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 7

8 IN THE UNITED STATES DISTRICT COURT
 9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 10

11 **STATE OF CALIFORNIA**
DEPARTMENT OF TOXIC
SUBSTANCES CONTROL,
 12
 13 **Plaintiff,**
 14
 v.
 15 **STANDARD NICKEL-CHROMIUM**
PLATING COMPANY, a California
 16 **corporation, et. al,**
 17 **Defendants.**
 18

Case No.: CV13-03600 RGK (AJWx)

~~PROPOSED~~ [PROPOSED] CONSENT DECREE BETWEEN PLAINTIFF AND DEFENDANT STANDARD NICKEL-CHROMIUM PLATING COMPANY; EXHIBITS

Judge: The Honorable R. Gary Klausner

19 INTRODUCTION

20 1. Plaintiff the State of California Department of Toxic Substances
 21 Control ("Plaintiff" or the "Department") filed a Complaint in this matter pursuant
 22 to the Comprehensive Environmental Response, Compensation, and Liability Act
 23 ("CERCLA"), 42 U.S.C. § 9601 et seq., against several parties, including
 24 Defendant Standard Nickel-Chromium Plating Company.¹ Through its
 25

26 _____
 27 ¹ Defendant Standard Nickel-Chromium Plating Company is sometimes referred to herein
 as "Settling Defendant." Plaintiff and Settling Defendant are sometimes collectively referred to
 28 herein as "Parties." (See, *infra*, Section III.)

1 Complaint, Plaintiff seeks the recovery of past "Response Costs"² incurred by
2 Plaintiff in responding to releases and/or threatened releases of hazardous
3 substances at or from the properties located at 811, 817/819, 825, and 826 East
4 62nd Street, Los Angeles, CA 90001, also collectively known as the Standard
5 Nickel property ("Site"), pursuant to CERCLA section 107(a), 42 U.S.C. §
6 9607(a). Plaintiff also seeks declaratory relief under CERCLA section 113(g)(2),
7 42 U.S.C. § 9613(g)(2), alleging that defendants are jointly and severally liable for
8 future Response Costs to be incurred by Plaintiff to address the extent of releases
9 and/or threatened releases of hazardous substances at or from the Site.

10 2. In its Complaint, Plaintiff alleges in relevant part that:

11 a. In approximately 1927, a metal plating facility, called "Dulgarian
12 Sons Standard Plating Company," was established by certain members of the
13 Dulgarian family on property at the Site. The facility operations included the
14 chromium plating of pipes for the oil industry. The business was later
15 incorporated in 1946 under the name Standard Nickel-Chromium Plating
16 Company.

17 b. Settling Defendant owned the following portions of the Site during
18 the following time periods: 811 E. 62nd Street from 1988 to the present; 817/819
19 E. 62nd Street from 1988 to the present; 825 E. 62nd Street from 1988 to 1993; and
20 826 E. 62nd Street from 1981 to 1988. Plating operations were conducted on the
21 Site during this time. The Department contends, but Settling Defendant disputes,
22 that hazardous substances were released into the environment as a result of plating
23 operations on the Site.

24 c. In June of 1997, the Department conducted a site screening for the
25 United States Environmental Protection Agency as part of an investigation of the
26 release and/or threatened release of hazardous substances at or from the Site. In

27 ² The term "Response Costs" is defined in Section III, *infra*.

1 2008, the Department took the lead to further investigate the release and/or
2 threatened release of hazardous substances at or from the Site. The Department's
3 investigation established that hazardous substances including, but not limited to,
4 hexavalent chromium, total chromium, and volatile organic compounds, including
5 the industrial solvents trichloroethylene and perchloroethylene, were present in the
6 soil, soil gas, and groundwater at the Site.

7 d. On or about June 9, 2009, the Department issued an Imminent and
8 Substantial Endangerment Determination and Remedial Action Order ("ISE
9 Order") ordering potentially responsible parties, including Settling Defendant, to
10 investigate and remediate the release of hazardous substances at or from the Site.
11 On or about December 29, 2010, the Department issued an Amendment to the
12 Imminent and Substantial Endangerment Determination and Remedial Action
13 Order ("Amendment") adding certain parties and amending certain properties
14 identified in the ISE Order.

15 e. The potentially responsible parties named in the ISE Order and the
16 potentially responsible parties named in the Amendment, including Settling
17 Defendant, failed to complete the investigation and remediation of releases and/or
18 threatened releases of hazardous substances at or from the Site as required by the
19 ISE Order and Amendment.

20 f. Response actions were and are necessary to remove and remedy the
21 hazardous substances released and/or threatened to be released at and from the
22 Site.

23 g. The Department has incurred Response Costs conducting and
24 overseeing response actions related to the release and/or threatened release of
25 hazardous substances at or from the Site, including contamination of the soil, soil
26 vapor and groundwater. These response actions include, but are not limited to:
27 issuing orders to potentially responsible parties requiring response actions at and
28 around the Site; reviewing sampling and analysis of environmental media;

1 performing inspections and preparing reports; reviewing work plans for
2 investigation and remediation; conducting Site visits and overseeing field work;
3 holding public meetings; meeting with potentially responsible parties; and
4 complying with the requirements of the California Environmental Quality Act.
5 Response Costs incurred by the Department remain unpaid.

6 h. The Department will continue to incur response costs conducting
7 and/or overseeing response actions related to the release and/or threatened release
8 of hazardous substances at or from the Site in the future.

9 3. The Department contends, but Settling Defendant disputes, that
10 Settling Defendant, as a former owner and operator of a portion of the Site, is
11 jointly and severally liable under CERCLA for all Response Costs incurred by the
12 Department related to the Site.

13 4. The Parties agree and this Court, by entering this Consent Decree,
14 finds that this Consent Decree has been negotiated by the Parties in good faith,
15 settlement of this matter will avoid expensive, prolonged and complicated
16 litigation between the Parties, and this Consent Decree is fair, reasonable, in the
17 public interest and consistent with the purpose of CERCLA.

18 **THEREFORE**, the Court, with the consent of the Parties to this
19 Consent Decree, hereby **ORDERS, ADJUDGES, AND DECREES**, as follows:

20 **I. JURISDICTION**

21 5. The Court has subject matter jurisdiction over the matters alleged in
22 this action pursuant to 28 U.S.C. § 1331 and CERCLA and personal jurisdiction
23 over each of the Parties. Venue is appropriate in this district pursuant to 28 U.S.C.
24 § 1391(b) and CERCLA. Solely for the purposes of this Consent Decree and the
25 underlying Complaint, Settling Defendant waives all objections and defenses that
26 Settling Defendant may have to the jurisdiction of the Court or to venue in this
27 district. Settling Defendant shall not challenge the terms of this Consent Decree
28 or this Court's jurisdiction to enter and enforce this Consent Decree.

1 6. The Court shall retain jurisdiction over this matter for the purpose of
2 interpreting and enforcing the terms of this Consent Decree if necessary.

3 **II. SETTLEMENT OF DISPUTED CLAIMS**

4 7. This Consent Decree resolves Settling Defendant's alleged liability in
5 connection with the release and/or threatened release of hazardous substances at or
6 from the Site under CERCLA section 107, 42 U.S.C. § 9607, in exchange for
7 payment by Settling Defendant to reimburse a portion of Plaintiff's Response
8 Costs incurred and to be incurred at or in connection with the Site.

9 8. Settling Defendant does not admit any of the allegations of the
10 Complaint. Nothing in this Consent Decree shall be construed as an admission of
11 any issue of law or fact or of any violation of law. Except as otherwise provided
12 by this Consent Decree, this Consent Decree shall not prejudice, waive or impair
13 any right, remedy or defense that Settling Defendant may have in any other or
14 further legal proceeding.

15 9. Upon approval and entry of this Consent Decree by the Court, this
16 Consent Decree shall constitute a final judgment between and among the Parties.

17 **III. DEFINITIONS**

18 10. Unless otherwise expressly provided herein, terms used in this
19 Consent Decree that are defined in CERCLA or in regulations promulgated under
20 CERCLA shall have the meaning assigned to them therein. Whenever terms listed
21 below are used in this Consent Decree, the definitions below shall apply.

22 11. "The Department" or "Plaintiff" shall mean the State of California
23 Department of Toxic Substances Control, and its predecessors and successors. The
24 Department is a public agency of the State of California organized and existing
25 under and pursuant to California Health and Safety Code § 58000 et seq. Under
26 California law, the Department is the state agency responsible for determining
27 whether there has been a release and/or threatened release of hazardous substances
28 into the environment, and for determining the actions to be taken in response

1 thereto.

2 12. "Effective Date" shall mean the date the Court enters an Order
3 approving this Consent Decree.

4 13. "Fair Market Value" shall mean the price at which the Property, or
5 any parcel thereof, as then improved and in its then current condition, would
6 change hands in an absolutely AS-IS, WHERE IS, WITH ALL FAULTS
7 condition, between a willing buyer and a willing seller under actual market
8 conditions for property substantially similar to the Property, neither being under
9 any compulsion to buy or to sell and both having reasonable knowledge of all
10 relevant facts (including, but not limited to, the historical and current
11 environmental condition, the conditions imposed by this Consent Decree, the fact
12 that the seller will not undertake any mitigation or clean up of the Property, and
13 the possibility that Plaintiff may require the recordation of an Environmental
14 Restrictions Covenant in the future) in an arm's length transaction.

15 14. "Parties" shall mean Plaintiff and Standard Nickel-Chromium Plating
16 Company, collectively.

17 15. "Party" shall mean Plaintiff, or Standard Nickel-Chromium Plating
18 Company.

19 16. "Property" shall mean the properties located at: (a) 811 East 62nd
20 Street; (b) 817/819 East 62nd Street, Los Angeles, CA 90001; and (c) the 78 acres
21 located in the Pinon Hills Area, San Bernardino County, California, collectively.
22 The 78 acres located in the Pinon Hills Area is identified by San Bernardino
23 County Assessor's Parcel Number 306842101000.

24 17. "Response Costs" shall mean all costs of "removal," "remedial
25 action," or "response" as those terms are defined by CERCLA § 101, 42 U.S.C. §
26 9601, related to the release and/or threatened release of hazardous substances at or
27 from the Site, including the soil and groundwater.

28 18. "Settling Defendant" shall mean Standard Nickel-Chromium Plating

1 Company.

2 19. The "Site" shall mean the properties located at 811, 817/819, 825,
3 and 826 East 62nd Street, Los Angeles, CA 90001, also collectively known as the
4 Standard Nickel property, including the extent of the releases of hazardous
5 substances at or from the Site, including its various parcels, into the environment,
6 including the soil and groundwater.

7 **IV. SETTling DEFENDANT'S OBLIGATIONS**

8 20. Settling Defendant shall satisfy its liability to the Department as
9 follows:

10 a. Settling Defendant shall pay the Department \$500 within thirty (30)
11 days of the Effective Date.

12 b. Sale of the Property

13 i. Settling Defendant shall use commercially reasonable efforts to
14 sell the Property for Fair Market Value.

15 ii. Settling Defendant shall pay the Department all Net Sale
16 Proceeds from the sale of the Property.

17 c. For purposes of this Consent Decree, "Net Sale Proceeds" shall mean
18 the gross sale price, less costs of sale (including but not limited to commissions,
19 finders fees, attorneys' fees related to negotiation and documentation of the
20 transactions, escrow costs, title fees and costs including those for any
21 endorsements required by buyer or title company, City, State, and County
22 documentary transfer taxes, and similar items), taxes (including but not limited to
23 property taxes and assessments of all types, and income taxes and capital gains
24 taxes due as a result of the sales by Settling Defendant of the Property³), all

25 ³ Because Settling Defendant is a Sub-Chapter S Corporation, all State and
26 Federal income and capital gains taxes due as a result of such sales of the Property
27 by the Settling Defendant (the "Transaction Taxes") are due from and paid by the
28 shareholders directly, and not at the corporate level. Pending determination of the
taxes due from Settling Defendant's shareholders as a result of the sales by Settling
Defendant of the Property, Settling Defendant shall hold back from the Net Sale
(continued...)

1 customary prorations of any property expenses, and amounts needed to satisfy any
2 liens, encumbrances or other items recorded against the Property that are senior to
3 the Department's Deed of Trust, and any amounts required by buyer or title
4 company to be held back at closing to satisfy an unresolved issue or contingency
5 (provided, however, that if the conditions for release of such holdback amount
6 have been met, and any funds remain in Settling Defendant's account, such
7 remainder shall be included in the Net Sale Proceeds and paid over to the
8 Department).

9 d. For purposes of this Consent Decree, Settling Defendant shall be
10 deemed to have made commercially reasonable efforts to sell the Property if it
11 does all of the following:

12 i. Enters into an exclusive listing agreement with a licensed
13 commercial real estate broker to list the Property at Fair Market Value.
14 Settling Defendant may enter into an exclusive listing agreement with more
15 than one licensed commercial real estate broker to list and market the
16 Property or any parcel of it.

17 ii. Accepts any unconditional offer to purchase the Property in as-
18 is condition, and without representations or warranties, for Fair Market
19 Value.

20 e. Settling Defendant shall notify the Department in writing when it
21 enters an agreement to sell the Property, or any parcel of it, within 10 days of
22 opening escrow to sell the Property, or any parcel thereof, and shall provide the
23 Department with a copy of the agreement to sell the Property and escrow

24 _____
25 (...continued)

26 Proceeds paid to the Department an amount equal to 35% of the gross sales price of
27 the Property or any portion thereof. Upon the filing of tax returns by Settling
28 Defendant's shareholders for the applicable year(s), Settling Defendant shall pay to
the Department the difference between the amount of the holdback for a particular
Property or portion thereof sold and the taxes due, if any, from Settling Defendant's
shareholders as a result of that sale.

1 agreement, and shall immediately request a preliminary Seller's Estimated
2 Settlement Statement from the escrow agent to provide to the Department. In the
3 event that the Department does not object to the terms of the sales agreement and
4 escrow within twelve (12) business days of its receipt of same, it shall be deemed
5 to have waived its right to challenge the sale price as being below Fair Market
6 Value. Any objection must be in writing, and must state with specificity the basis
7 of the objection. If such an objection is made, the parties will promptly confer to
8 determine if the objection can be satisfactorily resolved.

9 f. Settling Defendant shall provide both the Seller's Estimated
10 Settlement Statement and a signed report setting forth a cash based accounting of
11 the calculation of the Net Sale Proceeds, i.e., showing the gross sales price, and
12 each item deducted from same in calculating the Net Sale Proceeds (Net Proceeds
13 Report), and pay the Net Sale Proceeds for each parcel of the Property to the
14 Department within 15 days of escrow closing date for each parcel of the Property.
15 Upon written request, Settling Defendant shall provide all supporting
16 documentation for the sale and the calculation of the Net Sale Proceeds, and the
17 purchase and escrow documents and escrow settlement statement, within 14 days
18 of the request to enable the Department to audit and verify the sale transaction(s)
19 and calculation of the Net Sale Proceeds.

20 g. Settling Defendant agrees to sign, cooperate, and perform any act
21 necessary to perfect and cause the recordation of the Deed of Trust described in
22 Paragraph 41, below.

23 h. Settling Defendant shall pay the Department the insurance proceeds,
24 if any, that Settling Defendant recovers from its insurance carriers as indemnity
25 payments resulting from Settling Defendant's claims against its insurers in
26 connection with the Department's Complaint in this matter, including but not
27 limited to, proceeds from the policy numbers identified in Exhibit A attached to
28 this Consent Decree. Such proceeds shall not include any amounts paid by

1 Settling Defendant's insurers to reimburse defense costs as those payments do not
2 decrease the available insurance coverage, or amounts paid by Settling
3 Defendant's insurers to other insureds. Settling Defendant shall have no
4 obligation to bring a lawsuit or other action against its insurers to recover such
5 proceeds. Settling Defendant shall make payments to the Department under this
6 subparagraph (20h), if any, within forty-five (45) days of recovering such
7 insurance proceeds. Upon the earlier to occur of (a) four years of the
8 Department's completion of on-Site remedial activities or (b) resolution of any
9 dispute between Settling Defendant and its insurers, Settling Defendant shall
10 notify the Department of the amount, if any, of insurance proceeds paid to it in
11 such resolution. This Consent Decree does not affect, impair or determine
12 coverage of any insurance policy listed in Exhibit A.

13 i. Every payment required under this Consent Decree shall be made in
14 accordance with Paragraph 21.

15 j. Settling Defendant's payment obligations shall be deemed to have
16 been satisfied in full upon: (1) Settling Defendant's delivery of the payment due
17 under Paragraph 20(a); (2) the Department's verification of the figures and
18 supporting documentation provided under Paragraph 20(f), which the Department
19 shall complete within ten (10) business days of its receipt of each Net Proceeds
20 Report; (3) the Department's receipt of Net Sale Proceeds from the sale(s) of all
21 parcels of the Property due, with Settling Defendant's verified Net Proceeds
22 Report; and (4) the Department's receipt of the payments made to the Department
23 pursuant to Paragraph 20(h), if any.

24 21. The payments specified in Paragraph 20 above, shall be made by
25 certified or cashier's check made payable to Cashier, California Department of
26 Toxic Substances Control, and shall bear on its face the phrase, "Standard Nickel
27 Chromium 294 Account."

28 a. The payments shall be sent to:

Cashier
Accounting Office, MS-21A
Department of Toxic Substances Control
1001 I Street
P.O. Box 806
Sacramento, CA 95812-0806

b. A copy of the check shall be mailed to:

Vivian Murai, Senior Attorney
California Department of Toxic Substances Control
Office of Legal Counsel, MS-23A
1001 I Street
P.O. Box 806
Sacramento, CA 95812-0806

Or e-mailed to Vivian.Murai@dtsc.ca.gov in .pdf or .jpg format.

V. ACCESS TO INFORMATION

22. By no later than thirty (30) calendar days of the Effective Date, Settling Defendant shall have provided to the Department copies of any and all records, documents, and information within their possession or control, or that of their agents, relating to: (a) the ownership, operation or control of the Site; (b) the purchase, storage, use, handling, generation, treatment, transportation, or disposal of hazardous substances in connection with the Site; (c) releases and/or threatened releases of hazardous substances at or from the Site, including the soil and groundwater; and (d) removal, remedial or response actions conducted by any person at the Site.

23. If after the Effective Date, Settling Defendant obtains any records, documents or information described in Paragraph 22 not previously provided to Plaintiff, Settling Defendant agrees to provide Plaintiff with copies of the additional records, documents or information within ten calendar days of the date Settling Defendant obtained the records, documents or information.

24. Settling Defendant may assert confidentiality claims covering part or all of the documents or information submitted to Plaintiff under this Consent Decree to the extent permitted by and in accordance with California Health and Safety Code § 25358.2. Documents or information determined to be confidential

1 by Plaintiff will be afforded the protection specified in California Health and
2 Safety Code § 25358.2. Settling Defendant may also assert that certain
3 documents, records and other information are privileged under the attorney-client
4 privilege or any other privilege recognized by federal law. If Settling Defendant
5 asserts such a privilege in lieu of providing documents, Settling Defendant shall
6 provide Plaintiff with a description of the document withheld and the basis for
7 asserting the privilege.

8 **VI. COVENANT NOT TO SUE BY PLAINTIFF**

9 25. Except as expressly provided in Section VII (Reservation of Rights)
10 of this Consent Decree, Plaintiff covenants not to sue Settling Defendant pursuant
11 to CERCLA, the California Hazardous Substances Account Act ("HSAA"),
12 California Health and Safety Code § 25300 et seq., or any other statute, regulation,
13 or common law theory to: (a) recover Plaintiff's Response Costs and all other
14 damages (with the exception of natural resource damages) related to the Site; or
15 (b) require Settling Defendant to conduct response actions, including removal or
16 remedial actions, related to the release and/or threatened release of hazardous
17 substances at or from the Site, including the soil and groundwater. This Covenant
18 Not to Sue is conditioned upon the complete and satisfactory performance by
19 Settling Defendant of all its obligations under this Consent Decree. However, this
20 Covenant Not to Sue shall be revoked and deemed not effective if Settling
21 Defendant fails to make the payments required by Paragraph 20 of this Consent
22 Decree.

23 **VII. RESERVATION OF RIGHTS**

24 **26. Obligations Under This Decree**

25 In the event Plaintiff initiates any legal proceedings against Settling
26 Defendant for non-compliance with this Consent Decree, Settling Defendant shall
27 not contest its obligation to fully comply with this Consent Decree. However, in
28 such proceedings, Settling Defendant may raise any and all defenses that Settling

1 Defendant deems to be relevant to the issue of whether or not it has complied with
2 the terms of the Consent Decree.

3 **27. Claims Regarding Other Sites**

4 Nothing in this Consent Decree is intended or shall be construed to limit the
5 rights of any Party with respect to claims arising out of or relating to the deposit,
6 release, or disposal of hazardous substances at any location other than the Site
7 subject to this Consent Decree. This subsection, however, shall not limit the
8 covenants not to sue and releases in this Consent Decree that apply to claims
9 arising from the spread or passive migration of hazardous substances from the
10 Site.

11 **28. Claims Against Other Persons and Entities**

12 Nothing in this Consent Decree shall constitute or be construed as a release
13 or covenant not to sue regarding any claim or cause of action against any person
14 (as defined in CERCLA section 101(21), 42 U.S.C. § 9601(21), who is not a
15 signatory to this Consent Decree, for any liability he, she or it may have arising
16 out of or relating to the Site. The legal and equitable rights retained include, but
17 are not limited to: (i) the Department's right to compel any person who is not a
18 signatory to the Consent Decree to conduct response actions for hazardous
19 substance contamination at or from the Site; and (ii) the rights of the Parties to
20 seek reimbursement and/or other relief from any person who is not a signatory to
21 this Consent Decree for Response Costs incurred as a result of such
22 contamination. Except as provided in Paragraph 35 (Parties Bound), nothing in
23 this Consent Decree shall be construed to create any rights in, or grant any cause
24 of action to, any person not a party to this Consent Decree.

25 **29. Reservation of Claims**

26 The Plaintiff's Covenants Not to Sue (Section VI) do not pertain to the
27 following matters:

28 a. Failure of Settling Defendant to meet the requirements of this

1 Consent Decree;

2 b. Damage to natural resources, as defined in CERCLA section 101(6),
3 42 U.S.C. § 9601(6), including all costs incurred by any natural resources trustees;

4 c. Settling Defendant's introduction of any hazardous substance,
5 pollutant, or contaminant to the Site after the Effective Date;

6 d. Overt acts by Settling Defendant after the Effective Date that cause
7 the exacerbation of the hazardous substance conditions existing at or from the
8 Site;

9 e. Claims based on liability arising from the past, present, or future
10 disposal of hazardous substances at sites or locations other than the Site. This
11 subsection (e), however, shall not limit the covenants not to sue in this Consent
12 Decree that apply to claims arising from the passive migration of hazardous
13 substances from the Site; and

14 f. Claims based on criminal liability. At present, however, Plaintiff has
15 no pending criminal claim or investigation, nor is it aware of any facts that would
16 give rise to a criminal investigation, against any Settling Defendant.

17 **30. Other Rights Reserved**

18 Except as expressly provided in the Consent Decree, nothing in the Consent
19 Decree is intended nor shall it be construed to preclude the Department from
20 exercising its authority under any law, statute or regulation, including, but not
21 limited to, taking action in the future to require the owner of the Site to record an
22 Environmental Restrictions Covenant. Furthermore, nothing in the Consent
23 Decree is intended, nor shall it be construed, to preclude any other state agency,
24 department, board or entity or any federal entity from exercising its authority
25 under any law, statute or regulation.

26 **31. Plaintiff's Further Reservation**

27 Notwithstanding any other provision in the Consent Decree, Plaintiff
28 reserves the right to institute proceedings in this action or in a new action, seeking

1 to compel Settling Defendant to perform additional response actions at the Site
2 and/or to reimburse Plaintiff for additional Response Costs if:

3 a. After the Effective Date of the Consent Decree, the Department
4 receives information previously unknown to the Department, indicating that the
5 information provided by Settling Defendant regarding its involvement at the Site
6 and upon which the Department relied upon in entering into the Consent Decree is
7 false, or in a material respect, inaccurate.

8 b. Conditions previously unknown to Plaintiff, for which Settling
9 Defendant is liable under any statute or law, are discovered at the Site after the
10 Effective Date, and these previously unknown conditions indicate a release and/or
11 threat of release of hazardous substances into the environment.

12 **VIII. COVENANT NOT TO SUE BY SETTLING DEFENDANT**

13 32. Settling Defendant covenants not to sue and agrees not to assert any
14 claims or causes of action against Plaintiff or its contractors or employees that
15 arise out of the transaction or occurrence that is the subject matter of Plaintiff's
16 Complaint or for any injuries, losses, costs, or damages caused or incurred as a
17 result of the performances or requirements of this Consent Decree or the
18 Department's response actions at the Site. Settling Defendant reserves the right to
19 take action to compel the Plaintiff to comply with the terms of this Consent
20 Decree.

21 **IX. CONTRIBUTION PROTECTION**

22 33. With regard to claims for contribution against Settling Defendant for
23 "Matters Addressed" in this Consent Decree, the Parties agree, and the Court finds
24 as follows:

25 a. This Consent Decree constitutes a judicially approved settlement
26 within the meaning of CERCLA section 113(f)(2), 42 U.S.C. § 9613(f)(2).

27 b. This Consent Decree requires that Settling Defendant pay certain
28 costs with respect to its liability at the Site.

1 c. Settling Defendant is entitled to the contribution protection provided
2 by CERCLA section 113(f)(2), 42 U.S.C. § 9613(f)(2), and by state statutory and
3 common law for the "Matters Addressed" in this Consent Decree, except for
4 actions and claims identified in the Department's Reservation of Rights (Section
5 VII).

6 d. The "Matters Addressed" in this Consent Decree include: (1) all past
7 and future Response Costs and all other damages (with the exception of natural
8 resource damages) incurred by or on behalf of the Department with respect to the
9 Site, including the Department oversight costs; (2) all past and future Response
10 Costs that have been and/or may be incurred by or on behalf of any other person,
11 including any past, present or future Site owner or operator, with respect to the
12 Site; and (3) interest on amounts referred to in subsections (1) and (2).

13 e. The protection provided for in this Section IX is conditioned upon
14 compliance by Settling Defendant with its obligations under Paragraph 20 of this
15 Consent Decree.

16 f. Nothing in this Consent Decree diminishes the right of the
17 Department under CERCLA to pursue any other person for Response Costs
18 incurred by the Department and to enter into settlements that give rise to
19 contribution protection with those persons.

20 X. NOTIFICATION

21 34. Notification to or communication among the Parties as required or
22 provided for in this Consent Decree shall be addressed as follows:

23 For Plaintiff:

24 Tedd Yargeau, Project Manager
25 Chatsworth Cleanup Program
26 California Department of Toxic Substances Control
27 9211 Oakdale Avenue
28 Chatsworth, CA 91311-6505

Vivian Murai, Senior Attorney
California Department of Toxic Substances Control

1 Office of Legal Counsel, MS-23A
2 P.O. Box 806
3 Sacramento, CA 95812-0806

4 For Settling Defendants:

5 Standard Nickel-Chromium Plating Company
6 c/o Sean M. Sherlock
7 Snell & Wilmer L.L.P.
8 600 Anton Boulevard, Suite 1400
9 Costa Mesa, CA 92626-7689

10 XI. GENERAL PROVISIONS

11 35. Parties Bound

12 This Consent Decree shall apply to, be binding upon, and inure to the
13 benefit of the Parties and their representatives, successors, heirs, legatees, and
14 assigns.

15 36. No Waiver of Enforcement

16 The failure of the Department to enforce any provision of this Consent
17 Decree shall in no way be deemed a waiver of such provision or in any way affect
18 the validity of this Consent Decree. The failure of the Department to enforce any
19 such provision shall not preclude it from later enforcing the same or any other
20 provision of this Consent Decree.

21 37. No Findings

22 The statements of fact set forth in this Consent Decree are not intended to
23 constitute a finding by the Department as to the risks to human health or the
24 environment that may be posed by contamination at the Site. This Consent Decree
25 does not constitute a representation by the Department that the Site, or any part
26 thereof, is fit for any particular purpose.

27 38. Governmental Liability

28 Nothing herein is intended, nor shall be construed, to limit, impair, or
prejudice the governmental tort, statutory or sovereign immunities available to the
Department under applicable law for its oversight or other activities with respect

1 to the Site.

2 **39. Modification**

3 This Consent Decree may be modified upon written approval of the Parties
4 and with the consent of the Court.

5 **40. Recording**

6 Within thirty (30) calendar days of the Effective Date, Plaintiff shall record
7 a copy of this Consent Decree with the Los Angeles County Recorder with respect
8 to the Site. The Parties shall cooperate and provide assistance in taking the steps
9 necessary to achieve the recording of this Consent Decree.

10 **41. Deed of Trust**

11 a. Settling Defendant shall sign a Deed of Trust in favor of the
12 Department to secure performance of Settling Defendant's obligation to pay the
13 Department the Net Sale Proceeds.

14 b. The Deed of Trust shall be held by an independent third party (e.g.,
15 title or escrow company, or bank or credit union), and shall be in the form
16 substantially similar to the one attached hereto as Exhibit B.

17 c. The Parties agree that nothing herein shall vest the Department with
18 any ownership interest in the Property, and that they are settling this matter due to
19 the various uncertainties associated with the litigation. The Department alleges
20 that the response costs it seeks through its Complaint in this matter may exceed
21 the value of the Net Sale Proceeds, and that the Department is accepting the Net
22 Sale Proceeds in satisfaction of its claims as creditor for response costs, solely to
23 facilitate a consensual resolution of this matter. By accepting this Deed of Trust,
24 the Department shall not become and shall not be deemed an owner of the
25 Property, either equitable, legal, or otherwise.

26 d. The Department may require the trustee under the Deed of Trust to
27 foreclose on the Deed of Trust either under the terms specified therein, or if
28 Settling Defendant does not sell the Property for Fair Market Value on or before

1 the third anniversary of the date that the Department gives notice that it has
2 completed active remediation work at the Site.

3 e. Notwithstanding any other provision of this Consent Decree or the
4 Deed of Trust, the Parties acknowledge and agree that Settling Defendant shall
5 have no obligation under this Consent Decree or the Deed of Trust to pay any
6 taxes or assessments due upon the Property, or to maintain commercially
7 reasonable insurance coverage for the Property, or to maintain the Property in
8 good repair and condition, and that Settling Defendant's failure to operate or
9 maintain the Property, or any parcel thereof, in conformance with the express
10 conditions imposed under the Deed of Trust shall not constitute a violation of or
11 default under this Consent Decree. The parties further acknowledge and agree
12 that in the event that any condition under the Deed of Trust is not satisfied, the
13 Department's sole remedy shall be foreclosure upon the applicable parcel(s) of
14 Property.

15 f. The Parties acknowledge and agree that upon the foreclosure of the
16 Property, or any parcel thereof, Settling Defendant's obligations under this
17 Consent Decree with respect to the parcel or parcels foreclosed upon shall be
18 deemed fully satisfied.

19 g. Settling Defendant agrees to obey all laws and ordinances in its
20 management of the Property. Settling Defendant acknowledges that the
21 Department will continue to remediate the Site.

22 h. The Department shall not be responsible for paying any taxes or
23 assessments, or for maintaining commercially reasonable insurance coverage for
24 the Property at any time prior to its foreclosure upon the Property or any parcel
25 thereof.

26 **42. Integration**

27 This Consent Decree constitutes the final, complete and exclusive
28 agreement and understanding between the Parties with respect to the settlement

1 embodied in this Consent Decree. The Consent Decree may not be amended or
2 supplemented except as provided for in the Consent Decree.

3 **43. Attorneys' Fees and Costs**

4 If the Department brings an action against Settling Defendant to enforce this
5 Consent Decree, and is successful in such action, Settling Defendant shall
6 reimburse the Department for all costs of such action, including, but not limited to,
7 attorneys' fees.

8 **44. Counterparts**

9 This Consent Decree may be executed in two or more counterparts, each of
10 which shall be deemed an original, but all of which together shall constitute one
11 and the same instrument.

12 **45. Applicable Law**

13 This Consent Decree is entered into and shall be construed and interpreted
14 in accordance with the laws of the State of California and, where applicable, the
15 laws of the United States.

16 **46. Notice**

17 Settling Defendant has appointed and authorized the agent identified on its
18 signature page and Section X to this Consent Decree to receive notices with
19 respect to all matters arising under or relating to this Consent Decree.

20 **47. Lodging and Public Notice**

21 This Consent Decree shall be lodged with the Court for a period of not less
22 than thirty (30) calendar days. The Consent Decree also is subject to a public
23 comment period of not less than thirty (30) calendar days. The Department may
24 modify or withdraw its consent to this Consent Decree if comments received
25 during the public comment period disclose facts or considerations that indicate
26 that this Consent Decree is inappropriate, improper or inadequate. Settling
27 Defendant consents to the entry of this Consent Decree without further notice.
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48. Court Refusal to Enter Consent Decree

If, for any reason, the Court declines to approve this Consent Decree in the form presented, this agreement is voidable at the sole discretion of any Party and the terms of the Consent Decree may not be used as evidence in any litigation between the Parties.

49. Signatories

Each signatory to this Consent Decree certifies that he or she is fully authorized by the Party he or she represents to enter into the terms and conditions of this Consent Decree, to execute it on behalf of the party represented, and to legally bind that party to all the terms and conditions of this Consent Decree.

Settling Defendant consents to this Consent Decree by its duly authorized representative as follows:

FOR STANDARD NICKEL-CHROMIUM PLATING COMPANY:

George Dulgarian Date 9-8-14
George Dulgarian,
Vice President of Standard Nickel-Chromium Plating Company

Plaintiff consents to this Consent Decree by its duly authorized representative as follows:

FOR THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL:

Stephen W. Lavinger Date 9-9-14
Stephen W. Lavinger
Chatsworth Cleanup Program
Brownfields and Environmental Restoration Program

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IT IS SO ORDERED, ADJUDGED, AND DECREED.

Dated: NOV 26 2014, 2014

R. Gary Klausner
The Honorable R. Gary Klausner
United States District Court Judge

EXHIBIT A

Copy of Standard Nickel Policies

Policy Number:

33 AB 800302 CMA
33 AL 049682 CC
33 AL 053554 CC
33 AL 41105 CC
33 AL 45242 CC
33 AL 78661 CC
33 AL 800302 CC
33 AL 800302 CC 0
33 AL 800302 CCA
33 AL 81983 CC
33 SM 054008 FCA
33 SM 90528 FCA
33 XS 1328 WCA
33 XS 1328 WCA
33 XS 1328 WCA
33 XS 1328 WCA
33 XS 1328 WCA
83 GL 5103741 CCI part of 83 ACM 5103741
83 GL 5355673 CCI part of 83 ACM 5355673
83 GL 5727886 CCI part of 83 ACM 5727886
83 GL 5731385 CCI part of 83 ACM 5731385
83 SM 714790 FCA
83 SM 723358 FCA
83 SM 844200 FCS
83 SM 891322 FCS
83 SM 981055 FCA
83 SM 994126 FCA
83 XS 124038 WCA
83 XS 2512 WCA
83 XS 2512 WCA
83 XS 509563 WCA
83 XS 510519 WCA
83 XS 540515 WCA
83 XS 576904 WCA
86 GL 21101336 CCI part of 86 ACM 21101336
86 GL 22964957 CCI part of 86 ACM 22964957
86 GL 23815825 CCI part of 86 ACM 23815825
86 GL 24713792 CCI part of 86 ACM 24713792
86 GL 25301558 CCI part of 86 ACM 25301558
86 XS 20725778 WCA
86 XS 22009010 WCA
K-223 3300
P-660-452N2827-TIL-98
P-660-452N2827-TIL-99
P-660-633X6121-TIL-00
P-660-633X6121-TIL-01
PJ-660-452N2827-TIL-97

33 SM 054008 FCA
PJ-660-452N2839-TIL-97
PJ-660-452N2839-TIL-98
K-215 0900

EXHIBIT B

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

The State of California
Department of Toxic Substances Control

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

This **DEED OF TRUST**, is executed on the ____ day of September, 2014, by **STANDARD NICKEL-CHROMIUM PLATING COMPANY, A CALIFORNIA CORPORATION**, herein called TRUSTOR, whose address is 826 E. 62nd Street, Los Angeles, California 90001, to [_____] herein called TRUSTEE, whose address is [_____] for the benefit of **THE STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL**, herein called BENEFICIARY whose address is 1001 I Street, Sacramento, California 95812-0806.

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property (the "Collateral") in the City of Los Angeles, County of Los Angeles, State of California, described as:

See Exhibit A attached hereto and incorporated herein.

APN: 6007-009-018, 6007-009-026

Commonly known as 811 East 62nd Street and 817/819 East 62nd Street, Los Angeles, California 90001.

This Deed of Trust is given to secure performance by Trustor of its covenants and agreements under that certain **CONSENT DECREE**, between Trustor and Beneficiary, dated _____ 2014, in Case No. CV13-03600 RGK (AJWx) in the United States District Court for the Central District of California. As required in order to make the duties of the parties clear, the terms and conditions of said Consent Decree are incorporated herein by reference as if set out in full.

A. It is mutually agreed:

1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner as if same were "Net Sale Proceeds," as defined in the Consent Decree.

2) That by accepting the Net Sale Proceeds of the sale of any single piece of property which is encumbered by this Deed of Trust, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay, except with respect to the property from which such Net Sale Proceeds are received.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, Trustee shall: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary, and upon surrender of this Deed of Trust to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder, or such portion of same that Beneficiary has requested be released from the lien hereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

5) That upon material default by Trustor in performance of any agreement hereunder, Beneficiary may declare all performance secured hereby immediately due to Trustee by written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Among those material defaults described in the preceding sentence are the following: (a) non-payment of any and all taxes and assessments before delinquency or failure to pay any and all charges, fines, and impositions attributable to the Collateral; (b) failure to maintain commercially reasonable insurance coverage with respect to the Collateral; (c) Trustor's failure to obey all laws and ordinances in its management of the Collateral; or (d) Trustor's failure to take all reasonable steps to preserve the priority of the Beneficiary's lien as it is established in this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall pay the remainder to Beneficiary.

6) Beneficiary, or any legal successor in interest to the rights of performance under the Consent Decree, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

7) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8) That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

B. Additional Terms.

1) By way of explanation and not limitation, the parties hereto acknowledge and agree that all terms and conditions of this Deed are subject and subordinate to the terms and conditions of the Consent Decree, and that in the event of a conflict between the terms hereof and any term in the Consent Decree, the terms of the Consent Decree shall prevail.

2) The lien of this Deed of Trust secures a non-recourse obligation of Trustor, as specifically described in the

Consent Decree, and no term hereof or general term governing the use or enforcement of Deeds of Trust shall operate to alter or increase Trustor's obligations set forth in the Consent Decree.

3) This Deed of Trust encumbers two parcels of real property, and it is contemplated under the terms of the Consent Decree that each will be sold separately, and at the time of such sale, Beneficiary shall instruct Trustee to record a partial reconveyance of the lien of this Deed of Trust releasing the property that is sold but retaining the lien on the unsold parcel. The partial reconveyance shall be requested and processed as promptly as possible in order to facilitate any such sale, which will require that this Deed of Trust shall not encumber the parcel sold upon the close of escrow for such parcel. Any such partial release and reconveyance shall not cause the reconveyance of this Deed of Trust with respect to unsold property, nor shall it otherwise modify or alter the terms of the Deed of Trust with respect to such unsold property.

4) Trustor shall cooperate and perform any act necessary to perfect and cause the recordation of this Deed of Trust.

The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trustor

**STANDARD NICKEL-CHROMIUM PLATING COMPANY,
A CALIFORNIA CORPORATION**

By: _____
Name:
Its:

Add Notarial Acknowledgement

EXHIBIT A

LEGAL DESCRIPTION

811 East 62nd Street, Los Angeles, California 90001
APN: 6007-009-018

That portion of the Section 20, Township 2 South, Range 13 West, S.B.B. and M., in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

Beginning at a point in the East line of Avalon Boulevard, formerly South Park Avenue, distant South along the East line, 1981 feet from a point which is distant North 89 degrees 25 minutes East 45 feet from the Northwest corner of the Northeast quarter of said Section 20; thence North 89 degrees 25 minutes East 1200 feet to the true point of beginning; thence from said true point of beginning, North 89 degrees 25 minutes East 80 feet; thence South 228 feet; thence South 89 degrees 25 minutes West 80 feet; thence North 228 feet to the true point of beginning.

817/819 East 62nd Street, Los Angeles, California 90001
APN: 6007-009-026

That portion of Section 20, Township 2 South, Range 13 West, SBM, in the city of Los Angeles, county of Los Angeles, state of California, described as follows:

Beginning at a point in the East line of South Park Avenue, now Avalon Boulevard, distant South along said East line 1981 feet from a point which is distant North 89 degrees 25 minutes East 45 feet from the Northwest corner of the Northeast quarter of said Section 20; thence N. 89 degrees 25 minutes East 1280 feet to the true point of beginning, said true point of beginning being in the North line of the land conveyed to Wilbert J. Austin, by deed recorded in book 2454 page 278, Official Records, distant Easterly 80 feet from the Northwest corner of said land; thence from said true point of beginning North 89 degrees 25 minutes East 80 feet; thence South 228 feet; thence South 89 degrees 25 minutes West 80 feet; thence North 228 feet to the true point of beginning.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

The State of California
Department of Toxic Substances Control

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

This **DEED OF TRUST**, is executed on the ____ day of September, 2014, by **STANDARD NICKEL-CHROMIUM PLATING COMPANY, A CALIFORNIA CORPORATION**, herein called TRUSTOR, whose address is 826 E. 62nd Street, Los Angeles, California 90001, to [_____] herein called TRUSTEE, whose address is [_____] for the benefit of **THE STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL**, herein called BENEFICIARY whose address is 1001 I Street, Sacramento, California 95812-0806.

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property (the "Collateral") in the County of San Bernardino, State of California, described as:

See Exhibit A attached hereto and incorporated herein.

APN: 306842101

Commonly known as 78 acres located in Pinon Hills, San Bernardino County, California, which is identified by San Bernardino County.

This Deed of Trust is given to secure performance by Trustor of its covenants and agreements under that certain **CONSENT DECREE**, between Trustor and Beneficiary, dated _____ 2014, in Case No. CV13-03600 RGK (AJWx) in the United States District Court for the Central District of California. As required in order to make the duties of the parties clear, the terms and conditions of said Consent Decree are incorporated herein by reference as if set out in full.

A. It is mutually agreed:

1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner as if same were "Net Sale Proceeds," as defined in the Consent Decree.

2) That by accepting the Net Sale Proceeds of the sale of any single piece of property which is encumbered by this Deed of Trust, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay, except with respect to the property from which such Net Sale Proceeds

are received.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, Trustee shall: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary, and upon surrender of this Deed of Trust to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder, or such portion of same that Beneficiary has requested be released from the lien hereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

5) That upon material default by Trustor in performance of any agreement hereunder, Beneficiary may declare all performance secured hereby immediately due to Trustee by written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Among those material defaults described in the preceding sentence are the following: (a) non-payment of any and all taxes and assessments before delinquency or failure to pay any and all charges, fines, and impositions attributable to the Collateral; (b) failure to maintain commercially reasonable insurance coverage with respect to the Collateral; (c) Trustor's failure to obey all laws and ordinances in its management of the Collateral; or (d) Trustor's failure to take all reasonable steps to preserve the priority of the Beneficiary's lien as it is established in this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall pay the remainder to Beneficiary.

6) Beneficiary, or any legal successor in interest to the rights of performance under the Consent Decree, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

7) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8) That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

B. Additional Terms.

1) By way of explanation and not limitation, the parties hereto acknowledge and agree that all terms and conditions of this Deed are subject and subordinate to the terms and conditions of the Consent Decree, and that in the event of a conflict between the terms hereof and any term in the Consent Decree, the terms of the Consent Decree shall prevail.

2) The lien of this Deed of Trust secures a non-recourse obligation of Trustor, as specifically described in the Consent Decree, and no term hereof or general term governing the use or enforcement of Deeds of Trust shall operate to alter or increase Trustor's obligations set forth in the Consent Decree.

3) Trustor shall cooperate and perform any act necessary to perfect and cause the recordation of this Deed of Trust.

The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trustor

**STANDARD NICKEL-CHROMIUM PLATING COMPANY,
A CALIFORNIA CORPORATION**

By: _____
Name:
Its:

Add Notarial Acknowledgement

EXHIBIT A

LEGAL DESCRIPTION

Government Lot 2 of the fractional Northeast quarter of Section 3, Township 4 North, Range 7 West, San Bernardino Meridian, in the County of San Bernardino, State of California, according to United States Government Township Plat thereof.

EXCEPT a 1/16th of all coal, oil, gas and other mineral deposits as contained in said land, as provided by an Act of Legislature, Approved May 25, 1921 (Chapter 303, Statutes of California, 1921) and as reserved in Patent from State of California, recorded September 27, 1948, in Book 2079 of Official Records, page 481