AFFIRMATIVE DEFENSE
(Failure to State a Cause of Action)

The Order and Accusation and each charge or cause of action alleged therein fail to state facts sufficient to constitute a cause of action or support the Order against Exide.

FOURTH AFFIRMATIVE DEFENSE
(Laches)

The Order and Accusation and each charge or cause of action alleged therein are barred by the doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE
(Estoppel)

The Order and Accusation and each charge or cause of action alleged therein are barred by the doctrine of estoppel.

SIXTH AFFIRMATIVE DEFENSE
(Unclean Hands)

The DTSC is not entitled to the relief it seeks because it has acted improperly and comes before this tribunal with unclean hands.

SEVENTH AFFIRMATIVE DEFENSE
(Waiver)

The Order and Accusation and each charge or cause of action alleged therein are barred by the doctrine of waiver.

EIGHTH AFFIRMATIVE DEFENSE
(Federal Preemption)

The Order and Accusation and each charge or cause of action alleged therein are barred under the doctrine of federal preemption.

NINTH AFFIRMATIVE DEFENSE
(Standing or Jurisdiction)

The DTSC lacks standing or jurisdiction to assert the charges or causes of action against Exide in the Order and Accusation.

TENTH AFFIRMATIVE DEFENSE
(Intervening/Superseding Cause)

The injuries and damages of which the DTSC complains in the Order and Accusation are proximately caused by or contributed to by the acts of other third parties, and that said acts constitute intervening and superseding causes of the injuries and damage, if any, of which the DTSC complains, thus barring the DTSC from acting against Exide.

ELEVENTH AFFIRMATIVE DEFENSE
(Denial of Equal Protection)

The Order and Accusation and each charge or cause of action alleged therein are barred under the equal protection clauses of the United States Constitution and the California Constitution.

TWELFTH AFFIRMATIVE DEFENSE
(Lack of Due Process)

The Order and Accusation and each charge or cause of action alleged therein are barred because Exide was denied due process under the United States Constitution and the California Constitution.

THIRTEENTH AFFIRMATIVE DEFENSE
(Ex Post Facto Clause)

The Order and Accusation and each charge or cause of action alleged therein are barred under the ex post facto clause of the United States Constitution and the California Constitution to the extent the DTSC seeks to impose liability retroactively for conduct that was not actionable when it occurred.

FOURTEENTH AFFIRMATIVE DEFENSE
(Void for Vagueness)

The charges brought by the DTSC in its Order and Accusation are vague and ambiguous, and therefore are unconstitutional.

FIFTEENTH AFFIRMATIVE DEFENSE
(Separation of Powers)

The Order and Accusation and each charge or cause of action alleged therein are barred because the DTSC is seeking to act as a legislative body through the establishment of vague and unwritten standards that it seeks to enforce against Exide.

SIXTEENTH AFFIRMATIVE DEFENSE
(Arbitrary and Capricious)

The actions of the DTSC are arbitrary and capricious in that the DTSC has applied different standards to Exide than those applied to other businesses in the Southern California area.

SEVENTEENTH AFFIRMATIVE DEFENSE
(No Imminent and Substantial Danger or Identifiable Harm)

The Order and Accusation fail to state facts sufficient to allege an imminent and substantial danger to health or the environment at Exide's facility.

EIGHTEENTH AFFIRMATIVE DEFENSE
(Uncertainty)

The Accusation and the Order are vague, ambiguous, uncertain, and unintelligible.

NINETEENTH AFFIRMATIVE DEFENSE
(Consent)

The DTSC has known of the issues raised in the Order and Accusation for an extended period of time, and has consented to Exide's continued operation.

TWENTIETH AFFIRMATIVE DEFENSE
(Abstention)

The DTSC's Order and Accusation, and the entire proceeding against Exide, should be stayed until the agencies with primary jurisdiction have concluded their actions.

TWENTY-FIRST AFFIRMATIVE DEFENSE
(Void For Vagueness)

Health and Safety Code Section 25186.2 is void for vagueness, because the term imminent and substantial danger, whether on its face or as applied, is too ambiguous to be enforced.

TWENTY-SECOND AFFIRMATIVE DEFENSE
(Void For Vagueness)

California Code of Regulations Sections 66264 and 66265 are, on their face and as applied, void for vagueness and cannot be used as enforceable standards.

TWENTY-THIRD AFFIRMATIVE DEFENSE
(Void For Vagueness)

The use of a hazard index, a maximum individual cancer risk, and a "cumulative risk" as enforceable standards are, on their face and as applied, void for vagueness.

TWENTY-FOURTH AFFIRMATIVE DEFENSE
(Waiver)

The DTSC has unreasonably delayed approval of Exide's RCRA permit, and that delay has resulted in a waiver of any claim by the DTSC that Exide only has interim permit status.

PRAYER FOR RELIEF

Exide hereby requests an immediate Stay of the Order and Accusation until such time as a decision is reached on the merits. Exide asserts that there is no imminent and substantial danger to the public health, safety or the environment. Further, the DTSC has failed to allege facts that support or substantiate its claims. The Order and Accusation have effectively shut down Exide's business operations in Vernon, resulting in substantial loss of employment and financial harm. Exide requests that the Court dismiss the Order and Accusation filed by the DTSC, and enter an order permitting Exide to resume operations at its Vernon plant.

Exide reserves its right to amend or supplement this Notice of Defense.

Dated: May 6, 2013

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
RANDOLPH VISSER
STEPHEN J. O'NEIL
JEFFREY J. PARKER
OLIVIER THEARD

By _____
STEPHEN J. O'NEIL
Attorneys for Respondent Exide Technologies, Inc.

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EXHIBIT A

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Exide Technologies, Inc.
13000 Deerfield Parkway, Suite 200
Milton, Georgia 30004

In the Matter of:

Exide Technologies, Inc.
2700 South Indiana Avenue
Vernon, California 90058

ID No. CAD 097854541
Respondent.

HWCA: P3-12/13-010

NOTICE OF DEFENSE

Health and Safety Code
Section 25186.1 & 25186.2

I, the undersigned Respondent, acknowledge receipt of a copy of the Order for Temporary Suspension, Accusation for Temporary Suspension, Statement to Respondent, and two copies of a Notice of Defense.

I request a hearing to permit me to present my defense to the allegations contained in the Order for Temporary Suspension.

Dated: May 6, 2013

(Signature of Respondent)

Please Type or Print the Name and Mailing Address of Respondent

Ed Mapus - Exide Technologies
(Name)
2700 S. Indiana St
(Street Address)
Vernon CA 90058
(City) (State) (Zip)
323-262-1101 X259
(Telephone Number)
Ruth Williams-Morehead
(Inspector)

APPENDIX 4

STATE OF CALIFORNIA

ENVIRONMENTAL PROTECTION AGENCY

DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Exide Technologies 13000 Deerfield Parkway, Suite 200 Milton, Georgia 30004 In the Matter of: Exide Technologies 2700 South Indiana Avenue Vernon, California 90058 CAD 097854541 Respondent	)	HWCA No. 2014-6489 STIPULATION AND ORDER Health and Safety Code Section 25187

Whereas, Exide Technologies ("Exide") is an owner and operator of a lead-acid battery recycling facility located at 2700 South Indiana Avenue, Vernon, California 90058 (the "Facility"), which operates under interim status authorization from the California Environmental Protection Agency, Department of Toxic Substances Control (the "Department").

Whereas, the Department regulates the Facility pursuant to a comprehensive statutory and regulatory framework for the generation, handling, treatment, transport and disposal of hazardous waste, set forth in the Hazardous Waste Control Law (the "HWCL"), Health & Safety Code section 25100 *et seq*., and its implementing regulations, California Code of Regulations, title 22 ("Title 22"), section 66260.1 *et seq*.

Whereas, in February 2002, the Department issued a Corrective Action Consent Order, Docket No. P 3-01-02-010 (the "2002 Corrective Action Consent Order") regarding the Facility to Exide requiring corrective action. Exide remains subject to the requirements of the 2002 Corrective Action Consent Order.

Whereas, on November 4, 2013, the Bankruptcy Court (defined below) granted Exide's motion to enter into Stipulation and Order Docket HWCA: P3-12/13-010 OAH No. 2013050540, with the Department, and such Stipulation and Order was "so ordered" by the Department (the "2013 Stipulation and Order"). Exide remains subject to the requirements of the 2013 Stipulation and Order that was effective on November 4, 2013.

Whereas, certain disputes between Exide and the Department have arisen under the 2013 Stipulation and Order and the 2002 Corrective Action Consent Order, including, but not limited to, the scope of, and standards applicable to, appropriate interim and final risk-based corrective action clean-up levels.

Whereas, Exide has submitted a Part B hazardous waste facility permit application for the Facility (the "Hazardous Waste Permit Application") to the Department, which is under review by the Department.

Whereas, as part of its Hazardous Waste Permit Application, Exide submitted a proposed closure/post closure plan and proposed closure/post closure cost estimate pursuant to the applicable provisions of the HWCL and Title 22.

Whereas, disputes exist between the Department and Exide regarding Exide's Hazardous Waste Permit Application, including disputes regarding the Closure/Post Closure Plan (defined below), the Closure/Post Closure Cost Estimate (defined below), financial assurances for closure/post closure, and financial assurances for corrective action.

Whereas, on October 1, 2014, Exide submitted an updated closure/post closure plan (the "Closure/Post Closure Plan") and an updated closure/post closure cost estimate (the "Closure/Post Closure Cost Estimate") for both the Hazardous Waste Permit Application and its interim status requirements under Title 22, section 66265.1 *et seq.* The Department is reviewing

the Closure/Post Closure Plan and Closure/Post Closure Cost Estimate as part of the Hazardous Waste Permit Application.

Whereas, the Department cannot deem Exide's Hazardous Waste Permit Application complete for processing until all requirements are met, including a legally sufficient Closure/Post Closure Plan and the posting of financial assurance corresponding to the Closure/Post Closure Plan and Closure/Post Closure Cost Estimate.

Whereas, the Department has issued Summaries of Violation (defined below) for alleged violations at the Facility that remain outstanding as of September 30, 2014.

Whereas, the Department and Exide (collectively "the Parties") agree to resolve certain issues between them on the terms set forth in this Stipulation and Order ("Stipulation and Order"), including certain alleged deficiencies with the Hazardous Waste Permit Application. Additionally, the Parties seek to fully and finally resolve the Summaries of Violation, on the terms set forth herein.

Whereas, on June 10, 2013 (the "Petition Date"), Exide filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), Case No. 13-11482 (the "Bankruptcy Case"). As such, Exide is a debtor and debtor-in-possession. As used herein, "Exide" includes the debtor, debtor-in-possession and, subsequent to the Plan Effective Date (defined below), the reorganized debtor.

Whereas, Exide requires Bankruptcy Court authorization to enter into this Stipulation and Order, and Exide will seek approval from the Bankruptcy Court prior to the Department and Exide signing this Stipulation and the Department issuing its Order thereon.

Therefore, without any findings of fact, conclusions of law or admissions of liability, the Department and Exide enter into and agree to be bound by this Stipulation and Order as follows:

1. Jurisdiction to enter into this Stipulation and Order exists pursuant to Health and Safety Code section 25187 and Title 22.

2. This Stipulation and Order shall constitute settlement of various disputes addressed herein, including the Summaries of Violation, all on the terms provided herein. This Stipulation and Order does not limit the Department from taking appropriate enforcement action concerning other matters, including, but not limited to, enforcement of this Stipulation and Order, the 2002 Corrective Action Consent Order, or the 2013 Stipulation and Order.

3. The Parties agree no provision of this Stipulation and Order shall be construed as an admission of any wrongdoing or as a violation of any rule, law, statute, ordinance or regulation by Exide.

4. Exide waives the right to a further hearing and appeal with respect to the Settled Matters and the Initial Residential Off-Site Corrective Action Obligations, each as defined below.

FINANCIAL ASSURANCE FOR CLOSURE/POST CLOSURE

5. Exide will submit to the Department documentation demonstrating financial assurance for the Closure/Post Closure Plan in accordance with the terms outlined herein, which shall occur on or before October 31, 2014.

6. The Parties have agreed that financial assurance relative to closure/post closure of the Facility ("Closure/Post Closure Financial Assurance") and pursuant to Title 22 shall be posted as part of Exide's Hazardous Waste Permit Application and for its Interim Status

Document ("ISD") in the approximate amount of $38,660,000. The Closure/Post Closure Financial Assurance shall be comprised of:

(a) The existing hazardous waste financial guarantee bond, which is in the penal amount of $11,158,854 (as of August 2014) (the "Surety Bond"), which consists of $7,995,909.50 for closure and $3,162,949.50 for post closure, shall be maintained or renewed to meet the closure/post closure cost estimate; plus

(b) A closure/post closure trust fund (the "Closure/Post Closure Financial Assurance Trust Fund") to be created in favor of the Department to be funded in an aggregate amount of $27,500,000 (the "Closure/Post Closure Trust Fund Amount"), which consists of $23,044,303.50 for closure and $4,455,696.50 for post closure, as provided in Paragraph 7 below.

7. In order to address the Hazardous Waste Permit Application requirements of the Closure/Post Closure Plan and Closure/Post Closure Cost Estimates (Title 22, §§ 66264.142, 66264.144 & 66270.14(b)(15)-(16)), Exide shall make payments to the Closure/Post Closure Financial Assurance Trust Fund on the dates and in the amounts as follows:

(a) The sum of $500,000 shall be deposited in the Closure/Post Closure Financial Assurance Trust Fund upon its creation, which shall occur no later than October 31, 2014.

(b) The sum of $2,250,000 shall be deposited in the Closure/Post Closure Financial Assurance Trust Fund on the later of November 1, 2014 or the Stipulation Effective Date (as defined in Paragraph 57 below).

(c) The sum of $2,750,000 shall be deposited in the Closure/Post Closure Financial Assurance Trust Fund upon occurrence of each of the following:

(1) The effective date of Exide's Plan of Reorganization (the "Plan Effective Date"); and

(2) November 1, 2015.

(d) Beginning on November 1, 2016 and on each one-year anniversary thereafter through and including November 1, 2024, the sum of $2,138,888 shall be deposited in the Closure/Post Closure Financial Assurance Trust Fund until an aggregate amount of $27,500,000 is held by the trustee for the Closure/Post Closure Financial Assurance Trust Fund (not including amounts added by Exide to address inflation consistent with applicable regulations).

(e) Consistent with Title 22, including but not limited to, sections 66264.112, 66264.118, 66264.142, 66264.143, 66264.144, 66264.145, 66265.112, 66265.118, 66265.142, 66265.143, 66265.144, and 66265.145, the Department retains the right to modify or require the modification of the Closure/Post Closure Plan, the Closure/Post Closure Cost Estimate and the Closure/Post Closure Financial Assurance for the Facility based on information not now known by the Department as of September 1, 2014. In that event, the Department and Exide agree to modify the terms for payment into the Closure/Post Closure Financial Assurance Trust Fund so that the difference between the revised amount and the original amount paid or to be paid to the Closure/Post Closure Financial Assurance Trust Fund is paid to the Closure/Post Closure Financial Assurance Trust Fund in equal contributions to be paid in a ratable amount beginning on November 1 of the year in which such determination is made and each November

1 thereafter through and including November 1, 2024, and calculated based upon the number of years remaining through November 1, 2024.

(f) At the time the Department selects a final remedy or remedies based upon the Corrective Measures Study for on-site work (the "On-Site Corrective Action Remedy"), Exide may request to revise the Closure/Post Closure Plan to eliminate duplication, if any, and provide consistency between the Closure/Post Closure Plan and the On-Site Corrective Action Remedy. The Department agrees to evaluate such a proposal in accordance with applicable statutes and regulations. If the Department approves a modification of the Closure/Post Closure Plan, then Exide shall modify the Closure/Post Closure Cost Estimate and the Closure/Post Closure Financial Assurance consistent with the modified Closure/Post Closure Plan and in compliance with the HWCL and Title 22.

OFF-SITE CORRECTIVE ACTION

8. Exide will perform off-site corrective action in residential areas ("Residential Off-Site Corrective Action Liability") and industrial areas ("Industrial Off-Site Corrective Action Liability") as described below.

Residential Off-Site Corrective Action Pursuant to the Interim Measures Workplan

9. Exide's expenditures for Residential Off-Site Corrective Action Liability, inclusive of amounts required to be paid pursuant to the Department-approved interim measures workplan ("IMWP"), shall be limited to $9,000,000 ("Initial Residential Off-Site Corrective Action Obligations") solely for a period of five years from the Stipulation Effective Date, subject to the provisions below. Any adjustment to the scope of residential off-site corrective action as approved by the Department pursuant to the Residential Corrective Measures Study (prepared

pursuant to the 2002 Corrective Action Consent Order) shall not require Exide's expenditures to exceed the amount of the Initial Residential Off-Site Corrective Action Obligations during such five-year period. The limitation of $9,000,000 for the period of five years from the Stipulation Effective Date: (a) applies solely with respect to off-site contamination existing as of September 1, 2014, and not to a new release or threatened release of hazardous waste, hazardous constituents, or hazardous substances by Exide, if any; and (b) does not apply if Exide fails to reorganize and proceeds to liquidation, in which case the provisions of Paragraph 62 shall apply.

10. Promptly after the Stipulation Effective Date, Exide shall create a separate trust fund ("Residential Off-Site Corrective Action Trust Fund") to satisfy the Residential Off-Site Corrective Action Liability. Such trust fund shall be funded by an initial payment of $3,000,000 upon the later of the Department's written approval of the IMWP, following public comment, the Stipulation Effective Date, or November 1, 2014; and a payment of $3,000,000 on the Plan Effective Date; and payments of $1,500,000 each on the first and second anniversaries of the Plan Effective Date. Disbursements from the Residential Off-Site Corrective Action Trust Fund shall be made as set forth in Paragraphs 20 and 21 below.

11. Exide shall perform its obligations for the Residential Off-Site Corrective Action Liability pursuant to work plan(s) approved by the Department that include(s) the IMWP as it is approved by the Department following the public comment period that commenced on September 16, 2014. The Department shall meet with Exide before materially revising the IMWP to reflect any public comments in the IMWP; provided, however, that the Department retains the right in its discretion to modify the IMWP based upon comments from the public and Exide retains the right to invoke dispute resolution under this Stipulation and Order as to any material changes to the IMWP that was issued for public comment.

12. With respect to specific residential off-site corrective action (and as included in or in addition to the provisions of the IMWP), the Parties agree that:

(a) Subject to obtaining proper access agreements, Exide shall remediate the 39 properties identified by that certain Off-Site Soil Sampling Report dated February 18, 2014 (the "Original Residential Sampling Properties") and any property within the Northern or Southern Assessment Areas (as defined in the IMWP) using the Department and Office of Environmental Health Hazard Assessment ("OEHHA") risk based approach to define a "Preliminary Clean-up Goal" for lead of 80 mg/kg (95% Upper Confidence Limit ("UCL")). Exide may propose to modify the Preliminary Clean-up Goal as provided in subparagraph (d) below. Such modification to the Preliminary Clean-up Goal must be consistent with the Department and OEHHA guidance. The Department will determine the "Final Clean-up Goal." Determination of the Final Clean-up Goal may require revisions to the IMWP and subsequent public notice and comment. Any administrative costs incurred by Exide associated with establishing a Final Clean-up Goal (e.g., sampling costs, professional fees and application costs) shall not be included when calculating whether the $9,000,000 limit described in Paragraph 9 of this Stipulation and Order has been reached within the applicable five-year period.

(b) Interior cleaning of every home where soil remediation of the home's yard is required will be performed as set forth in the Department-approved IMWP.

(c) The initial geographic boundary for additional soil investigation to determine the extent of lead contamination in residential areas is shown on Figures 2A and 2B on the Off-Site Sampling Work Plan Addendum, dated July 26, 2014.

(d) A background study for lead was conducted by Exide and has been approved by the Department. That study has been used to establish a background level for lead of less than 80 mg/kg and a Preliminary Clean-up Goal for the area surrounding the Facility. If additional information that is collected during implementation of the IMWP establishes that the current background level is not representative of Los Angeles County (including unincorporated areas contained therein), Exide may propose a revision to the current background number. Any background level for lead will be developed pursuant to methodologies described in the Department's document titled: "Appendix B Strategies for Establishing and Using Background Estimates of Metals in Soil of Proven Technologies and Remedies Guidance – Remediation of Metals in Soils." Once the additional background study is complete, the Final Clean-up Goal for lead shall be 80 mg/kg (95% UCL) or background, whichever value is higher.

(e) Clean-up by Exide at the Original Residential Sampling Properties and any properties in the Northern or Southern Assessment Areas requiring clean-up as approved by the Department will begin immediately after completion of public review and comment on the IMWP and receipt of written approval to proceed from the Department. Unless modified by the Department following public comment, Exide will prioritize clean-up of the properties in accordance with the guidance provided in the Department's July 2014 comment letter on the IMWP. Exide will complete the work as expeditiously as possible, but in no event at an average rate of fewer than 2.5 homes per week.

ADDITIONAL OFF-SITE RESIDENTIAL CORRECTIVE ACTION

13. No later than four (4) years and six (6) months after the Stipulation Effective Date, Exide shall submit a Residential Corrective Measures Study to address all properties impacted by Facility operations that were not investigated or remediated during the initial five-year period, and will not be addressed as part of continued Interim Measures activities. No later than thirty (30) days upon the later of approval of the Residential Corrective Measures Study by the Department or the fifth anniversary of the Stipulation Effective Date, Exide will deposit additional funds into the Residential Off-Site Corrective Action Trust Fund (from the date of such deposit, the "Augmented Residential Off-Site Corrective Action Trust Fund") as required to pay for additional items identified by the Residential Corrective Measures Study or agreed to be completed as a continuation of the Interim Measures activities, on a schedule to be approved by the Department consistent with applicable regulatory law. Following approval of the Residential Corrective Measures Study, the Department shall prepare a remedy selection document for public review and comment. The Department will prepare a remedy decision document after public review. If the remedy decision document requirements differ from the approved Residential Corrective Measures Study, Exide shall adjust the Augmented Residential Off-Site Corrective Action Trust Fund within sixty (60) days that the decision is rendered in amounts determined consistent with the formula set forth in the following sentence. Unless otherwise agreed to by the Department, Exide shall make the payments into the Augmented Residential Off-Site Corrective Action Trust Fund on an annual basis, and each payment shall equal the total estimated cost of the residential corrective action remedy selected by the Department less any amounts then remaining in the Residential Off-Site Corrective Action Trust Fund to the extent not needed to pay for previously identified remediation that

remains to be performed pursuant to the IMWP, divided by the estimated number of years (according to the schedule approved by the Department) to complete that selected remedy or ten (10) years, whichever is shorter.

INDUSTRIAL OFF-SITE CORRECTIVE ACTION LIABILITY

14. Exide shall continue with the emergency response interim measures as conditionally approved by the Department in that letter dated January 13, 2014 ("Emergency Response Interim Measures") that is attached hereto as Exhibit A.

15. In addition, Exide shall continue to investigate off-site industrial locations pursuant to all approved investigation workplans, including any approved modifications thereto, required as part of the 2002 Corrective Action Consent Order. Upon the later of the fifth anniversary of the Stipulation Effective Date or the completion of the Industrial Off-Site Corrective Measures Study (the "Industrial Off-Site Corrective Action Start Date"), Exide will implement the remedy selected by the Department (using the Department's risk based approach).

16. No later than the Industrial Off-Site Corrective Action Start Date, Exide shall create a separate trust fund in order to pay for the Industrial Off-Site Corrective Action Liability (the "Industrial Off-Site Corrective Action Trust Fund"). The remedy to address the Industrial Off-Site Corrective Action Liability (the "Industrial Off-Site Corrective Action Remedy") shall be selected by the Department based on a remedy decision document after public review and will identify the elements of the remedy (which shall include all remedial design, construction, remedial action, operation and maintenance, long-term stewardship (e.g. land use covenants) required to meet the remedial action goals, and certification of the remedial action), the estimated cost of implementing each element, and estimated time to complete that element. The Industrial Off-Site Corrective Action Trust Fund shall be funded by Exide

consistent with the requirements of Title 22, section 66264.143. The Industrial Off-Site Corrective Action Trust Fund shall be funded by annual payments made over ten (10) years. The amount of each annual payment into the fund will be based on the total estimated cost of all of the elements of the remedy selected by the Department; provided, however, those portions of the foregoing costs that are attributable to elements of the Industrial Off-Site Corrective Action Remedy shall be funded in equal amounts over the estimated number of years required to complete such work for each element or ten (10) years, whichever is less. The annual cost amount for each element shall be aggregated, and the sum will be the total annual payment. Because there will be different implementation periods for each element, the amount of the total annual payment may vary from year to year. The full amount of such funding shall be equal to the cost estimate for the Industrial Off-Site Corrective Action Remedy selected by the Department. For non-emergency interim measures industrial clean-up, any clean-up of off-site industrial locations shall (a) be conducted pursuant to the 2002 Corrective Action Consent Order and (b) be paid with funds that are in addition to the amounts identified for payment of Exide's Residential Off-Site Corrective Action Liability.

ON-SITE CORRECTIVE ACTION, INCLUDING GROUNDWATER CONTAMINATION

17. By December 31, 2016, or as extended by the Department, Exide shall submit to the Department an On-Site Corrective Measures Study. Remedy selection for on-site corrective action shall be in accordance with the 2002 Corrective Action Consent Order and based upon clean-up alternatives outlined in the On-Site Corrective Measures Study. Exide will prepare a detailed cost estimate for the remedy selected by the Department and for the operation and maintenance of the remedy for the Department's review and approval once the Department approves a remedy for corrective measures. Consistent with the 2002 Corrective Action Consent

Order, the Department shall prepare a remedy selection document for public review and comment following the approval of the On-Site Corrective Measures Study. The On-Site Corrective Action Remedy will be selected by the Department based upon a remedy decision document after public review and will identify the elements of the remedy (which shall include all remedial design, construction, remedial action, operation and maintenance, long-term stewardship (e.g. land use covenants) required to meet the remedial action goals, and certification of the remedial action), the estimated cost of implementing each element, and estimated time to complete that element. If the On-Site Corrective Action Remedy requirements differ from the approved On-Site Corrective Measures Study, Exide shall adjust funds to be deposited in the trust described in Paragraph 18 below within sixty (60) days of such decision; the amount and timing of such adjustment to be determined consistent with the provisions set forth in Paragraph 18 below.

18. Within thirty (30) days after preparation of the remedy selection document, Exide shall create a financial assurance trust fund (the "On-Site Corrective Action Trust Fund"). The On-Site Corrective Action Trust Fund shall be funded by Exide consistent with the requirements of Title 22, section 66264.143. The On-Site Corrective Action Trust Fund shall be funded by annual payments made over ten (10) years. The amount of each annual payment into the fund will be based on the total estimated cost of all of the elements of the On-Site Corrective Action Remedy selected by the Department; provided, however, those portions of the foregoing costs that are attributable to elements of the On-Site Corrective Action Remedy shall be funded in equal amounts over the estimated number of years required to complete such work for each element or ten (10) years, whichever is less. The annual cost amount for each element shall be aggregated, and the sum will be the total annual payment. Because there will be

different implementation periods for each element, the amount of the total annual payment may vary from year to year. The full amount of such funding shall be equal to the cost estimate for the on-site corrective action remedy selected by the Department, without duplication for elements of the corrective measures already included within the Closure Plan. This trust fund shall be updated with an annual payment to address inflation for the life of the trust.

REIMBURSEMENT/PAYMENTS FROM SPECIFIED TRUST FUNDS

19. The trust funds for off-site and on-site corrective action ("Corrective Action Trust Funds") may be maintained in separate trusts or a single trust provided that the funds to be deposited as required herein with respect to each specific trust are not commingled and separate accounting is maintained. Unless approved or directed by the Department, funds deposited in one Corrective Action Trust Fund may not be used for payment of amounts other than for those costs and expenses identified above that are specifically designated for payment from such Corrective Action Trust Fund. Exide agrees to preserve the Corrective Action Trust Funds as financial assurances consistent with the HWCL and Title 22.

20. Work performed by Exide, or at the direction of Exide, to address a corrective action approved by the Department shall be eligible for reimbursement or payment from an applicable Corrective Action Trust Fund ("Reimbursable Items") as specified in this Paragraph. With respect to the Residential Off-Site Corrective Action Trust Fund, payments shall be made to Exide from that fund to the extent Exide has paid a Reimbursable Item or to third parties to the extent a Reimbursable Item is incurred by Exide but not yet paid, pursuant to the procedures outlined in Paragraph 21 below. As to Corrective Action Trust Funds other than the Residential Off-Site Corrective Action Trust Fund, consistent with the requirements of Title 22, sections 66264.143(a)(7) and 66265.143(a)(7), Reimbursable Items may be paid from a

particular Corrective Action Trust Fund pursuant to the procedures outlined in Paragraphs 21 and 22 below if the total amount of such Corrective Action Trust Fund is greater than the total amount estimated to be required to pay for all of the remaining corrective actions to be funded from the applicable Corrective Action Trust Fund.

21. In the event that Reimbursable Items are permitted to be paid as specified in Paragraph 20 above, payments shall be made to Exide from the applicable Corrective Action Trust Fund to the extent Exide has paid a Reimbursable Item or to third parties to the extent a Reimbursable Item is incurred by Exide but not yet paid. Such disbursements shall be made from the applicable Corrective Action Trust Fund on a monthly basis through the submission by Exide of statements (each, a "Disbursement Request") to the Department and to the trustee(s) under the applicable trust fund (the "Trustee(s)"), including reasonable detail and back-up material, invoices, and/or other reasonable similar documentation. The Department shall have thirty (30) business days after receipt of a Disbursement Request to advise Exide and the applicable Trustee of any need for additional information or any objection to matters contained within or covered by such Disbursement Request (collectively, an "Objection"), failing which the Department will have consented to the disbursement by the applicable Trustee of amounts covered by such Disbursement Request and the applicable Trustee shall pay the amount shown on the Disbursement Request to Exide or to the third parties, as applicable, within five (5) business days after expiration of the deadline to either object or request additional information. If the Department timely notifies Exide and the applicable Trustee of an Objection to items contained in a Disbursement Request, the Trustee shall withhold the payment of amounts relating to such Objection, but shall otherwise pay to Exide or the third parties as applicable, all other amounts identified in the Disbursement Request. The Department and Exide agree to attempt to

resolve any Objection within fifteen (15) business days after notification thereof through good faith communications and the provision of additional documentation. In the event the Objection has not been resolved within such fifteen (15) business day period, the Parties shall submit such Objection for dispute resolution pursuant to the provisions set forth in Paragraph 51 below.

22. The Department will agree to termination of the applicable Corrective Action Trust Fund: (1) if Exide substitutes alternative financial assurance consistent with Title 22; or (2) upon completion of the work to be addressed by the applicable Corrective Action Trust Fund. If there is sufficient other financial assurance for all remaining on-site and off-site corrective action, the Department shall instruct the Trustee to pay any remaining funds in the applicable Corrective Action Trust Fund to Exide and terminate such Corrective Action Trust Fund. If other Corrective Action Trust Fund(s) do not have sufficient financial assurance to complete all required work, then the Department may direct the transfer of funds deposited from the Corrective Action Trust Fund for which work has been completed to a Corrective Action Trust Fund for which funding is insufficient to complete the required work and terminate such Corrective Action Trust Fund. In the event of a transfer between Corrective Action Trust Funds, the amount transferred may be a credit against Exide's required annual payment into the receiving Corrective Action Trust Fund.

23. With respect to any request from Exide to reduce the Closure/Post Closure Financial Assurance Trust Fund, the Department shall evaluate the request, including whether there is a duplication of elements of the Corrective Measures Study already included within the Closure/Post Closure Plan, and determine whether it is appropriate to instruct the Trustee to release funds to Exide. Any determination regarding the release of such funds shall be consistent with applicable regulatory law and this Stipulation and Order.

SETTLED MATTERS

24. No later than three (3) days after occurrence of the Stipulation Effective Date, Exide shall pay to the Department the sum of $1,286,373.80 (the "Settlement Payment") in full and complete settlement solely for any monetary claims, fines, penalties or other monetary liability with respect to: (a) the Summaries of Violations (defined below), the violations alleged herein, and any HWCL or Title 22 violations that the Department could have alleged against Exide based on facts known to the Department as of September 30, 2014 ($526,345.00 of the Settlement Payment); and (b) the unpaid costs incurred by the Department after the Petition Date through August 31, 2014, in connection with the 2002 Corrective Action Consent Order, the 2013 Stipulation and Order and work related to compliance with the California Environmental Quality Act (the remaining $760,028.80 of the Settlement Payment) (collectively with the allowed claims described in Paragraph 25 below, the "Settled Matters"). The Settlement Payment shall be paid by cashiers' check to the California Department of Toxic Substances Control and mailed to: DTSC Accounting Office, 1001 I Street, P.O. Box 806, Sacramento, CA 95812-0806, or by wire transfer pursuant to instruction provided by the Department upon Exide's request to pay by wire transfer.

25. In addition to the Settlement Payment, the Department shall have an allowed unsecured claim for the Department's pre-petition oversight costs in the amount of $79,542.09, and an allowed unsecured claim for pre-petition penalties in the amount of $632,760.00.

26. Other than the violations and costs covered under the Settled Matters, the Department represents that it does not know of other violations of the HWCL or Title 22 through September 30, 2014, that it will assert against the Exide Parties (defined below) or of other costs

actually incurred by the Department through August 31, 2014, for which it will seek recovery from Exide.

27. Notwithstanding anything contained in this Stipulation and Order, nothing is a Settled Matter except as provided in Paragraphs 24 and 25 above, and Settled Matters do not include, without limitation: (x) the Department's costs attributable to work performed, or costs incurred, by the Department after August 31, 2014; (y) the injunctive liabilities of Exide pursuant to the 2002 Corrective Action Consent Order, the 2013 Stipulation and Order, this Stipulation and Order, or any other injunctive orders the Department may issue or obtain from a court of competent jurisdiction in connection with the Facility; (z) penalties based on violations by Exide of the HWCL or Title 22 related to facts and circumstances not known by the Department on or before September 30, 2014; (aa) response costs, including oversight costs, in connection with Exide's ownership or operation of the Facility which the Department may incur after August 31, 2014; and (bb) the Department's protective claim for response costs under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601 *et seq.*, and the Carpenter-Presley-Tanner Hazardous Substances Account Act ("HSAA"), Health & Safety Code § 25300 et seq., set forth in the Department's December 6, 2013 proof of claim number 3301 in the Bankruptcy Case (the "Proof of Claim"), a copy of which is attached as Exhibit B (collectively, "Excluded Matters").

28. Release of Settled Matters. Upon payment of the Settlement Payment, and except as provided herein, the Department shall be deemed to release Exide, its predecessors, successors, assigns, and affiliated subsidiaries, and all of their officers, directors, agents, employees, consultants, and insurers (collectively, the "Exide Parties") from monetary claims, fines, penalties, or other monetary liabilities solely for the Settled Matters; provided,

however, that this release shall be null and void if the Department is required by Final Order to disgorge the Settlement Payment, or any part thereof; provided, further that the Department will be under no obligation to raise a defense or otherwise challenge the disgorgement action. For the avoidance of doubt, the provisions of this Paragraph are only intended to address monetary claims, fines, penalties and other monetary liability included in the Settled Matters. The settlement of monetary claims, fines, penalties and other monetary liabilities included in Paragraphs 24 and 25 is not intended to, nor shall it be construed, to release, waive or otherwise modify the Excluded Matters including, without limitation, the Department's right to take enforcement action against Exide to ensure compliance with the requirements of environmental laws and regulations within the Department's jurisdiction, or to otherwise affect Exide's injunctive obligations pursuant to any applicable order or consent decree including, without limitation, the 2002 Corrective Action Consent Order, the 2013 Stipulation and Order, this Stipulation and Order, or such injunctive orders that the Department or a court of competent jurisdiction may issue to Exide in connection with the Facility. Except for the Settled Matters, nothing in this Stipulation and Order is intended to, or shall be construed to, relieve Exide of any liability that Exide may have for releases or threatened releases of hazardous substances or the discharge of hazardous wastes or hazardous waste constituents at or from the Facility as the owner or operator of the Facility.

SUMMARIES OF VIOLATIONS AND COMPLIANCE ACTIONS TO RESOLVE SPECIFIC SUMMARIES OF VIOLATIONS

29. "Summaries of Violations" are defined to include the following: (1) The Summary of Violations issued by the Department to Exide on October 23, 2013, alleging certain violations of the following regulatory provisions: Title 22, sections 66265.31, 66265.171, and 66265.173(a); (2) the two Summaries of Violations issued by the Department to Exide on August 12, 2014 alleging certain violations of the following regulatory provisions: Title 22, sections 66265.1101(c)(1) and 66265.1101(c)(4); and (3) violations alleged in letters and reports from the Department to Exide for violations known by the Department prior to September 30, 2014.

30. The Department alleges the following violations by Exide and orders the respective compliance actions set forth below. Without admitting liability as to the Department's allegations contained in this Paragraph 30, Exide has taken compliance actions to address the alleged violations and Exide shall take further compliance actions as follows:

VIOLATIONS ALLEGED BY THE DEPARTMENT IN 2013

(1) Storing waste in open containers: Exide violated Title 22, section 66265.173(a), in that on or about September 20 and 27, 2013, Exide stored containers holding hazardous waste in open containers when hazardous waste was not being added or removed from the containers, to wit: several trailers containing hazardous waste in the staging area were stored open when hazardous waste was not being added or removed from the trailers.

Effective immediately, Exide shall keep closed all containers holding hazardous waste during transfer and storage, except when it is necessary to add or remove waste from the container.

(2) Failure to minimize the possibility of release – leaking trailers onsite:

Exide violated Title 22, section 66265.31, in that on or about August 13, September 20 and 27, and October 4, 2013, Exide failed to minimize the possibility of an unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to air, soil or surface water which could threaten human health or the environment, to wit: on the above dates, Exide stored hazardous waste plastic chips in trailers in the staging area that were leaking.

Effective immediately, Exide shall maintain and operate the Facility to minimize the possibility of a fire, explosion, or any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to air, soil, or surface water which could threaten human health or the environment. Exide shall ensure that all containers used to accumulate and store hazardous waste are sound and do not leak.

(3) Failure to transfer waste from leaking container to sound container:

Exide violated Title 22, section 66265.171, in that on or about August 13, September 20 and 27, and October 4, 2013, Exide failed to transfer hazardous waste from a container that was not in good condition and leaking into a container that was in good condition or to manage the hazardous waste in some other way that complies with applicable requirements.

Effective immediately, Exide shall store hazardous waste in containers that are in good condition and manage them in a way to prevent them from leaking. If any container of hazardous waste is found that is not in good condition and/or leaking, Exide shall immediately transfer the waste

into a container that is in good condition or manage the waste in some other way that complies with applicable requirements.

(4) Failure to inspect waste handling areas: Exide violated Title 22, sections 66265.15 and 66265.174, in that Exide failed to inspect all areas used for container storage or transfer, at least weekly, looking for leaking containers and for deterioration of containers and the containment system caused by corrosion or other factors, to wit: Exide failed to inspect trailers holding hazardous waste in the staging area for leaks and deterioration.

Effective immediately, Exide shall inspect all areas used for hazardous waste container storage or transfer, at least weekly, looking for leaking containers and for deterioration of containers and the containment system caused by corrosion or other factors. Such weekly inspection shall be documented by Exide to include the date and time of the inspection, the name of the inspector, a notation of the observations made, and the date and nature of any repairs or other remedial actions, and such documentation shall be made available to the Department promptly upon request.

VIOLATIONS ALLEGED BY THE DEPARTMENT IN 2014

(5) Lack of leak detection system for Containment Building: Exide violated Title 22, section 66265.1101(b)(3), in that on or about August 5, 2014, and for a period of time prior thereto, Exide failed to maintain a functioning secondary containment system including a leak detection system that is capable of detecting failure of the primary barrier.

Exide shall not manage hazardous waste with Free Liquids (including the hazardous waste referred to by Exide as “Feed Material” with Free Liquids for the Reverb Furnace, or liquid

hazardous waste) on the floor of the Upper and Lower Feed Rooms and the corridor connecting to the Blast Furnace Feed Room in the Containment Building (collectively referred to herein as "the Secondary Containment Areas"), unless there is a functioning secondary containment system with a leak detection and removal system approved by the Department. The term Free Liquids shall have the same meaning as in Title 22, section 66260.10. The terms Feed Material for the Reverb Furnace, Upper and Lower Feed Rooms, Blast Furnace Feed Room, and Containment Building shall have the same meaning as in Exide's hazardous waste facility permit application dated August 4, 2014.

Exide shall immediately implement the sampling activities provided for in the revised October 16, 2014 Sampling Work Plan, Containment Building Leak Detection System, prepared by Advanced GeoServices, as approved by the Department on October 22, 2014. No later than November 24, 2014, Exide shall complete the required sampling and analysis and submit to the Department a technical memorandum that includes a preliminary data summary of the sampling results. No later than December 15, 2014, Exide shall submit a draft Final Sampling Plan Report to the Department for review and comment. Exide shall address all Department comments and shall submit the Final Sampling Plan Report to the Department by January 2, 2015.

No later than October 31, 2014, Exide shall provide the Department with planning, schedule and design documents to remove all hazardous waste with Free Liquids from the Secondary Containment Areas. Once the Department approves the scheduling and design documents and the SCAQMD approves a material handling mitigation plan, Exide shall immediately commence removal of hazardous waste with Free Liquids from the Secondary Containment Areas as approved by the Department. No hazardous waste with Free Liquids shall

be placed in the Secondary Containment Areas until specifically authorized by the Department in writing.

If Exide performs the necessary testing required by Title 22, section 66265.1101(b) to determine that a portion of the hazardous waste "Feed Material" within the Upper and Lower Feed Rooms, the corridor, and the Blast Furnace Feed Room does not contain Free Liquids, then Exide shall place a liner material approved by the Department under that portion of the hazardous waste. The liner material shall be designed to ensure that any liquids which may potentially be released are contained. Exide shall conduct daily monitoring and inspection for the release of liquids from the hazardous waste placed on the liner material. If the hazardous waste placed on the liner material releases any liquids, then Exide shall remove the portion of the hazardous waste releasing the liquids and manage it in accordance with the approved Final Sampling Plan with respect to the removal of hazardous waste from the Secondary Containment Areas.

If the hazardous waste from the Secondary Containment Areas is removed from the Exide Facility, it must be transported as a hazardous waste and managed at a properly authorized facility in accordance with all applicable laws and regulations. If the hazardous waste from the Secondary Containment Areas is stored at the Exide Facility, it must be stored in accordance with Department requirements and with all applicable laws and regulations. All hazardous waste stored on site at the Facility shall be monitored and inspected daily. The Department will authorize placement of hazardous waste with Free Liquids on the floor of the Secondary Containment Areas only after Exide has demonstrated to the Department that the Secondary Containment Areas are in compliance with all applicable Title 22 requirements. These requirements include, but are not limited to, having the final leak detection and removal system

installed and fully operational after a Class 2 permit modification is approved by the Department, if operation is sought by Exide during interim status.

No later than November 7, 2014, Exide shall submit a proposed leak detection and removal system design meeting the requirements of Title 22, section 65265.1101(b)(3) for the Department's review. Exide shall address all Department comments and submit a final design and work plan for repair of the existing leak detection and removal system or installation of a new leak detection and removal system that meets Department requirements. The final design and work plan shall be delivered to the Department for approval prior to the start of construction. The final design and work plan will also be used in support of Exide's Class 2 permit modification request, if any, required to bring the Secondary Containment Areas into compliance with regulatory requirements in section 66270.1101 of Title 22.

No later than December 15, 2014, Exide must demonstrate to the Department that a release of hazardous waste has not occurred at or from the Secondary Containment Areas.

All activities implemented in the Containment Building and at all other locations at the Facility shall be implemented in accordance with Department, California and federal worker health and safety requirements.

(6) Cracks and gaps of the protective coating in the Containment Building:

Exide violated Title 22, section 66265.1101(c)(1)(A), in that on or about August 5, 2014, Exide failed to maintain the primary barrier of the containment building free of significant cracks, gaps, corrosion, or deterioration that could cause hazardous waste to be released from the primary barrier, to wit: two areas in the floor in the East Corridor near the

Blast Feed Room contained erosion of coating approximately two to five feet in diameter and an inch to an inch and a half deep.

Prior to placing hazardous waste in the Containment Building, Exide shall repair the two areas of erosion of the concrete floor in the East end of the corridor in the Containment Building near the Blast Feed Room, in accordance with Title 22, section 66265.1101(c)(3).

(7) Failure to inspect the leak detection system in the containment building: Exide violated Title 22, section 66265.1101(c)(4), in that on or about August 11, 2014, and for a period of time prior thereto, Exide failed to inspect the Containment Building and the area surrounding the Containment Building at least once every seven days to detect signs of releases of hazardous waste.

Effective immediately, Exide shall inspect the Containment Building, and the area surrounding the Containment Building, and document those inspections in the Facility's Operating Record as required pursuant to Title 22, section 66265.73.

(8) Mismanagement, failure to minimize a release: Exide violated Title 22, section 66265.31, in that on or about August 25, 2014, Exide failed to maintain and operate the Facility to minimize the possibility of any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to air, soil or surface water which could threaten human health or the environment.

Effective immediately, Exide shall maintain and operate the Facility in a manner to minimize the release of hazardous waste or hazardous waste constituents.

No later than November 9, 2014, Exide shall submit to the Department a plan to minimize the escape of fugitive dust from the doors and any other openings at the Containment Building at the Facility, and to enhance the current cleaning procedures of removing dust and debris containing hazardous waste levels of lead and other constituents in areas outside of the Containment Building, including but not limited to, removal of finely divided debris found in the corners and at the base of the Containment Building and other buildings, parking lots, and unpaved areas of the Facility. The Department may direct Exide to make modifications to this plan.

ADDITIONAL VIOLATIONS ALLEGED BY THE DEPARTMENT

(9) Installation and use of a rotary dryer, an unauthorized hazardous waste treatment unit: Exide violated Title 22, section 66270.42 in that, since August 8, 2014, and for a period of time prior thereto, Exide operated a rotary dryer to treat hazardous waste plastic chips in its recycling process without prior authorization from the Department.

Effective immediately, Exide shall not use the rotary dryer without first obtaining authorization from the Department, either through approval of a modification of its interim status authorization to use the rotary dryer during interim status or through a hazardous waste facility permit to use the rotary dryer in the Facility's treatment process. The Department will take appropriate actions to process an Exide application for modification of its interim status authorization to use the rotary dryer during interim status. If Exide does not seek a modification of its interim status authorization from the Department to operate this dryer, then Exide shall, no later than November 9, 2014, submit a closure plan and implementation schedule to the Department for closure of this rotary dryer. Exide shall implement the closure plan and schedule with respect to the rotary dryer as approved or modified by the Department. If Exide applies for, but does not

receive, authorization from the Department to add the rotary dryer to its process during interim status, Exide shall complete closure of the rotary dryer in accordance with a plan approved by the Department no later than 60 days after the Department's final determination on Exide's permit modification.

(10) Mismanagement, failure to minimize a release: Exide violated Title 22, section 66265.31, in that on or about August 25, 2014, Exide failed to maintain and operate the Facility to minimize the possibility of any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to air, soil, or surface water which could threaten human health or the environment. Dust/debris exceeding hazardous waste regulatory limits for lead and cadmium were found outside of the south exit door of the Containment Building, the employee parking lot, the rail spur, the areas around the Storm Water Retention Pond, the portions of Indiana Street adjacent to the Facility, the fence line area of the West Yard, and the unpaved area(s) adjacent to the Cooling Tower.

Effective immediately, Exide shall maintain and operate the Facility in a manner to minimize the release of hazardous waste or hazardous waste constituents.

No later than November 9, 2014, Exide shall submit to the Department a plan to minimize the escape of fugitive dust from the doors and any other openings of the Containment Building at the Facility, and to enhance the current cleaning procedures of removing dust and debris containing hazardous waste levels of lead and other constituents in areas outside of the Containment Building, including but not limited to, removal of finely divided debris found in the corners and

at the base of the Containment Building and other buildings, parking lots, and unpaved areas of the Facility. The Department may direct Exide to make modifications to this plan.

31. Submittals: All submittals from Exide pursuant to this Stipulation and Order shall be sent to:

Stewart W. Black
Deputy Director
Department of Toxic Substances Control
1001 I Street; P.O. Box 806
Sacramento, California 95812

Paul Kewin
Division Chief, Hazardous Waste Management Program
Department of Toxic Substances Control
1001 I Street, P.O. Box 806
Sacramento, California 95812

Rizgar A. Ghazi, P.E.
Branch Chief, Office of Permitting
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, CA 95826

Edward Nieto
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

Bill Veile
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

Peter Ruttan
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826

Nancy Bothwell
Office of Legal Affairs
Department of Toxic Substances Control
1001 I Street; P.O. Box 806
Sacramento, California 95812

All correspondence to Exide pursuant to this Stipulation and Order shall be sent to:

Chuck Giesige
VP – Recycling Operations – Americas
Building 200
13000 Deerfield Parkway
Milton, GA 30004

Tom Strang
VP – Environmental, Health & Safety
Building 200
13000 Deerfield Parkway
Milton, GA 30004

Fred Ganster
Environmental Health & Safety
3000 Montrose Avenue
Reading, PA 19605

John Hogarth, Plant Manager
Vernon Recycling Center
2700 S. Indiana Street
Vernon, California 90058

Christine Graessle
Assistant General Counsel
Building 200
13000 Deerfield Parkway
Milton, GA 30004

32. Communications: All approvals and decisions of the Department made regarding such submittals and notifications shall be communicated to Exide in writing by the Department's Deputy Director, Brownfields and Environmental Restoration Program, or his/her designee on permitting and corrective measures issues until appointment of a Deputy Director of

Permitting and, thereafter, by either the Deputy Director or his/her designee depending on whether the notice pertains to corrective measures or permitting. No informal advice, guidance, suggestions, or comments by the Department regarding reports, plans, specifications, schedules, or any other writings by Exide shall be construed to relieve Exide of its obligation to obtain such formal approvals as may be required.

33. Quality Assurance: All sampling and analyses performed by Exide under this Stipulation and Order shall follow applicable Department and U.S. Environmental Protection Agency guidance for sampling and analyses. Workplans shall contain quality assurance/quality control and chain of custody procedures for all sampling, monitoring, and analytical activities. Any deviations from the approved workplans must be approved by the Department prior to implementation, must be documented, including reasons for the deviations, and must be reported in the applicable report.

The names, addresses, and telephone numbers of the California State-certified analytical laboratories Exide proposes to use must be specified in the applicable workplans.

All workplans required under this Stipulation and Order shall include data quality objectives for each data collection activity to ensure that data of known and appropriate quality are obtained and that data are sufficient to support their intended uses.

34. Department Review and Approval: If the Department determines that any report, plan, schedule, or other document submitted for approval pursuant to this Stipulation and Order fails to materially comply with this Stipulation and Order or fails to protect public health, safety or the environment, the Department may:

(a) Modify the document as deemed necessary and approve the document as modified.

(b) Return the document to Exide with recommended changes and a date by which Exide must submit to the Department a revised document incorporating the recommended changes.

(c) Revise the document if Exide does not adequately address the Department's recommended changes to the submittal.

(d) Conditionally approve Exide's initial or revised document.

(e) Exide reserves the right to invoke dispute resolution as to any determination by the Department including matters relating to the foregoing.

35. Compliance with Applicable Laws: Exide shall carry out the obligations under this Stipulation and Order in compliance with all local, State, and federal requirements, including but not limited to requirements to obtain permits and to assure worker safety. Except as otherwise set forth herein, nothing in this Stipulation and Order shall excuse Exide from meeting any more stringent requirement that may be imposed by any applicable law or by any change in applicable law. Except as otherwise set forth herein, nothing in this Stipulation and Order is intended nor shall it be construed to preclude any other State or local agency, department, board, or entity from taking appropriate enforcement actions or otherwise exercising its authority under any law, statute or regulation.

36. Endangerment during Implementation: In the event that the Department determines that any circumstances or activities (whether or not occurring or conducted in compliance with this Stipulation and Order) are creating an imminent or substantial danger to the health or welfare of people on the Facility or in the surrounding area or to the environment, the Department may order Exide to stop further implementation for such period of time as needed to abate the endangerment (a "Stop Work Order"). Any deadline in this Stipulation and Order

directly affected by a Stop Work Order under this section shall be extended for the term of such Stop Work Order, and no stipulated penalties will be assessed if such circumstance or activity constitutes an event of force majeure under Paragraph 45 below. If the Department determines an activity, or data or information becomes known to the Department, demonstrating that an activity undertaken pursuant to this Stipulation and Order is creating an imminent or substantial danger to the public, the Department shall apply the procedures set forth in Section 5.4 of the 2002 Corrective Action Consent Order, provided, that if Exide disputes any decision rendered pursuant to those procedures, Exide may seek direct and immediate judicial review in an appropriate California forum.

37. Stipulated Penalties for Noncompliance: Exide shall be liable to the Department for stipulated penalties in the amount of five thousand dollars ($5,000) per day for the first three (3) days and ten thousand dollars ($10,000) per day thereafter per violation for failure to return to compliance as set forth in Paragraph 30. Exide shall be liable for stipulated penalties in the amount of twenty thousand dollars ($20,000) per day for each day a payment required to be made to any of the trust funds as provided in Paragraphs 7, 10, 13, 16, and 18, or pursuant to Paragraph 24 herein is late; provided, however, subsequent to a decision by Exide to withdraw its Hazardous Waste Permit Application or a decision by the Department denying such permit application, Exide shall not be liable to the Department for stipulated penalties for any failure to comply with any Closure/Post Closure Financial Assurance or corrective action financial assurance requirement by the Department that differs from the provisions hereof. No stipulated penalties shall be paid from the financial assurance trust fund or any of the corrective action trust funds referenced in Paragraphs 6, 7, 9, 10, 13, 16, 18, and 19 herein. Once a violation and period of violation is established as final pursuant to the dispute resolution

procedures in this Stipulation and Order, the specific monetary amount of the daily stipulated penalty shall not be subject to the dispute resolution provisions of this Stipulation and Order. Subject to Exide's right to challenge or appeal the violations or period of violation that support the stipulated penalties imposed by the Department pursuant to this Stipulation and Order, in an appropriate California forum, in the event that stipulated penalties are assessed against Exide by the Department during the pendency of the Bankruptcy Case, such post-petition stipulated penalties will be afforded administrative expense priority in the Bankruptcy Case and be deemed an allowed administrative expense. Such post-petition penalties are to be paid by Exide upon demand by the Department without the need to seek further Bankruptcy Court approval; provided, however, Exide shall retain the right to challenge the assessment of such stipulated penalties on any ground (except for the daily amount of the stipulated penalty set forth herein), other than the need to seek Bankruptcy Court approval for the Department to assess and collect such penalties, in an appropriate California forum within thirty (30) calendar days of the date of the demand for payment of stipulated penalties by the Department. In the event that Exide submits such a challenge to the Department's assessment of stipulated penalties, upon final determination, Exide shall pay the stipulated penalties, if any, upon demand from the Department without the need for further Bankruptcy Court approval. As used in this Paragraph, a final determination means an order that is not subject to further appeal.

All penalties shall begin to accrue on the day after the complete performance or payment to a trust fund is due, or on the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. Nothing herein shall prevent the simultaneous accrual of separate penalties for violations of this Stipulation and Order as provided in the HWCL, including but not limited to the provisions of

Health and Safety Code sections 25188, 25189 and 25189.2. However, the Department will not assess duplicate penalties if delay of one obligation has a causal effect upon a subsequent and related obligation.

This provision for stipulated penalties shall not preclude the Department from seeking, nor Exide from challenging in an appropriate California forum, additional sanctions as provided for by law or regulation, including, but not limited to, civil penalties, injunctive relief, or other civil or administrative liability if Exide's failure to comply with the terms of this Stipulation and Order also is a violation of any law, regulation or obligation over which the Department has jurisdiction.

This provision for stipulated penalties also shall not preclude the Department from taking, nor Exide from challenging in an appropriate California forum, further enforcement actions against Exide seeking penalties for violations of interim status requirements, the HWCL, Title 22 or equitable relief for matters not specifically addressed under the terms of this Stipulation and Order.

38. Liability: Nothing in this Stipulation and Order shall constitute or be construed as a satisfaction or release of Exide or any of the other Exide Parties from liability for any conditions or liabilities, under applicable environmental laws or otherwise, arising as a result of past, current, or future ownership or operations of the Facility, except as specifically provided in this Stipulation and Order. Notwithstanding compliance with the terms of this Stipulation and Order, Exide may be required to take further actions pursuant to law or applicable regulations to protect public health or welfare or the environment. Further, nothing in this Stipulation and Order shall constitute or be construed as an admission of liability by or on behalf of Exide or any of the other Exide Parties for any conditions or claims arising as a result of past, current, or

future operations, acts or omissions of Exide and/or the other Exide Parties. The Exide Parties specifically deny all liability and reserve all legal rights and defenses.

39. Government Liabilities: The State of California shall not be liable for injuries or damages to persons or property resulting from acts of omissions by Exide or related parties specified in Paragraph 46 (Parties Bound) in carrying out activities pursuant to this Stipulation and Order, nor shall the State of California be held as a party to any contract entered into by Exide or its agents in carrying out activities pursuant to this Stipulation and Order.

40. Reservation of Rights: By entering into this Stipulation and Order, and except as otherwise specifically provided herein, the Department does not waive the right to take further enforcement actions against Exide and the other Exide Parties, including, but not limited to, enforcement of the 2002 Corrective Action Consent Order and the 2013 Stipulation and Order. Exide does not waive the right to challenge any such actions in an appropriate California forum. Further, except as otherwise provided herein, nothing in this Stipulation and Order shall be construed to preclude or prejudice the Department from taking further action under the law against Exide or the other Exide Parties with regard to any response action as a result of the release, or threatened release, of hazardous wastes, constituents of hazardous waste or hazardous substances, at or from the Facility, and the Department expressly reserves all such rights. Exide reserves all rights to challenge any such action in an appropriate California forum. Exide shall provide in its Plan of Reorganization, assuming occurrence of the Plan Effective Date, that such liabilities and/or obligations to the Department will not be discharged, impaired or affected through the Bankruptcy Case or by confirmation of Exide's Plan of Reorganization, including, but not limited to, liabilities and/or obligations to address the release, or threatened release, of

hazardous wastes, constituents of hazardous waste or hazardous substances, at, or that have migrated or emitted, from the Facility.

Except as otherwise provided herein, this Stipulation and Order is without prejudice to the Department to exercise its authority to impose any conditions, requirements, standards or actions pursuant to any interim status authorization or hazardous waste permit, nor is this Stipulation and Order intended or shall it be construed to mean that the Department will approve or deny the pending Hazardous Waste Permit Application for the Facility and Exide reserves all rights to challenge any such actions in an appropriate California forum. This Stipulation and Order shall not be construed as a release, waiver, or limitation on any rights, remedies, powers, or authorities, that the Department or Exide has under any statutory regulatory, or common law authority, except as otherwise expressly provided in this Stipulation and Order.

41. Incorporation of Plans and Reports: All plans, schedules, and reports that require Department approval and are submitted by Exide pursuant to this Stipulation and Order are incorporated in this Stipulation and Order upon approval by the Department.

42. Extension Requests: If Exide is unable to perform any activity or submit any document within the time required under this Stipulation and Order, Exide may, prior to expiration of the time, request an extension of time in writing. The extension request shall include a justification for the delay. All requests shall be in advance of the date on which the activity or document is due.

43. Extension Approvals: If the Department determines that good cause exists for an extension, it will grant the request and specify in writing a new compliance schedule.

Exide shall comply with the new schedule specified by the Department, which shall be incorporated by reference into this Stipulation and Order.

44. Additional Enforcement Actions: Except to the extent expressly provided in this Stipulation and Order, the Department does not waive the right to take further enforcement actions. Exide does not waive the right to challenge or appeal any Department enforcement order in an appropriate California forum. Furthermore, nothing in the Stipulation and Order affects the right of any other government agency to take enforcement action against Exide.

45. Force Majeure: Exide shall cause all work to be performed within the time limits set forth in this Stipulation and Order unless an extension is approved or performance is delayed by events that constitute an event of force majeure. For purposes of this Stipulation and Order, an event of force majeure is an event arising from circumstances beyond the control of Exide that delays performance of any obligation under this Stipulation and Order, provided Exide has undertaken all reasonably appropriate planning and preventative measures to avoid any foreseeable circumstances. Increases in cost of performing the work specified in this Stipulation and Order shall not be considered circumstances beyond the control of Exide. For purposes of this Stipulation and Order, events which constitute a force majeure shall include, without limitation, events such as acts of God, war, civil commotion, unusually severe weather, labor difficulties, shortages of labor, materials or equipment, equipment breakdown or failure not resulting from operational error, neglect or improper operation or maintenance procedures, government moratorium, delays in obtaining necessary permits or approvals due to action or inaction by third parties, earthquake, fire, flood, or other casualty. Exide shall notify the Department in writing immediately after the occurrence of the force majeure event. Such

notification shall describe the anticipated length of the delay, the cause or causes of the delay, the measures taken and to be taken by Exide to minimize the delay and the timetable by which these measures shall be implemented. If the Department does not agree that the delay is attributable to a force majeure event, then the matter may be subject to the dispute resolution procedures set forth herein.

46. Parties Bound: This Stipulation and Order shall apply to and be binding upon Exide and its successors and assigns, and upon the Department and its successors and assigns, including any successor agency that may have responsibility for and jurisdiction over the subject matter of this Stipulation and Order and its successors and assigns. Exide shall disclose the terms and conditions of this Stipulation and Order to all employees, consultants or independent contractors who are assigned or engaged to assist Exide comply with its obligations and duties hereunder.

47. Permit: Nothing in this Stipulation and Order is intended as nor should it be construed as a commitment by the Department to grant Exide a permit for the Facility or excuse Exide from complying with the HWCL, Title 22 or other applicable environmental laws.

48. Integration: This Stipulation and Order constitutes the entire agreement between the Parties as to the settlement of the subject disputes and may not be amended, supplemented, or modified, except by written agreement duly executed by the Parties.

49. Time Periods: Unless otherwise specified, time periods begin from the Stipulation Effective Date and "days" means calendar days unless otherwise stated. The provisions of the California Rules of Court shall apply in computing any period of time under this Stipulation and Order.

50. Authority to Enter Into This Stipulation and Order: Each signatory to this Stipulation and Order certifies that he or she is fully authorized by the Party he or she represents to enter into this Stipulation and Order, to execute it on behalf of the party represented, and to legally bind that party.

51. Dispute Resolution: Any dispute arising between Exide and the Department in connection with this Stipulation and Order shall be subject to the dispute resolution procedures set forth in Section 19.0 of the 2002 Corrective Action Consent Order, modified and supplemented as follows:

(a) In addition to any rights and dispute resolution provisions contained in the 2002 Corrective Action Consent Order, Exide and the Department will utilize (at Exide's sole expense) a mutually acceptable third party consultant (the "Independent Contractor") to facilitate resolution of technical differences of various matters, including without limitation, additional Residential or Industrial Off-Site Clean-up and the appropriate remedy based on the Residential Corrective Measures Study. Nothing, however, obligates either the Department or Exide to accept or adopt any recommendation made by the Independent Contractor. The Independent Contractor will review the facts, meet with the Parties and assist the Parties in resolving the dispute. The Independent Contractor will submit a report of his/her findings and recommendations for resolving the dispute (the "Report"). The Report shall be advisory to the Parties but will not be binding.

(b) Exide shall first seek resolution with the Department's Deputy Director, Brownfields and Environmental Restoration Program whether seeking formal or informal resolution. If the issue is not resolved, Exide shall seek final formal

resolution with, and final decision from the Department Director in consultation with the Cal-EPA Secretary.

(c) Any final decision by the Department Director in consultation with the Cal-EPA Secretary shall include consideration of, and response to, the Independent Contractor's findings and recommendations in the Report.

(d) If Exide disputes any decision rendered pursuant to these procedures, Exide thereafter may seek direct and immediate judicial review of the dispute in an appropriate California forum.

52. Choice of Forum: The Parties agree California law applies to this Stipulation and Order and that any disputes are subject to review in a California court of competent jurisdiction; provided, however, the Bankruptcy Court shall have concurrent jurisdiction to determine issues relating to the Settlement Payment and the Settled Matters.

53. Covenants not to Sue: Except as otherwise provided in this Stipulation and Order, (a) the Department covenants not to sue or pursue the Exide Parties, provided that the Department receives and retains the Settlement Payment in full, and (b) Exide for itself and its predecessors, successors and assigns covenants not to pursue any civil or administrative claims against the Department, or any agency of the State of California, or against their officers, employees, representatives or agents – in each instance, solely for the Settled Matters, and alleged deficiencies in Exide's Hazardous Waste Permit Application as specified in the Department's letter dated June 17, 2014 ("Permit Application Deficiencies"). The applicability of the provisions of this Covenant Not to Sue as to entities covered within the definition of Exide Parties (other than Exide and its predecessors, successors and assigns) who are not signatories to this Stipulation and Order is dependent on their execution of a covenant not to sue in favor of the

Department (either now or at any point after the Stipulation Effective Date) consistent with the terms herein. The Department specifically reserves its right to consider any and all underlying facts for purposes of evaluating Exide's compliance history and for purposes of making any permit determinations and such evaluation or determination is not a claim, demand, cause of action or liability. Exide reserves its right to dispute the underlying facts of any such conduct considered by the Department and contest any permit determination made by the Department.

54. Contribution Protection for Response Costs incurred by Exide: The Parties agree that, by entering this Stipulation and Order, this settlement constitutes an approved settlement for purposes of section 113(f)(2) of CERCLA, 42 U.S.C., § 9613(f)(2). Upon completion of the corrective actions pursuant to work plans approved by the Department, Exide is entitled to protection from contribution actions or contribution claims as provided by CERCLA or the HSAA, solely in connection with the properties and sub-surface media which are the subject of the response actions taken by Exide, as approved by the Department, pursuant to, or in connection with, the 2002 Corrective Action Consent Order, the 2013 Stipulation and Order and/or the provisions of this Stipulation and Order, and solely with respect to currently existing contamination. Nothing in this Stipulation and Order diminishes the right of the Department under CERCLA or the HSAA to pursue Exide, the other Exide Parties, or other "person" (as that term is defined in CERCLA section 101(21), 42 U.S.C. § 9601(21) for response costs incurred by the Department in connection with the release or threatened release of hazardous substances at or from the Facility, or to obtain any other remedy available by law.

55. Rule 9019 Motion and Plan of Reorganization: Exide promptly, and no later than November 6, 2014, will seek an order from the Bankruptcy Court to enter into this Stipulation and Order. Nothing in Exide's plan of reorganization ("Plan of Reorganization")

shall be contrary to or inconsistent with any material provision set forth herein and Exide's confirmed Plan of Reorganization and any order confirming the Plan of Reorganization (the "Confirmation Order") shall expressly acknowledge the obligations and liabilities under this Stipulation and Order, the 2013 Stipulation and Order and the 2002 Corrective Action Consent Order. In the event of any dispute between the terms of the Plan of Reorganization and/or Confirmation Order and this Stipulation and Order, the terms of the Stipulation and Order shall govern.

56. Severability: If any provision of this Stipulation and Order is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Stipulation and Order, and the remaining portions of this Stipulation and Order shall continue in full force and effect, unless enforcement of this Stipulation and Order as so modified by and in response to such invalidation would be grossly inequitable under all of the circumstances, or would frustrate the fundamental purposes of this Stipulation and Order.

57. Stipulation Effective Date: The Stipulation Effective Date shall be the date on which the Stipulation and Order is signed by the Department, except that the Stipulation and Order will not become effective until any order entered by the Bankruptcy Court approving Exide entering into and executing the Stipulation and Order has become a Final Order. If for any reason the Bankruptcy Court does not approve Exide entering into the Stipulation and Order, this Stipulation and Order shall be null and void. As used herein, a "Final Order" means an order of the Bankruptcy Court (a) as to which the time of appeal shall have expired and as to which no appeal shall then be pending; provided, however, the Parties reserve the right to waive any appeal period or (b) if a timely appeal shall have been filed or sought, the order which is the

basis of the appeal shall have been affirmed by the highest appellate court to which such appeal could have been presented and/or the time for taking further appeals has expired.

58. Participation in Good Faith: The Department will participate in good faith with any effort by Exide to obtain a resolution of matters relating to the Facility with other federal, state and local entities.

59. Compliance with Closure and Post Closure Requirements: Exide shall comply with all legal requirements related to updating Closure/Post Closure Plans, and corrective action plans for the Facility, and to providing updated financial assurance documentation in accordance with this Stipulation and Order and consistent with applicable law.

60. Compliance with Orders: Exide shall comply with the Stipulation and Order as well as the 2002 Corrective Action Consent Order, the 2013 Stipulation and Order, the HWCL and Title 22 in connection with the ownership or operation of the Facility. Further, nothing in the Stipulation and Order modifies the Department's statutory and regulatory authority with respect to permit transfers.

61. Costs: Exide is liable for all costs associated with the matters covered by this Stipulation and Order, including, but not limited to, all costs incurred by the Department in reviewing workplans and overseeing the work required by this Stipulation and Order, and for all costs recoverable by the Department from Exide pursuant to the California Environmental Quality Act ("CEQA") concerning the Facility. The Department shall retain all cost records associated with the work performed under this Stipulation and Order as required by State law. The Department shall make all documents that support the Department's cost determination available for inspection upon request, as provided by the Public Records Act. Approval and allowance for the payment of the Department's post-petition costs, including oversight costs

incurred in connection with this Stipulation and Order and the 2002 Corrective Action Consent Order and costs recoverable by the Department from Exide pursuant to CEQA, shall be subject to approval by the Bankruptcy Court, which may be granted in the Bankruptcy Court's order approving this Stipulation and Order. If approved by the Bankruptcy Court, the Department may present to Exide invoices for such costs and Exide shall pay the Department such costs (subject to Exide's rights set forth herein to dispute such costs) within thirty (30) days of presentment without the need of either Party to seek further Bankruptcy approval to present the invoice or to make the payment. Exide also remains subject to the cost provisions in Paragraph 18.0 of the 2013 Stipulation and Order.

62. Bankruptcy: Unless the Parties otherwise agree, in the event Exide does not reorganize and emerge from Chapter 11 as a going concern through a confirmed Plan of Reorganization prior to October 31, 2015, this Stipulation and Order shall be null and void as to any terms not yet performed including any future payments provided for herein, but not yet paid to the Department. However, to the extent that Exide has made payments under the provisions of this Stipulation and Order, such payments will not be affected. Exide shall remain liable for compliance with financial assurance liabilities under the HWCL and Title 22 and the Department retains the right to take such enforcement actions as it deems appropriate, including, but not limited to, enforcing the financial assurance and injunctive obligations of Exide in connection with the Facility. Exide acknowledges that the Closure/Post Closure Financial Assurance, comprised of the Surety Bond and the Closure/Post Closure Financial Assurance Trust Fund, are regulatory obligations of Exide and these funds are not "property of the estate," except to the extent of any residual interest therein. Exide further acknowledges that the deposit of funds into the Residential Off-Site Corrective Action Trust Fund is a financial assurance regulatory

obligation and the funds in such trust are not "property of the estate," except to the extent of any residual interest therein. In the event Exide liquidates through a Chapter 11 bankruptcy or converts the Bankruptcy Case to a Chapter 7 bankruptcy proceeding, the Department retains the right to enforce the 2002 Corrective Action Consent Order. The Department further retains the right to amend its Proof of Claim except as to Settled Matters.

63. Date for Compliance: If a date for compliance of an obligation by Exide falls on weekend or holiday, the obligation shall be due on the next business day.

64. Attorney's Fees: With respect to this Stipulation and Order, each Party shall bear its own attorney's fees. Nothing herein shall be construed to preclude the Department from recovering its attorney's fees as part of response costs.

65. Coordinating Committee: The Parties agree to create a coordinating committee or designate a task force comprised of senior members of each party (including the Cal EPA Secretary or his/her successor, the Department Director or his/her successor and Exide's CEO and his/her successor) for the purpose of enabling the expedited implementation of this Stipulation and Order. The coordinating committee or task force shall convene regularly scheduled meetings and take other such reasonable and good faith actions necessary to accomplish the expeditious and successful implementation of this Stipulation and Order.

66. Nothing in this Stipulation and Order is intended to modify any agreement between Exide and any other entities regarding cost sharing, or to waive or limit any rights Exide may have to seek indemnification or contribution from any other entities.

IT IS SO STIPULATED:

Dated: 11/20/14

Robert M. Caruso
President and Chief Executive Officer,
Exide Technologies

Approved as to form:

Dated: 11/20/2014

Randolph C. Visser
Sheppard, Mullin, Richter & Hampton
Counsel for Exide Technologies

IT IS SO STIPULATED AND ORDERED:

Dated: 11/21/14

Miriam Barcellona Ingenito
Acting Director,
Department of Toxic Substances Control

Approved as to form:

Dated: Nov. 20, 2014

Margarita Padilla
Supervising Deputy Attorney General
Office of the California Attorney General
Counsel for the Department of Toxic Substances Control

Exhibit A

Department of Toxic Substances Control

Deborah O. Raphael, Director
8800 Cal Center Drive
Sacramento, California 95826-3200

Matthew Rodriquez
Secretary for
Environmental Protection

Edmund G. Brown Jr.
Governor

January 13, 2014

Mr. Fredrick Ganster
Exide Technologies
3000 Montrose Avenue
Reading, Pennsylvania 19605

DTSC REVIEW OF EMERGENCY RESPONSE INTERIM MEASURES/COMPLIANCE ORDER, EXIDE TECHNOLOGIES, VERNON, CA (CORRECTIVE ACTION CONSENT ORDER, DOCKET NUMBER P3-01 /02-010)

Dear Mr. Ganster:

The Department of Toxic Substances Control (DTSC) has reviewed the *"Emergency Response Interim Measures/Compliance Order" work plan* (ERIMWP), which was prepared by Advanced GeoServices (AGS) on behalf of Exide Technologies (Exide). The ERIMWP is dated December 30, 2013. The ERIMWP was prepared to address DTSCs "*Order to Perform Emergency Response Interim Measures to Clean-Up Off-site Contaminated Soil, Dust and Sediment*", dated December 17, 2013, and the City of Vernon's "*Compliance Order*", dated December 18, 2013.

The City of Vernon's Health & Environmental Control Department (City) also has reviewed the ERIMWP, and on January 9, 2014 provided Exide with an approval letter for their portion of the response activities as they relate to the City's Compliance Order. A copy of the January 9, 2014, City approval letter is attached. The City's approval was conditional on Exide responding accordingly to the eleven (11) comments and recommendations presented in their approval letter. DTSC concurs with the comments and recommendations presented in the City's approval letter.

Because DTSC considers the need to implement the response activities expeditiously is necessary, recent discussions between Exide and DTSC included authorization to begin clean-up of the storm drain inlets nearest the facility. We understand this initial effort was completed January 11, 2014. DTSC appreciates Exide's cooperation and shared opinion on the need for a quick response to the situation.

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DTSC believes the ERIMWP is adequate to begin all of the described mitigation activities immediately. The ERIMWP is approved with the following DTSC comments and recommendations to be addressed.

1) Exide states that the "ultimate goal of any Interim Measure should be elimination of potential source materials by erosion by wind and water, and prevent complete exposure pathways to human and ecological receptors". DTSC concurs with this statement; however, we find it to be somewhat at odds with an earlier statement (bottom of Page 2) that "Exide addressed immediate concerns regarding mobilization and transport by runoff or wind and mitigated complete exposure pathways for persons utilizing the roads and sidewalks". This statement cannot be corroborated by any follow-up data analysis. Exide must include a separate proposal that deals with effectively removing entrained lead and other Site-related contamination occurring in the hardscape and other semi-porous surfaces surrounding the Facility.

2) Exide states that use of an X-ray fluorescence (XRF) instrument to quantify residual lead was "ineffective". DTSC assumes Exide is referring to past cleanup efforts where, despite repeated attempts at using a nondestructive cleanup method, their XRF reported lead within a surface material (e.g., concrete sidewalks, rooftops etc.) greater than the lead Total Threshold Limit Concentration (TTLC). There is no evidence that use of the XRF was ineffective. Indeed, (assuming that the instrument had been properly calibrated and was being used correctly) one could also conclude the cleanup was itself ineffective. Exide is free to propose another method of quantifying lead concentrations instead of a XRF. DTSC has already accepted Exide's previous XRF data; Exide must provide a detailed rationale why their XRF data from previous cleanups is not representative. Exide must provide data supporting the use of an alternate sampling method, if one is proposed.

3) The cleanup should include removal of contaminated soil at sample location 4500 SE7 (Lead concentration = 1,100 milligrams per kilogram [mg/kg]). Exide failed to provide an explanation why they believe that lead detected at this location was not from Exide (also see City approval letter, bullet #4). Until the extent of lead and other contaminants associated with Exide's operations has been properly characterized, and Exide is able to distinctly separate their contamination from other sources, any areas located within reasonable proximity to Exide with lead and arsenic above their respective TTLCs should be included in the emergency response.

4) Remediation of contaminated dust should occur at the adjacent Honeywell-Bandini property (also see City approval letter; bullet # 5). Lead was detected at one location (FH-PLOT) in Honeywell's parking lot at a concentration of 42,000 mg/kg. In addition, a roof dust sample yielded lead at 1,100 mg/kg. Until the extent of lead and other contaminants associated with Exide's operations has been properly characterized, and Exide is able to separate their contamination from other sources, any areas located within reasonable proximity to Exide with lead and arsenic above their respective TTLCs should be included in the emergency response.

5) The ERIMWP does not propose to collect confirmation soil samples at the 5 tree well surface soil locations with lead above the TTLC (please note that this includes location 4500SE-7). DTSC understands that the intent of the emergency response is to remove the exposure potential. However, Exide will eventually need to show the full extent of soil contamination by collecting step-out/step-down samples. This work could be included now, in the emergency response, or as part of future off-site assessment activities.

6) DTSC recommends including a table that lists all the stormwater inlets that Exide proposes to inspect and clean in the ERIMWP. The two stormwater inlets with hazardous (or close to hazardous) levels of lead should also be clearly identified by Exide either on a table or figure. DTSC will defer to the City of Vernon as to the locations and Exide's procedures for cleaning out the inlets and associated piping of any accumulated sediment.

7) Exide must include confirmation sampling as an additional criterion for determining if a surface has been adequately cleaned when evaluating if the emergency response interim measure is complete. Exide will need to show that confirmation sampling demonstrates that cleanup is complete and that any residual contamination is below TTLCs. Any locations that are below the TTLCs may still be above risk-based values and should be identified in the report as part of the overall data set for risk assessment.

8) The ERIMWP is proposing to cleanup dust and soils to 1000 mg/kg of lead, and 50 mg/kg of arsenic. DTSC agrees with using these concentrations for emergency interim measures, but does not consider these risk-based values and therefore these areas will have to be included in any future risk assessments.

9) The ERIMWP proposes post-cleaning confirmation surface sampling using 0.5 grams per square-foot (g/sf) as a target. Exide must provide a reference for this value.

10) A number of storm drain inlets, manholes, and/or stormwater piping may not be subject to the City's jurisdiction. Exide should contact Los Angeles County Flood Control Department or Public Works Department regarding any specific permitting and access agreement issues.

Should you have any questions regarding this letter, please contact me at 916-255-3630 or Peter.Ruttan@dtsc.ca.gov.

Sincerely,
signed by:

Peter Ruttan
Project Manager
Engineering and Special Projects Office

Attachment

cc:(via e-mail)

Mr. Ed Mopas, Exide
Mr. John Hogarth, Exide
Mr. Paul Stratman, Advanced GeoServices
Mr. Russel Kemp, Environ
Ms. Margarita Padilla, DOJ
Mr. Jerrick Torres, City of Vernon
Mr. Ed Pupka, SCAQMD
Mr. Wendy Liu, LA-RWQCB
Dr. Cyrus Rangan; LACPHD
Ms. Nancy Bothwell; DTSC
Mr. Rizgar Ghazi, DTSC
Mr. Edward Nieto, DTSC
Mr. Bill Veile, DTSC
Dr. Shukla Roy-Semmen, DTSC
Mr. Todd Wallbom, P.G., DTSC

City of Vernon

HEALTH & ENVIRONMENTAL CONTROL DEPARTMENT
Leonard Grossberg, Director / Health Officer
4305 Santa Fe Avenue, Vernon, California 90058
Telephone (323) 583-8811
January 9, 2014

Exide Technologies, Inc.
2717 Indiana Street
Vernon, California 90058
Attn: John Hogarth, Plant Manager

Advanced GeoServices Corp.
1055 Andrew Drive, Suite A
West Chester, PA 9380-4293
Attn: Paul G. Stratman, P.E.

Subject: Emergency Response Interim Measures Work Plan Comments and Notice to Implement Environmental Monitoring Plan

Dear Mr. Hogarth and Mr. Stratman,

Our office has received and reviewed the document dated December 30, 2013 which addresses the recent Order to Perform Emergency Response Interim Measures issued by the Department of Toxic Substances Control Department (DTSC) and the Administrative Enforcement Compliance Order issued by the City of Vernon Health & Environmental Control Department.

Based on discussions with our office, DTSC, and Exide Technologies, we have agreed to coordinate the timing of all work requested to follow the timeline formula outlined in the DTSC order.

We concur with the proposed workplan and approve our portion and responsibility based on the City of Vernon Compliance Order issued with the following comments:

- Obtain proper encroachment permits from the Vernon Community Services & Water Department for all proposed activities on City of Vernon sidewalks, storm drain systems, and streets.
- Any evidence of elevated lead sediment residual found within City of Vernon storm drain catch basins will require proper jetting of the downstream storm drain piping (to the next downstream stormwater manhole access cover) or proper sediment sampling and analysis to ensure the piping is free of elevated lead sediment levels. Under no circumstances are materials other than clean stormwater allowed to flow down a storm drain system or otherwise be discharged to the Los Angeles River.
- Contractors performing work must have a proper health and safety plan and all employees must have proper training.
- Page 3 of the Emergency Response Interim Measures Work Plan (ERIMWP) claims that soil sample location 4500 SE7 has not been proposed for interim measures because the observed results are not the result of Exide operations; however, no factual data was provided to support this claim. Please

provide factual data supporting the claim that the observed results of sample location 4500 SE7 are not from Exide operations.

- Page 4 of the ERIMWP claims that the former Honeywell property is not included in this plan because the former Honeywell operation is known to have utilized lead in its own manufacturing process; however, no factual data was provided to support this claim. Provide factual data supporting the claim that the former Honeywell operation utilized lead in its own manufacturing process.
- Page 4 of the ERIMWP indicates that vacuuming will extend from the outside edge of the right-of-way to a distance of three feet into the cart-way as measured from the curb face; however, no factual data has been provided to limit the vacuuming area to three feet into the cart-way. Include all area between curb faces for proposed interim measures or provide a minimum of one dust sample analysis (using proposed confirmatory sampling method) supporting vacuuming limit of three feet from the face of the curb.
- Page 4 of the ERIMWP indicates that vacuuming will extend from the outside edge of the right-of-way to a distance three feet into the cart-way as measured from the curb face; however, the north side of East 26th Street does not have a traditional concrete sidewalk. Please detail how interim measures will be completed for the north side of East 26th Street.
- Page 5 of the ERIMWP indicates that "if cleanup levels are not achieved after the second attempt, but the surface is visibly absent of loose dust and dirt, the interim measure will be deemed complete". Please amend this statement to indicate the interim measure will be deemed complete only with concurrence from DTSC and/or City of Vernon Health & Environmental Control Department (HECD) representatives.
- Page 5 of the ERIMWP further indicates "if the surface is not visibly clean (i.e. loose dust and dirt is still visible), Exide and DTSC will review conditions and discuss the next appropriate action; however, the City of Vernon is not included in the proposed discussion. Amend the ERIMWP to include the City of Vernon to discuss the next appropriate action if the post vacuum surface is not visibly clean.
- Page 7 of the ERIMWP indicates that only two stormwater inlet structures along South Indiana Street between East 26th Street and Bandini Boulevard will be assessed to inspect for accumulated sediment; however, there are a total of four stormwater inlet structures in close proximity to each other along South Indiana Street between East 26th Street and Bandini Boulevard. Amend the ERIMWP to include the remaining two stormwater inlet structures along South Indiana Street for inspection and potential interim measures or provide factual data supporting determination not to inspect these two stormwater inlet structures.
- Amend ERIMPWP to provide the City of Vernon HECD a minimum of 72-hour notice prior to any confirmatory sampling operation to allow an opportunity to take split samples.

Please note- proposed abatement activities on or within Los Angeles County property (i.e. catch basins and storm drain system) may require separate permits from Los Angeles County Flood Control District. Contact the Los Angeles County Flood Control District to determine if separate permits will be required.

Furthermore, on December 19, 2013, our agency performed stormwater sampling activities in the storm drain system adjacent to the subject Exide facility (see attachment for sample location and analysis results). **Based on the stormwater sample analysis results, we have determined that the elevated lead dust and soil levels identified in the November 2013 Environ Step-out Dust and Soil Sampling Report is adversely affecting stormwater quality. Therefore, Exide Technologies is hereby directed to implement the November 2013 Revised (or any subsequent revision thereof) Environmental Monitoring Plan (EMP) which was prepared by Advanced Geoservices (attached). The EMP should be implemented as soon as possible but shall not exceed 30 days from the date of this letter.**

Vernon City Code Section 21.6.2 states that if the health officer has a reasonable basis to believe that any company's discharge may adversely affect stormwater quality, the health officer may order said person to take representative samples of the stormwater runoff and have these samples tested as directed by the health officer.

A separate approval will need to be obtained from DTSC for their portion and responsibility on orders they have issued.

If you have any questions, feel free to contact us.

Sincerely,

Leonard Grossberg, MPA, REHS
Director/Health Officer

Attachments: 2

cc:
Mark Whitworth, Vernon City Administrator
Scott Porter, Vernon City Attorney
Kevin Wilson, Vernon Community Services and Water Dept. Director
Mike Wilson, Vernon Fire Chief
Dan Calleros, Vernon Police Chief
Paul Kiehl, Interim Risk Manager
Peter Ruttan, Department of Toxic Substances Control, 8800 Cal Center Drive, Sacramento, CA 95826
Joe Baiocco, Los Angeles County Flood Control District, Environmental Programs Division

9cLG:MyDocs/Z/HazMat/Closure/Exide/workplan review 1-8-14.doc

Exhibit B

COPY

B10 (Official Form 10) (04/13)

UNITED STATES BANKRUPTCY COURT District of Delaware		PROOF OF CLAIM
Name of Debtor: Exide Technologies	Case Number: 13-11482 (KJC)	THE GARDEN CITY GROUP, INC. DEC - 5 2013
NOTE: *Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.*		
Name of Creditor (the person or other entity to whom the debtor owes money or property): California Department of Toxic Substances Control		COURT USE ONLY
Name and address where notices should be sent: California Department of Toxic Substances Control c/o SDAG Margarita Padilla, CA Department of Justice 1515 Clay Street, 20th Floor, P. O. Box 70550, Oakland, CA 94612-0550 Telephone number: (510) 622-2135 email: margarita.padilla@doj.ca.gov		☐ Check this box if this claim amends a previously filed claim. Court Claim Number:_____ (*If known*) Filed on:_____
Name and address where payment should be sent (if different from above): California Department of Toxic Substances Control c/o Nancy Bothwell, OLC P. O. Box 806, Sacramento, CA 95812-0806 Telephone number: (916) 324-3154 email: nancy.bothwell@dtsc.ca.gov		☐ Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.

1. Amount of Claim as of Date Case Filed: $ See attached Supplemental Statement in support of DTSC Proof of Claim.

If all or part of the claim is secured, complete item 4.

If all or part of the claim is entitled to priority, complete item 5.

☐ Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.

2. Basis for Claim: Environmental under California and Federal laws.
(See instruction #2) See attached Supplemental Statement.

3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as: (See instruction #3a)	3b. Uniform Claim Identifier (optional): (See instruction #3b)

4. Secured Claim (See instruction #4)
Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

Value of Property: $_____

Annual Interest Rate _____ % ☐ Fixed or ☐ Variable
(when case was filed)

Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: $_____

Basis for perfection: _____

Amount of Secured Claim: $_____

Amount Unsecured: $_____

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.

☐ Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).

☐ Up to $2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).

☑ Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(2).

Amount entitled to priority:
$ See attached Supplemental Statement.

**Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)

7. **Documents:** Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. *(See instruction #7, and the definition of "redacted".)*

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain: Documents are too numerous and voluminous, See attached Supplemental Statement.

8. **Signature:** (See instruction #8)

Check the appropriate box.

☐ I am the creditor. ☑ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Brian Johnson
Title: Deputy Director
Company: CA Dept. of Toxic Substances Control
Address and telephone number (if different from notice address above):
P. O. Box 806
Sacramento, CA 95812-0806

Telephone number: (916) 323-3847 email: brian.johnson@dtsc.ca.gov

(Signature) 12/4/13 (Date)

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:
Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:
Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:
State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:
State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:
State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:
Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:
If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:
Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).
If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:
An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:
Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:
The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re: **EXIDE TECHNOLOGIES,** **Debtor**	Chapter 11 **Case No. 13-11482 (KJC)**

SUPPLEMENTAL STATEMENT OF THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL IN SUPPORT OF ITS PROOF OF CLAIM

I. INTRODUCTION

The California Department of Toxic Substances Control ("DTSC"), an agency of the State of California, submits this supplemental statement in support of DTSC's Proof of Claim in the bankruptcy proceeding of Debtor, Exide Technologies ("Exide" or "Debtor"). DTSC makes this claim for itself and no other agency, unit or entity of the State of California. This Proof of Claim is based on information presently known to DTSC, with the express reservation of rights to amend this Proof of Claim.

DTSC files this Proof of Claim to protect its rights against the Debtor, including, but not limited to, recovery of environmental response costs and penalties, in connection with Exide's ownership and operation of its secondary lead battery recycling facility, a hazardous waste treatment and storage facility, in Vernon, California (the "Vernon Facility"). Exide owns the Vernon Facility and currently operates the hazardous waste facility under interim status

authorization from DTSC. Exide's operations at the Vernon Facility have resulted in, *inter alia*, soil and surface and ground water contamination at, and off-site of, the Vernon Facility. Environmental investigations of, and implementation of environmental measures at, the Vernon Facility and in connection with off-site impacts stemming from operations at the Vernon Facility are ongoing pursuant to injunctive orders issued by DTSC to Exide and under DTSC's oversight.

During the bankruptcy proceedings, Exide, as a debtor-in-possession, is required to manage and operate the property in its possession in compliance with all valid state and federal environmental laws. 28 U.S.C. § 959(b). By filing this Proof of Claim, DTSC does not waive its rights to take enforcement action against Exide to ensure compliance with the requirements of environmental laws and regulations within DTSC's jurisdiction.

Exide's obligations pursuant injunctive orders issued to it by DTSC, and such injunctive orders which DTSC may issue to Exide, are not claims subject to discharge in bankruptcy. *See e.g., Ohio v. Kovacs*, 469 U.S. 274 (1985), *United States v. Apex Oil Co.*, 579 F.3d 734 (7th Cir. 2009), *cert denied*, 131 S.Ct. 67 (2010); *In re Torwico*, 8 F.3d 146 (3d. Cir. 1993); *In re Chateaugay*, 944 F. 2d 997 (2d Cir. 1991)

DTSC further asserts that oversight and/or response costs it incurs post-petition in connection with the injunctive orders issued to Exide and/or environmental cleanup in connection with Exide's operations at the Vernon Facility, as well as post-petition penalties assessed against Exide, are entitled to administrative expense priority under 11 U.S.C. §§ 503 (b) and 507(a)(2). DTSC reserves the right to make such administrative expense priority claims and to amend this Proof of Claim if such priority is not allowed.

Further, DTSC asserts that if Exide continues to own and/or operate the Vernon Facility post-confirmation, Exide's liability for environmental cleanup in connection with Debtor's ownership and/or operation of the Vernon Facility would "spring anew" post-confirmation.

DTSC submits this initial Proof of Claim in the estimated amount of at least $ 61,852.77, with the express reservation of rights to amend this Proof of Claim and amount.

Nothing in this Proof of Claim constitutes a waiver of any rights of DTSC or an election of remedies. Further, by filing this claim, DTSC does not waive its sovereign immunity, except as otherwise provided by law. Any waiver of sovereign immunity under the law resulting from the filing of this Proof of Claim is solely by DTSC, and no other agency, unit or entity of the State of California, and is strictly limited to this Proof of Claim. Further, the filing of this Proof of Claim shall not be deemed or construed as a waiver of any objections or defenses that DTSC or any other agency, unit or entity of the State of California may have to this Court's jurisdiction over DTSC or such other agency, unit or entity based upon the Eleventh Amendment or related principles of sovereign immunity or otherwise, all of which are hereby preserved.

II. BACKGROUND

A. The California Department of Toxic Substances Control ("DTSC")

DTSC is a California state government agency. Cal. Health & Safety Code §58000. DTSC regulates all aspects of hazardous waste management in California and enforces laws related to the cleanup of hazardous substances releases or threatened releases in the state.

1. The California Hazardous Waste Control Law

The California Hazards Waste Control Law ("HWCL") is a comprehensive statutory and regulatory framework designed to regulate the generation, handling, treatment, transport, and disposal of hazardous wastes from cradle to grave. *See*, Cal. Health & Safety Code § 25100 *et seq.* and Cal. Code of Regulations, Title 22, Div. 4.5 ("Title 22"). To protect the public health and the environment, the HWCL, along with its implementing regulations, mandate a system that regulates hazardous waste from "cradle to grave" – from the time the waste is generated, through storage, transportation, and ultimately to its treatment and disposal. [1] DTSC is the state agency with authority to implement and enforce the HWCL.

Encompassed within this HWCL authority is the permitting of hazardous waste facilities. *See*, Cal. Health & Safety Code §§ 25000-25205 and Cal. Code of Regulations, Title 22, Division 4.5, Chapter 20. To obtain a hazardous waste facility permit from DTSC, the owner or operator of the facility must, *inter alia*, establish and maintain the financial assurance required under Article 12 of the HWCL, Health and Safety Code sections 25245 *et seq.*

Exide owns the Vernon Facility and currently operates it pursuant to interim status authorization from DTSC. Exide has submitted a hazardous waste facility permit

[1] The HWCL is the California analogue of the federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. ("RCRA"). Pursuant to state and federal law, DTSC administers the HWCL *in lieu* of federal administration of RCRA in California. *See*, Cal. Health & Safety Code, § 25101, subd. (d); California: Final Authorization of Revisions to State Hazardous Waste Management Program, 57 FR 32726 (July 22, 1992).) Federal law prohibits California from imposing "any requirements less stringent than those authorized under [RCRA]." 42 U.S.C. § 6929.

application to DTSC for the Vernon Facility. The permit application is being processed by DTSC.

The HWCL also authorized DTSC to suspend interim status authorization under Cal. Health & Safety Code §§ 25186.1 and 25186.2. Exide was subject to an administrative "Order for Temporary Suspension" and an "Accusation for Suspension of Interim Status," issued by DTSC to Exide on April 24, 2013. These administrative enforcement matters, together with related state court litigation initiated by Exide, have been resolved through Stipulation and Order, docket number HWCA P3-12/13-010, OAH No. 2013050540, ("Stipulation and Order") entered into by Exide with DTSC on November 4, 2013.[2]

Under the HWCL, DTSC is also authorized to issue corrective action orders and impose penalties for noncompliance with such orders. *See*, Cal. Health & Safety Code §§ 25187, 25187.1 and 25188. If such an injunctive order is issued to a respondent to take corrective action, that respondent is required to pay DTSC's oversight costs. *See*, Cal. Health & Safety Code §25187.2 DTSC may also seek penalties for failure to comply with a corrective action order. *See*. Cal. Health & Safety Code § 25188

In February 2002, DTSC issued Corrective Action Consent Order No. P3-01/02-010 to Exide ("Corrective Action Order") in connection with the Vernon Facility. Exide has ongoing obligations under the Corrective Action Order.

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[2] On November 4, 2013, the Bankruptcy Court issued its "Order Approving Debtor's Motion For An Order Under Bankruptcy Code Sections 105 and 363 And Bankruptcy Rule 9019 Authorizing and Approving the Stipulation with the California Department of Toxic Substances Control" ("Rule 9019 Order"). [Docket No. 1021]

The HWCL also authorizes DTSC to seek penalties for violations of the HWCL and Title 22. Violations of the HWCL, and/or its implementing regulations, are subject to penalties of up to $25,000 per day per violation, for strict liability, negligent and/or intentional violations. *See e.g.*, Cal. Health and Safety Code §§ 25188, 25189 and 25189.2.

2. The HSAA and CERCLA

The environmental laws enforced by DTSC also include California's Hazardous Substances Account Act ("HSAA"). Cal. Health & Safety Code §§ 25300 *et seq.* The HSAA establishes a comprehensive program for the cleanup of hazardous substances that have been released, or are threatened to be released, into the environment in California. Under the HSAA, DTSC may, *inter alia*, seek recovery of response costs it incurs in connection with such environmental cleanup activities, including, but not limited to, oversight costs. Cal. Health & Safety Code § 25360. DTSC may also bring a cost recovery action against liable parties directly under the federal superfund law, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§ 9601-9675.

Under California Health and Safety Code section 25323.5, liable parties are those parties described in section 107 of CERCLA, 42 U.S.C. § 9607. CERCLA section 107(a), 42 U.S.C. § 9607(a), makes the following persons liable for all costs of removal or remedial action incurred by DTSC:

(1) the owner and operator of a vessel or a facility;

(2) any person who at the time of disposal of any hazardous substances owned or operated any facility at which such hazardous substances were disposed of;

(3) any person who by contract, agreement, or otherwise arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment, of hazardous substances owned or possessed by such person, by any other party or entity, at any facility or incineration vessel owned or operated by another party or entity and containing such hazardous substances; and

(4) any person who accepts or accepted any hazardous substances for transport to disposal or treatment facilities, incineration vessels or sites selected by such person, from which there is a release, or a threatened release which causes the incurrence of response costs, of a hazardous substance.

Thus, DTSC may recover from liable parties all response costs, including but not limited to, oversight costs and interests, incurred by DTSC in investigating and cleaning up sites in California with releases or threatened releases of hazardous substances.

Currently contamination at and from the Vernon Facility, including soil, sediment, surface water and ground water contamination, is being addressed through the provisions of the HWCL and Title 22. However, DTSC makes a protective claim under the HSAA and CERCLA in connection with the Vernon Facility. Under the provisions of HSAA and CERCLA, California Health and Safety Code § 25323.5 and 42 U.S.C. § 9607(a), respectively, Exide falls within the category of liable parties as the current owner and operator of the Vernon Facility and as the owner and operator of a facility at the time of releases, or threatened releases, of hazardous substances at and from the Vernon Facility.

III. EXIDE'S VERNON FACILITY

A. General Description

Exide's Vernon Facility is located at 2700 South Indiana Street, Vernon, California, and occupies at least 15 acres. The Vernon Facility consists of: 1) the Main Office Area, a portion of the Facility containing the administrative offices and employee parking area; 2) the North Yard area, containing the current battery recycling operations from battery breaking through lead refining; 3) the South Yard, an area that includes a lined storm water retention pond, container storage areas for batteries destined for recycling, wastewater treatment plant, and warehouse and office buildings; and 4) the West Yard which includes the primary truck entrance, scale and truck tire wash, and maintenance and storage facilities. Operations at the Vernon Facility include recycling lead-bearing scrap materials obtained from spent lead-acid batteries and lead bearing scrap primarily associated with battery manufacturing related operations. The Vernon Facility receives spent lead-acid batteries and other lead-bearing materials and recycles them to recover lead and polypropylene.

B. Exide's Permitting Status

Prior owner/operators of the Vernon Facility applied for and were granted a RCRA interim status authorization for hazardous waste storage and treatment activities. Exide acquired GNB, Inc., and the Vernon Facility in 2000. Exide requested a transfer of the interim status authorization and, on January 5, 2001, DTSC approved a Class 1 Interim Status modification for a change of ownership and control of the Vernon Facility from GNB, Inc., to Exide Corporation. On November 16, 2001, DTSC approved a Class 1 Interim Status Modification for a name

change from Exide Corporation to Exide Technologies. DTSC's authority over the Vernon Facility while under interim status authorization requires Exide to comply with the technical standards for the operations set forth in California Code of Regulations, Title 22, Division 4.5, Chapter 15.

Exide has applied for a hazardous waste facility permit from DTSC. The permitting process is ongoing pursuant to the provisions of California Health & Safety Code §25000 *et seq.* and Title 22.[3]

C. DTSC's Corrective Action Order to Exide

In 1990, DTSC's predecessor agency completed a RCRA Facility Assessment ("RFA") of the Vernon Facility. The RFA identified 38 Solid Waste Management Units (SWMUs) and two (2) Areas of Concern (AOCs) and determined that a number of units at the Vernon Facility had evidence, or a high likelihood, of a release of hazardous substances while in operation. DTSC also determined that hazardous waste or constituents had migrated, or threatened to migrate, from the Vernon Facility into the environment through soil, surface water, ground water and air pathways. Further investigations resulted in the identification of additional SWMUs and AOCs by DTSC in 1997.

In February 2002, DTSC issued its Corrective Action Order to Exide in connection with the Vernon Facility.[4] The Corrective Action Order identified the hazardous waste and

[3] Exide's current financial assurance for closure and post-closure of the Vernon Facility is based on the interim status authorization. If the hazardous waste facility permit is authorized by DTSC, the closure and post-closure amounts will be recalculated and Exide will be required to have the required financial assurance in place in the recalculated amount. Cal. Health & Safety Code § 25245 Additionally, DTSC has the authority to require updates of the closure and post-closure amounts. Cal. Health & Safety Code § 25246(b)

constituents of concern for the Vernon Facility as lead, cadmium, aluminum, arsenic, sodium, antimony, iron, manganese, zinc, acids (pH), such as sulfuric acid, semi-volatile organic compounds, and aromatic and halogenated volatile organic compounds, such as benzene, ethylbenzene and trichloroethylene. A summary of the work undertaken pursuant to the Corrective Action Order can be found on DTSC's website at: http://www.dtsc.ca.gov/HazardousWaste/Projects/ExideCorrectiveAction.cfm.

Environmental work, both on and off-site, in connection with the Corrective Action Order is continuing under DTSC's oversight. Exide is obligated to pay DTSC's oversight cost pursuant to the HWCL and the terms of the Corrective Action Order.

In 2008, samples of surficial soil, dust and sediment were collected from locations in the vicinity of the Vernon Facility. Based on the sample test results DTSC requested that Exide prepare and submit an Interim Measures Work Plan to remediate areas containing dust and dirt at concentrations of lead greater than 800 mg/kg in proximity to the Facility. Evaluation of the off-site impacts associated with emissions and fugitive dust from the Vernon Facility is continuing.

[4] A copy of the Corrective Action Order is posted at DTSC's website, at the Envirostor link: http://www.envirostor.dtsc.ca.gov/public/final_documents2.asp?global_id=80001733&enforcement_id=6014323

Investigations were also undertaken to evaluate the impact of hazardous substances releases from the Vernon Facility to the Los Angeles River. During 2011, Exide completed sediment and sediment pore water sampling in the Los Angeles River to determine if slag and sediment observed in a concrete-lined drainage channel impacted sediment in the LA River. DTSC believes further investigation and characterization efforts are warranted and has informed Exide.

In addition, Exide may be subject to penalties for failure to comply with the Corrective Action Order. Cal. Health & Safety Code § 25188 DTSC asserts that in the event any such penalties, or other penalties under the HWCL, are assessed against Exide during the pendency of this Bankruptcy Proceeding, DTSC may recover such penalties as administrative expense priority obligations of the Debtor. DTSC reserves the right to submit an application for administrative expense payment of penalties for post-petition violations by Exide of the Corrective Action Order. DTSC also reserves the right to amend this Proof of Claim to include as a general unsecured claim penalties assessed against Exide in connection with the Corrective Action Order, or other violations of the HWCL, should penalties for post-petition violations by Exide not be accorded administrative expense priority.

D. Stipulation and Order re Order for Temporary Suspension and Accusation for Suspension of Interim Status

On April 24, 2013 DTSC issued an Order for Temporary Suspension and Accusation for Suspension of Interim Status to Exide, HWCA P3-12/13-010, pursuant to Health & Safety Code section 25186.1 and 25186.2. On November 4, 2013, DTSC and Exide resolved these

enforcement matters, and related state court litigation, through a Stipulation and Order, HWCA P3-12/13-010, OAH No. 2013050540. Pursuant to the terms of the Stipulation and Order, Exide is obligated to, *inter alia*, install additional emission control devices at the Vernon Facility and to replace its storm water conveyance system at the Vernon Facility based on the Schedule for Compliance set forth in the Stipulation and Order. In addition, Exide must also institute an off-site soil sampling[5] and blood lead testing program for residents in the vicinity of the Vernon Facility as specified in the Stipulation and Order. Exide is also liable for costs associated with the matters covered by the Stipulation and Order, including but not limited to, all costs incurred by DTSC in reviewing work plans and overseeing the work required by the Stipulation and Order. Pursuant to the terms of the Stipulation and Order, costs pre-dating June 10, 2013, may be regarded as general unsecured claims in this Bankruptcy Proceeding. [6]

In addition, pursuant to the terms of the Stipulation and Order and applicable provisions of the HWCL, Exide may be subject to penalties for failure to comply with the Stipulation and Order. DTSC asserts that in the event any such penalties, or other post-petition penalties under the HWCL, are assessed against Exide during the pendency of this Bankruptcy Proceeding, DTSC may recover such penalties as administrative expense priority obligations of the Debtor.

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[5] The off-site soil sampling is for arsenic, lead, antimony, cadmium, chromium (and potentially hexavalent chromium), polynuclear aromatic hydrocarbons, polychlorinated biphenyls, on residential properties, schools and daycare facilities. In addition, the sampling plan requires analysis for dioxins and furans on five (5) representative properties agreed to by DTSC and Debtor.

[6] Pursuant to the Bankruptcy Court's November 4, 2013 Rule 9019 Order, DTSC may invoice Exide for post-petition oversight costs incurred by DTSC and Exide is authorized to pay such invoices, as provided in the Stipulation and Order. DTSC reserves all rights in the event Exide fails to make the payments to DTSC required under the Stipulation and Order, including, but not limited to, amending DTSC's Proof of Claim.

DTSC reserves the right to submit an application for administrative expense payment of penalties for post-petition violations by the Debtor. In addition, DTSC reserves the right to amend this Proof of Claim to include as a general unsecured claim penalties assessed against Exide in connection with the Stipulation and Order, or other violations of the HWCL, should penalties for post-petition violations by Exide not be accorded administrative expense priority.

IV. UNPAID PRE-PETITION COSTS

A. Stipulation and Order Oversight Costs

DTSC makes a claim for pre-petition costs in connection with the work required pursuant to the Stipulation and Order in the amount of in the amount of, at least, $59,710.10.

B. Corrective Action Oversight Costs

DTSC makes a claim for pre-petition costs in connection with the work required pursuant to the Corrective Action Order in the amount of in the amount of, at least, $2,142.67.

V. DTSC'S RESPONSE COSTS FOR ENVIRONMENTAL CLEAN-UP OF RELEASES OR THREATENED RELEASES OF HAZARDOUS SUBSTANCES AT AND FROM THE VERNON FACILITY

DTSC asserts that Exide's injunction obligations pursuant to the Corrective Action Order and the Stipulation and Order are not "claims" as defined under the Bankruptcy Code and Exide's injunctive obligations under these orders are not discharged through the Bankruptcy Proceeding. However, as a protective measure, DTSC makes a claim for response costs under CERCLA and the HSAA for cleanup of releases and threatened releases of hazardous substances at and from the Vernon Facility. DTSC further asserts that Exide's liability under CERCLA is

joint and several for environmental cleanup of contamination at, and from, the Vernon Facility. *See e.g., In re National Gypsum*, 139 B.R. 397 (N.D. Tex 1992).

As noted above, the Vernon Facility continues to undergo investigation and the full extent of contamination at and from the Vernon Facility has not yet been determined. Thus, DTSC makes this protective claim under the HSAA and CERCLA as a contingent unliquidated claim for such response costs, including, but not limited to, oversight costs and interest. DTSC reserves the right to amend this Proof of Claim. DTSC also reserves the right to seek payment of any post-petition response costs under CERCLA and the HSAA as administrative expenses priority.

VI. CONTINENT, UNCERTAIN OR UNKNOWN CLAIMS

This Proof of Claim reflects certain known liabilities of Exide to DTSC. DTSC reserves the right to amend its Proof of Claim to assert additional environmental claims against the Debtor in the event that DTSC discovers additional information giving rise to such claims.

VII. DOCUMENTS SUPPORTING DTSC'S PROOF OF CLAIM

The documents that support this Proof of Claim are numerous and voluminous. Information and documents regarding the Vernon Facility may also be found at the DTSC website: www.dtsc.ca.gov at the Exide and the EnviroStor links. Information and documents regarding the Corrective Action Order can be found at:

http://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=80001733

and information and documents regarding the permitting application of Exide for the Vernon Facility can be found at:

http://www.envirostor.dtsc.ca.gov/public/hwmp_profile_report.asp?global_id=CAD097854541&starttab.

DTSC summarizes its supporting documents below:

1. DTSC's Exide Vernon Facility Site files located at DTSC's Cal Center office at 8800 Cal Center Drive, Sacramento, CA;
2. DTSC's Chatsworth office at 9211 Oakdale Avenue, Chatsworth, CA;
3. DTSC's EnviroStor files for the Exide Facility which can be found on DTSC's website, www.dtsc.ca.gov;
4. 1990 RCRA Facility Assessment report for the Vernon Facility;
5. Corrective Action Order, Docket No. P3-01/02-010 and related documents;
6. Stipulation and Order and Exhibits, Docket No. HWCA P3-12/13-010, OAH No. 2013050540: and
7. DTSC's cost documentation for the unpaid pre-petition costs incurred by DTSC in connection with the Vernon Facility, including, but not limited to, DTSC's daily log and time reporting system records, travel claims, DTSC's Indirect Cost Rate Proposal documentation, DTSC's CALSTARS Procedures Manual, and DTSC's Project Code Listing manual.

Access to the non-privileged documents in DTSC's possession or control may be requested by contacting counsel of record for DTSC in this matter.

VIII. NOTICES

All notices related to this Proof of Claim should be sent to DTSC's counsel of record at the following address:

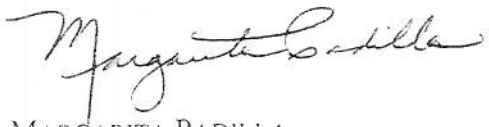
Margarita Padilla
Supervising Deputy Attorney General
Office of the Attorney General
1515 Clay Street, 20th Floor
P.O. Box 70550
Oakland, CA 94612
(510) 622-2135
Margarita.Padilla@doj.ca.gov

IX. DTSC's RESERVATION OF RIGHTS

DTSC reserves the right to amend this Proof of Claim.

Respectfully Submitted,

KAMALA D. HARRIS
Attorney General of California
MARGARITA PADILLA
Supervising Deputy Attorney General



MARGARITA PADILLA
Supervising Deputy Attorney General
Attorneys for California Department of Toxic Substances Control
(Signed by counsel as to legal issues only)

APPENDIX 5

APPENDIX 5

STATUTE OF LIMITATIONS TOLLING AGREEMENT

The parties herein, Exide Technologies, 13000 Deerfield Parkway, Suite 200, Milton, Georgia ("Exide"), by its undersigned officer and through its attorneys, Sheppard Mullin Richter and Hamilton LLP, and the United States Attorney's Office for the Central District of California ("the USAO"), hereby enter into this into this Statute of Limitations Tolling Agreement ("the Tolling Agreement") for the purpose of supporting and implementing the Non-Prosecution Agreement attached hereto. It is the intent of the parties to effectively waive and toll the applicable statute of limitations for the investigation and potential criminal violations described below for a period of ten calendar years from the date that the Non-Prosecution Agreement is signed and executed by all parties thereto ("the effective date of the Non-Prosecution Agreement").

WHEREAS:

A. Exide has been advised by the USAO that it is the target of a federal investigation into alleged criminal violations occurring within the Central District of California arising under various federal environmental crimes statutes and the attendant regulations, including the federal Resource Conservation and Recovery Act, Title 42, United States Code, Sections 6901 et seq., the federal Hazardous Materials Transportation Act, Title 49, United States Code, Sections 5101 et seq., the federal Clean Air Act, Title 42, United States Code, Sections 7401, et seq., the federal Clean Water Act, Title 33, United States Code, Sections 1251, et seq., and Title 18, United States Code, Sections 2, 371, and 1001.

B. It is the intention and understanding of Exide and the Government that the ten year period following the effective date of the Non-Prosecution Agreement shall be tolled and excluded from any calculation of time for purposes of (a) any applicable statute of limitations

under the laws of the United States for the violations listed in Paragraph A, and (b) any constitutional, statutory or other claim concerning pre-indictment delay, relating to any federal criminal violations listed in Paragraph A brought by the Government against Exide.

C. Exide has been advised by its counsel of the nature of the potential charges, and has been expressly advised that the Government contends that the statute of limitations set forth in 18 U.S.C. § 3282 for the offenses that could be charged against Exide, as referred to in Paragraph A, is five years from the date of the occurrence of the alleged violations. This agreement does not affect Exide's right to bring any other motion or raise any other defense, including but not limited to any motion or defense based on the Government's failure to bring any charges against Exide prior to the effective date of the Non-Prosecution Agreement. Exide understands that the effective result of this Tolling Agreement is to waive and exclude a total period of ten calendar years from the effective date of the Non-Prosecution Agreement for the purpose of calculating the applicable statute of limitations for the potential criminal violations described herein.

D. Exide has thoroughly discussed this Agreement with Exide's attorney and knowingly and voluntarily chooses to enter into this Agreement.

NOW, THEREFORE,

In mutual considerations of their undertakings herein, and subject to the conditions hereof, the parties agree as follows:

1. Exide, through its undersigned representative, hereby agrees that the period beginning on the effective date of the Non-Prosecution Agreement, and terminating at 5:00 p.m. on the date exactly ten calendar years from that effective date, shall be tolled and excluded from any calculation of time with respect to criminal violations which would otherwise become barred by any statute of limitations applicable to the statutes described in Paragraph A above.

2. This Agreement shall not be construed as a waiver of any right or defense that Exide may have to any of the criminal violations alleged in this Tolling Agreement and listed in the Non-Prosecution Agreement.

3. The act of entering into this Tolling Agreement, by itself, does not constitute an admission by Exide of any wrongdoing; it has been entered into for the sole purpose of supporting and implementing the attached Non-Prosecution Agreement with the government.

STEPHANIE YONEKURA
Acting United States Attorney

_____ _____

JOSEPH O. JOHNS
Assistant United States Attorney
Chief, Environmental Crimes Section

Date

I have read this Agreement, and carefully reviewed every part of it with the attorneys for Exide Technologies. I understand it, and I voluntarily agree to it on behalf of Exide Technologies. As the representative of Exide Technologies, I represent that I have authority to act for and on behalf of the corporation. Further, I have consulted with the corporation's attorneys and fully understand the corporation's rights that may apply to this matter. No other promises or inducements have been made to the corporation, other than those set forth in this Tolling Agreement. In addition, no one has threatened or forced me or any member of the corporation in any way to enter into this Tolling Agreement. Finally, I am satisfied with the representation of the corporation's attorneys in this matter.

_____ _____

ROBERT M. CARUSO, solely in his capacity as
President and Chief Executive Officer
EXIDE TECHNOLOGIES

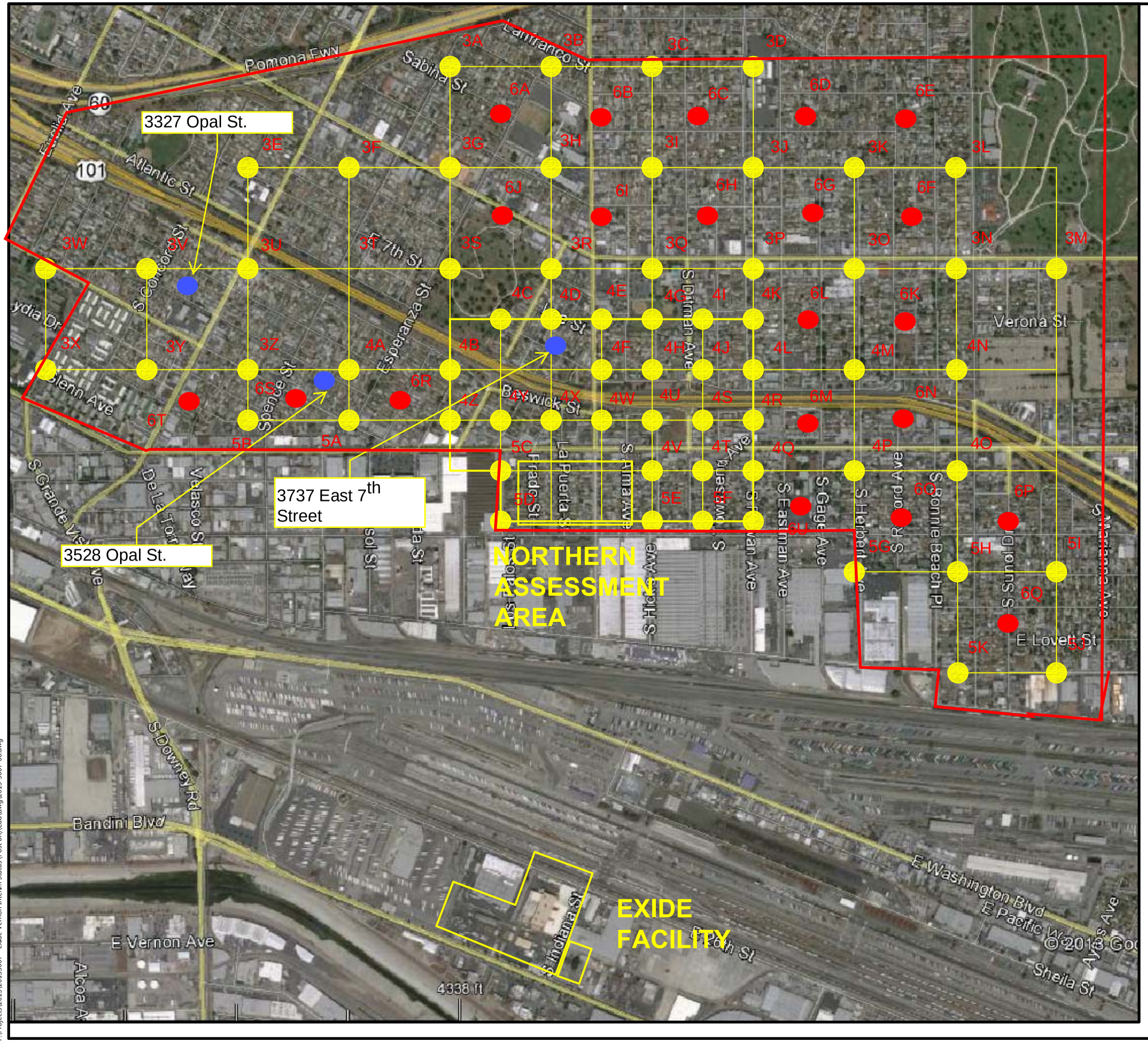
Date

We are the attorneys for Exide Technologies. We have carefully reviewed every part of this Tolling Agreement with Robert M. Caruso, President and Chief Executive Officer of Exide Technologies, who to my knowledge has authority to act for and on behalf of the corporation. To my knowledge, the corporation's decision to enter into this Tolling Agreement is an informed and voluntary one.

_____ _____

CHARLES L .KREINDLER Date
Sheppard Mullin Richter and Hampton LLP
Attorneys for Exide Technologies

APPENDIX 6



LEGEND

- SOIL SAMPLING LOCATION NORTHERN 63 TOTAL
- DTSC PROPOSED LOCATIONS 21 TOTAL
- VOLUNTEERED PROPERTIES PER DTSC 3

GRAPHIC SCALE

0 500 1000 2000

(IN FEET)
1 inch = 1000 ft.

NORTHERN ASSESSMENT AREA
PROPOSED SAMPLING LOCATIONS

PROJECT MANAGER: PGS
CHECKED BY: BLF
DRAWN BY: KO
SCALE: 1" = 1000'
PROJECT NUMBER: 2013 3007
DATE:

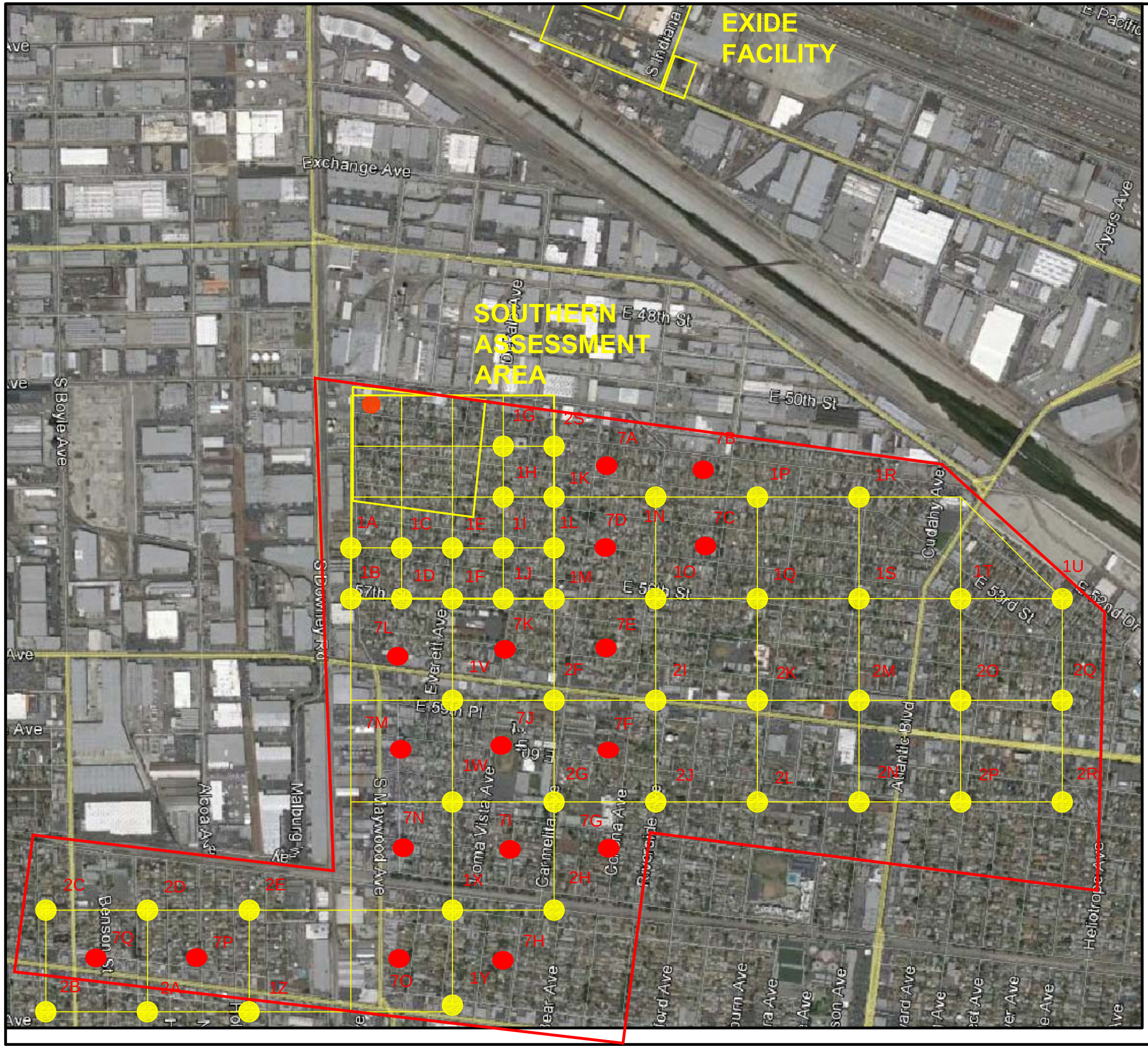
ADVANCED GeoServices
Engineering for the Environment. Planning for People.™
1055 ANDREW DRIVE, SUITE A, WEST CHESTER PA, 19380
tel 610.840.9100 fax 610.840.9199 www.advancedgeoservices.com

OFF-SITE SOIL SAMPLING
WORK PLAN ADDENDUM

EXIDE TECHNOLOGIES
VERNON, CALIFORNIA

Figure
2A

F:\Projects\2013\20133007 - Exide Vernon Interim Status (Post BRI\Cad\dwg\2013-3007-06.dwg



LEGEND

- SOIL SAMPLING LOCATION
  SOUTHERN 45 TOTAL
- DTSC PROPOSED
  LOCATIONS 17 TOTAL

GRAPHIC SCALE

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(IN FEET)
1 inch = 1000 ft.

SOUTHERN ASSESSMENT AREA
PROPOSED SAMPLING LOCATIONS

PROJECT MANAGER:	PGS	SCALE:	1" = 1000'
CHECKED BY:	BLF	PROJECT NUMBER:	2013 3007
DRAWN BY:	KO	DATE:	March 21, 2014

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OFF-SITE SOIL SAMPLING
WORK PLAN ADDENDUM

EXIDE TECHNOLOGIES
VERNON, CALIFORNIA

Figure
2B

F:\Projects\2013\20133007 - Exide Vernon Interim Status (Post BR)\Cad\dwg\2013-3007-06.dwg