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A. On August 3, 2001, Plaintiff United States of America ("United States"), on behalf of the United States Department of Agriculture, Forest Service ("Forest Service"), filed a Complaint in this "Action" (defined in Section IV (Definitions) of this Consent Decree) pursuant to Sections 107 and 113(f) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §§ 9607, 9613(f), against Defendants the County of El Dorado (the "County") and the City of South Lake Tahoe (the "City"). The Complaint filed by the United States seeks recovery of environmental response costs incurred by the Forest Service related to the release or threatened release and/or disposal of hazardous substances at or from the Meyers Landfill, a former municipal waste disposal facility located on National Forest Service System lands administered by the Lake Tahoe Basin Management Unit of the Forest Service, and a "facility" as defined under 42 U.S.C. § 9601(9) (referred to herein as the "Site" and further defined in Section IV (Definitions) of this Consent Decree), with accrued interest, and a declaration of the County's and the City's liability for future response costs incurred by the United States related to the Site.

B. On June 19, 2002, the County filed its Second Amended Third Party Complaint in this Action, seeking contribution under CERCLA Section 113(f), 42 U.S.C. § 9613(f), from Third-Party Defendant South Tahoe Refuse Company, Inc. ("STR"), which collected garbage in the South Lake Tahoe-area during a portion of the relevant time Meyers Landfill operated, and from a number of reported customers of STR during a portion of the relevant time, including, but not limited to, Third-Party Defendants Douglas County, Nevada; Lake Tahoe Unified School District; The Hertz Corporation; Raley's; Harrah's Operating Company, Inc.; Harveys Tahoe Management Company, Inc.; Heavenly Valley Ski & Resort and Heavenly Valley; Sierra Pacific Power Company; Safeway Inc.; South Tahoe Public Utilities District; and Barton Health Care System. The County's Second Amended Complaint seeks contribution for response costs related to the Site incurred by the County or for which the County is held liable. The County also sought a declaration of STR's and Third-Party Defendants' respective liability for future response costs related to the Site incurred by the County or for which the County is held liable.

C. On or about July 19, 2002, Third-Party Defendant Raley's filed a Counterclaim against the County, and on May 6, 2004, an Amended Counterclaim, seeking contribution pursuant to CERCLA Sections 107(a) and 113(f), 42 U.S.C. §§ 9607(a), 9613(f); damages for contractual indemnity, equitable indemnity, and negligence; and a declaration, pursuant to federal and state law, of Raley's right to contribution and indemnity from the County for response costs incurred by Raley's or for which Raley's is held liable. Also on May 6, 2004, Raley's filed Cross-Claims against the City and STR seeking contribution pursuant to CERCLA Sections 107(a) and 113(f), 42 U.S.C. §§ 9607(a), 9613(f); damages for contractual indemnity, equitable indemnity, and negligence; and a declaration, pursuant to federal and state law, of Raley's right to contribution and indemnity from the STR and the City for response costs incurred by Raley's or for which Raley's is held liable.

- D. On May 28, 2004, the City filed a Counterclaim against Raley's seeking damages, indemnity, and contribution under CERCLA. On June 21, 2004, STR served a Counterclaim against Raley's also seeking damages, indemnity, and contribution under CERCLA.
- E. As set forth in this Consent Decree, the County and Third-Party Defendants

  Douglas County, Nevada; Lake Tahoe Unified School District; The Hertz Corporation; Raley's;

  Harrah's Operating Company, Inc.; Harveys Tahoe Management Company, Inc.; Heavenly

  Valley Ski & Resort and Heavenly Valley; Sierra Pacific Power Company; and Safeway Inc.

  (collectively, "Settling Third-Party Defendants," or individually, "Settling Third-Party

  Defendant") have reached a settlement of the claims alleged in the County's Second Amended

  Third Party Complaint and the counterclaims of certain Settling Third-Party Defendants. In

  addition, Settling Third-Party Defendants, the City, and STR have agreed to dismiss any and all

  claims each of them may have against one another.
- F. The United States agrees that the settlement among the County, the Settling Third-Party Defendants, the City, and STR (collectively, "Settling Parties," or individually, "Settling Party") and the dismissal of any and all claims among the Settling Parties are practicable and in the public interest. The United States is a party to the settlement among the Settling Parties in accordance with the terms of this Consent Decree.

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G. The goals of this Consent Decree include: (1) to resolve all claims relating to the Site that have been or could have been asserted by and between: (a) the County and the Settling Third-Party Defendants, (b) the Settling Third-Party Defendants and the City, (c) the Settling Third-Party Defendants, including STR; and (d) the United States and the Settling Third-Party Defendants; (2) to provide releases from the County, the City, and STR to the Settling Third-Party Defendants for all claims for liability for damages related to natural resources and natural resource damages assessments; (3) to provide funds through the specified settlement payments from Settling Third-Party Defendants to reimburse the United States and/or the County for past and/or future environmental response costs incurred at the Site; (4) to grant contribution protection by the United States to the Settling Third-Party Defendants, pursuant to CERCLA Section 113(f)(2), 42 U.S.C. § 9613(f)(2), as set forth in Section X (Effect of Settlement; Contribution Protection) of this Consent Decree; (5) to issue reciprocal covenants not to sue between the United States and the Settling Third-Party Defendants, pursuant to CERCLA Section 122(f), 42 U.S.C. § 9622(f), as set forth in Sections VI (Covenants Not to Sue by the United States) and VII (Covenants Not to Sue by Setting Third-Party Defendants) of this Consent Decree; and (6) to establish the good faith nature of the settlement between the Settling Parties, as set forth in Section X (Effect of Settlement; Contribution Protection) of this Consent Decree.

- H. The Settling Third-Party Defendants entering into this Consent Decree do not admit any liability to the United States, the County, the City, any Third-Party Defendant, or any "Remaining Litigant" (defined in Section IV (Definitions) of this Consent Decree) arising out of the transactions or occurrences alleged in the United States's Complaint, the County's Second Amended Third Party Complaint, or any of the Cross-Claims or Counterclaims referenced herein.
- I. The United States and the Settling Parties agree, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Settling Parties and the United States in good faith, that implementation of this Consent Decree will expedite the cleanup of the Site and will avoid prolonged and complicated litigation between the Settling Parties, and that this Consent Decree is fair, reasonable, and in the public interest.

NOW, THEREFORE, it is hereby Ordered, Adjudged, and Decreed:

e.

The "County" shall mean El Dorado County, California, and any of its

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definition is limited to include only those respective predecessors, parent corporations, subsidiaries, successors and assigns (1) identified in Appendix "A" to this Consent Decree, and/or (2) whose alleged liability with respect to the Site arises from the same arrangements for disposal or treatment, or arrangements for disposal or transport for disposal or treatment, alleged in the County's Second Amended Third Party Complaint in this Action. Provided further that the United States' Covenant Not To Sue set forth in Paragraph 8 shall be null and void as to any such predecessor, parent corporation, subsidiary, successor, or assign that brings an action against the United States asserting claims within the scope of the Covenant Not To Sue by Settling Third Party Defendants set forth in Paragraph 11.

- o. "Settling Party" or "Settling Parties" shall mean the County, the City , STR, and the Settling Third-Party Defendants.
- p. "Site" shall mean the Meyers Landfill Site, located in Meyers, El Dorado County, California, encompassing the areal extent of contamination including, without limitation, approximately 11-acres of buried waste and the groundwater plume originating therefrom (which presently has an areal extent of approximately 31 acres), and generally shown on the map included in Appendix "B."
- q. "STR" shall mean South Tahoe Refuse Company, Inc. and any of its predecessors, parent corporations, subsidiaries, successors, and assigns.
- r. "United States" shall mean the United States of America, including its departments, agencies, and instrumentalities.

### V. <u>SETTLEMENT PAYMENTS</u>

- 4. As described in more detail below, Settling Third-Party Defendants will pay the total amount of \$1,250,000, to be deposited and held in the Court Registry Account and distributed as mutually agreed in writing by the United States and the County, or by order of the Court, for the sole purpose of reimbursing the United States and/or the County for past or future environmental costs of "response" as defined in CERCLA incurred at or related to the Site.
  - 5. Within twenty (20) business days of the Effective Date (as defined in Section XII

1	(Effective Date) of this Consent Decree), of the foregoing total settlement amount, each of the		
2	following Settling Third-Party Defendants or their insurers will deposit, by check or wire transfer,		
3	the following amounts into the Court Registry Account:		
4	Douglas County, Nevada: \$150,000		
5	Lake Tahoe Unified School District: \$100,000		
6 7	The Hertz Corporation (for itself and for Hertz Local Edition Corporation): \$50,000		
8	Raley's:	\$100,000	
9	Harrah's Operating Company, Inc. (for itself and for Harveys Tahoe Management Company):	\$350,000	
10	Heavenly Valley Ski & Resort and Heavenly Valley:	\$250,000	
11	Sierra Pacific Power Company:	\$100,000	
12	Safeway Inc.:	\$150,000	
13	Counsel for each Settling Third-Party Defendant making a settlement payment in accordance with		
14	this Paragraph shall provide notice of such payment within five (5) Days to counsel for the Parties		
15	as provided for in Section XI (Notice) of this Consent Decree.		
16	6. Such settlement payments will be made to an interest-bearing account in the		
17	Registry of the United States District Court for the Eastern District of California, to be titled		
18	"United States v. El Dorado County, et al. (hereinafter the "Court Registry Account"). All funds		
19	in the Court Registry Account are to be maintained in that account with the express purpose that		
20	such funds be disbursed only for past or future costs of "response" as that term is defined in		
21	CERCLA. Funds in the Court Registry Account may be disbursed either upon the joint request of		
22	the United States and the County and with the approval of this Court, or pursuant to any Final		
23	Judgment entered by this Court in this case. Upon either a joint request, to be made by noticed		
24	motion, by Stipulation or as part of a Consent Decree, or, if necessary, upon a joint request made		
25	on an ex parte basis (i.e., a joint request made to the Court by the County and the United States		
26	without notice to the Remaining Litigants), the Clerk of the Court shall pay some or all of the		
27	funds in the Court Registry Account as directed by the Court. So as to avoid a potential double		
28	recovery, if such funds are disbursed prior to a Final Judgment, the party to whom the funds are		

disbursed may not claim the amount of disbursement(s) as a recoverable cost of response. If funds remain in the Court Registry Account at the time of a Final Judgment, the amount remaining in the Court Registry Account shall be disbursed in accordance with the Final Judgment or pursuant to further court order. If the Final Judgment exceeds the balance in the Court Registry Account, the amount that a party is entitled to recover pursuant to the Final Judgment shall be accordingly reduced by the amount then disbursed. If the amount remaining in the Court Registry Account exceeds the amount of the Final Judgment, then funds shall be disbursed to the party entitled to recover in the full amount of the Final Judgment, in which case the recoverable amount shall be reduced to zero and any remaining funds shall be held in the Court Registry Account to fund future costs of response.

Third-Party Defendant shall be liable to the County or the United States for any other Settling Third-Party Defendant's payment obligation under this Consent Decree. Failure of any Settling Third-Party Defendant to make its payment obligation in a timely manner shall be a material breach of this Consent Decree as to that Settling Third-Party Defendant only, and the County, the United States, and the other Settling Third-Party Defendants reserve their rights to pursue any and all available remedies for such a breach. If any payment required by Paragraph 5 of this Consent Decree is not made within 20 business days of the Effective Date, any Settling Third-Party Defendant failing to make timely payment shall pay simple interest, at a rate of 10% per annum, on the unpaid balance. Interest shall begin to accrue 20 business days after the Effective Date and shall accrue through the date of the Settling Third-Party Defendant's payment. Payment of interest under this Paragraph shall be in addition to such other remedies available to the County, the United States, or the other Settling Third-Party Defendants by virtue of any Settling Third-Party Defendant's failure to make timely payment under Paragraph 5 of this Consent Decree.

### VI. COVENANTS NOT TO SUE BY THE UNITED STATES

8. Except as specifically provided for in this Section, the United States covenants not to sue or to take administrative action against any Settling Third-Party Defendant pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), relating to the Site. With

respect to present and future liability, this covenant not to sue shall take effect with respect to each Settling Third-Party Defendant upon that Settling Third-Party Defendant's deposit in Court Registry Account of all payments required by Section V (Settlement Payments) of this Consent Decree, including any interest due under Paragraph 7 of this Consent Decree from any Settling Third-Party Defendant. This covenant not to sue with respect to each Settling Third-Party Defendant is conditioned upon the satisfactory performance by that Settling Third-Party Defendant of its obligations under this Consent Decree. This covenant not to sue extends only to Settling Third-Party Defendants and does not extend to any other person or entity.

- 9. The United States reserves, and this Consent Decree is without prejudice to, all rights against each Settling Third-Party Defendant with respect to all matters not expressly included within the Covenant Not to Sue by United States in this Section VI. Notwithstanding any other provision of this Consent Decree, the United States reserves all rights against each Settling Third-Party Defendant with respect to:
  - a. liability for failure of Third-Party Settling Defendants to meet a requirement of this Consent Decree;
    - b. criminal liability;
  - c. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resources damages assessments; and
  - d. liability arising from the past, present, or future disposal, release or threat of release of a hazardous substance, pollutant, or contaminant from a facility located outside of the Site.
- 10. Except as provided in this Consent Decree, the United States retains all authority and reserves all rights to take any and all response actions authorized by law at the Site.

### VII. COVENANTS NOT TO SUE BY SETTLING THIRD-PARTY DEFENDANTS

11. Settling Third-Party Defendants covenant not to sue and agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Site or this Consent Decree, including but not limited to:

- a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claim arising out of response actions at or in connection with the Site, including any claim under the United States Constitution, the California Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or
- c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.
- 12. Except as provided in Paragraphs 14 and 29 of this Consent Decree, these covenants not to sue shall not apply in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraph 9 of this Consent Decree, but only to the extent that Settling Third-Party Defendants' claims arise from the same response action or response costs that the United States is seeking pursuant to the applicable reservation.
- 13. Nothing in this Consent Decree shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).
- 14. Settling Third-Party Defendants agree not to assert any CERCLA claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any other person. This waiver shall not apply with respect to any defense, claim, or cause of action that a Settling Third-Party Defendant may have against any person if such person asserts a claim or cause of action relating to the Site against such Settling Third-Party Defendant.

### VIII. RELEASES BY THE COUNTY

15. Upon the Effective Date, the County expressly, knowingly, and voluntarily releases any and all claims and causes of action, known or unknown, which it has or may have against each and every Settling Third-Party Defendant relating to, arising out of, or in any manner pertaining to the Site including, without limitation, the following: any release or threatened release and/or disposal of hazardous substances, pollutants, or contaminants at or from the Site;

the United States's Complaint; or the County's Second Amended Third Party Complaint. In addition, upon the Effective Date, the County expressly, knowingly, and voluntarily releases any and all claims and causes of action, known or unknown, against each and every Settling Third-Party Defendant for any and all liability for injury to, destruction of, or loss of natural resources, and for the costs of any natural resources damages assessments in the event any such claims are brought by or against the County. As to the claims and causes of action released by this Paragraph, the County also expressly, knowingly, and voluntarily waives any and all rights and benefits conferred upon it by the provisions of Section 1542 of the California Civil Code, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

- 16. Upon the Effective Date, any and all claims asserted by the County in its Second Amended Third Party Complaint against any Settling Third-Party Defendant shall be dismissed by the Court with prejudice.
- 17. The County shall not request, suggest, or promote to the Lahonton Regional Water Quality Control Board or any other environmental regulatory agency that any of the Settling Third-Party Defendants be included in any order or other directive by said agency related to or arising out of the Site.
- 18. Should the Lahonton Regional Water Quality Control Board or any other environmental regulatory agency indicate an intent to or actually include any Settling Third-Party Defendant in an order, directive, or action related to or arising out of the Site, the County shall send a letter to the issuing agency as soon as practicable, in a form mutually acceptable to the County and the relevant Settling Third-Party Defendant(s), informing said agency that the Settling Third-Party Defendant(s) has settled this Action with the County and the United States in good faith, and should not be named as Dischargers or Responsible Parties in connection with any order, directive, or action related to or arising out of the Site.
  - 19. If the County acquires at any time an ownership interest in all or any portion of the

Site, the County shall make good faith efforts to investigate and/or remediate environmental conditions at the Site through site closure and/or implement other proper remedial measures in compliance with applicable law and shall not seek, directly or indirectly, to compel assistance, financial or otherwise, from any Settling Third-Party Defendant.

# IX. RELEASES BY SETTLING THIRD-PARTY DEFENDANTS, THE CITY, AND STR

- 20. Upon the Effective Date, each and every Settling Third-Party Defendant expressly, knowingly, and voluntarily releases any and all claims and causes of action, known or unknown, which it has or may have against the County, all other Settling Third-Party Defendants, the City, and STR relating to, arising out of, or in any manner pertaining to the Site including, without limitation, the following: any release or threatened release and/or disposal of hazardous substances, pollutants, or contaminants at or from the Site; the United States's Complaint; or the County's Second Amended Third Party Complaint. With respect to the claims and causes of action released by this Paragraph, each Settling Third-Party Defendant also expressly, knowingly, and voluntarily waives any and all rights and benefits conferred upon it by the provisions of Section 1542 of the California Civil Code, as recited in Paragraph 15 of this Consent Decree.
- 21. Upon the Effective Date, any and all claims, counterclaims, or cross-claims asserted by any Settling Third-Party Defendant against the County, the City, STR, or any other Settling Third-Party Defendant shall be dismissed by the Court with prejudice.
- 22. Upon the Effective Date, the City expressly, knowingly, and voluntarily releases any and all claims or causes of action, known or unknown, which it has or may have against any Settling Third-Party Defendant relating to, arising out of, or in any manner pertaining to the Site including, without limitation, the following: any release or threatened release and/or disposal of hazardous substances, pollutants, or contaminants at or from the Site; the United States's Complaint; or the County's Second Amended Third Party Complaint. In addition, upon the Effective Date, the City expressly, knowingly, and voluntarily releases any and all claims and causes of action, known or unknown, against each and every Settling Third-Party Defendant for any and all liability for injury to, destruction of, or loss of natural resources, and for the costs of

any natural resources damages assessments in the event any such claims are brought by or against the City. With respect to the claims and causes of action released by this Paragraph, the City also expressly, knowingly, and voluntarily waives any and all rights and benefits conferred upon it by the provisions of Section 1542 of the California Civil Code, as recited in Paragraph 15 of this Consent Decree.

- 23. Upon the Effective Date, any and all claims, counterclaims, or cross-claims asserted by the City against any Settling Third-Party Defendant shall be dismissed by the Court with prejudice.
- 24. Upon the Effective Date, STR expressly, knowingly, and voluntarily releases any and all claims and causes of action, known or unknown, which it has or may have against each and every Settling Third-Party Defendant relating to, arising out of, or in any manner pertaining to the Site including, without limitation, the following: any release or threatened release and/or disposal of hazardous substances, pollutants, or contaminants at or from the Site; the United States's Complaint; or the County's Second Amended Third Party Complaint. In addition, upon the Effective Date, STR expressly, knowingly, and voluntarily releases any and all claims and causes of action, known or unknown, against each and every Settling Third-Party Defendant for any and all liability for injury to, destruction of, or loss of natural resources, and for the costs of any natural resources damages assessments in the event any such claims are brought by or against STR. With respect to the claims and causes of action released by this Paragraph, STR also expressly, knowingly, and voluntarily waives any and all rights and benefits conferred upon it by the provisions of Section 1542 of the California Civil Code, as recited in Paragraph 15 of this Consent Decree.
- 25. Upon the Effective Date, any and all claims, counterclaims, or cross-claims asserted by STR against any Settling Third-Party Defendant shall be dismissed by the Court with prejudice.

### X. EFFECT OF SETTLEMENT; CONTRIBUTION PROTECTION

26. Except as provided in Section III (Parties Bound), nothing in this Consent Decree shall be construed to create any rights in, or grant any cause of action to, any person not a Party to

this Consent Decree. The preceding sentence shall not be construed to waive or nullify any rights that any person not a signatory to this Consent Decree may have under applicable law. Except as provided in Sections VI (Covenants Not to Sue by the United States) and VII (Covenants Not to Sue by Settling Third-Party Defendants), the Parties expressly reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which they may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto. Nothing in this Consent Decree diminishes the right of the United States, pursuant to Section 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613(f)(2)-(3), to pursue any such persons to obtain additional response costs or response action and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2). Nothing in this Consent Decree shall be construed to affect the claims and litigation in this Action between or among the Remaining Litigants. Nothing in this Consent Decree or the fact of entry into the settlement described herein shall be deemed as an admission by any of the Remaining Litigants, nor shall it preclude or estop any of the Remaining Litigants from asserting in the Action as against the other Remaining Litigants, any fact or contention, whether such fact or contention is consistent with or contrary to any of the statements and matters set forth herein, except for the fact of this settlement between the Settling Parties and the United States and the jurisdiction of the Court to approve this settlement under CERCLA. Specifically, none of the Remaining Litigants concedes for purposes of the Action that the Court has jurisdiction of this Action under CERCLA, or that any of the Remaining Litigants has incurred response costs within the meaning of CERCLA, or that hazardous substances have been deposited at or found at the Site, or any other fact or contention that has been or may be asserted or denied in any of the Remaining Litigants' pleadings.

27. The Parties agree, and by entering this Consent Decree this Court finds, that this settlement constitutes a judicially-approved settlement for purposes of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2) and that each Settling Third-Party Defendant is entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), or as may be otherwise provided by law, for

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"matters addressed" in this Consent Decree. The "matters addressed" in this Consent Decree are any and all response actions taken or to be taken and any and all response costs incurred or to be incurred at or in connection with the Site by the United States or any other person, as well as any civil liability to the United States, the County, or any other entity or person arising out of the release or threatened release and/or disposal of hazardous substances, pollutants, or contaminants at or from the Site; provided, however, that if the United States exercises rights under the reservations in Section VI (Covenant Not To Sue by the United States), other than in Paragraphs 9.a. (claims for failure to meet a requirement of the settlement), or 9.b. (criminal liability), the "matters addressed" in this Consent Decree will no longer include those response costs or response actions that are within the scope of the exercised reservation.

- 28. Each Settling Third-Party Defendant agrees that, with respect to any suit or claim brought by it for matters addressed in this Consent Decree, it shall notify the Forest Service, the Department of Justice, and the County in writing no later than sixty (60) Days prior to the initiation of such suit or claim. Each Settling Third-Party Defendant also shall, with respect to any suit or claim brought against it for matters addressed in this Consent Decree, it will notify the Forest Service, the Department of Justice, and the County in writing within ten (10) business days of service of the complaint or claim upon it. In addition, each Settling Third-Party Defendant shall notify the Forest Service, the Department of Justice, and the County within ten (10) business days of service or receipt of any Motion for Summary Judgment, and within ten (10) business days of receipt of any order from a court setting a case for trial, for matters addressed in this Consent Decree.
- 29. In any subsequent administrative or judicial proceeding initiated by the United States within the scope of the Reservation of Rights set forth in Paragraph 9 of this Consent Decree for injunctive relief, recovery of response costs, or other relief relating to the Site, Settling Third-Party Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing

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in this Paragraph affects the enforceability of the Covenant Not to Sue by United States set forth in Section VI (Covenants Not to Sue by the United States) of this Consent Decree.

- 30. Until five (5) years after the Effective Date, each Settling Third-Party Defendant shall preserve and retain all of its own records now in its possession or control, if any, or which come into its possession or control, that relate in any manner to response actions taken at the Site or the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary. However, nothing in this Paragraph shall be deemed applicable to records obtained by a Settling Third-Party Defendant solely as a result of the Settling Third-Party Defendant's participation in this Action.
- 31. At least ninety (90) days prior to the destruction by a Settling Third-Party Defendant of any records described in Paragraph 30 of this Consent Decree, which destruction cannot take place prior to the conclusion of the document retention period described in that same Paragraph 30, the Settling Third-Party Defendant shall notify the Forest Service, the Department of Justice, and the County in accordance with Section XI (Notice) of this Consent Decree of that Settling Third-Party Defendants' intent to destroy such records. The Forest Service, the Department of Justice, and/or the County may notify, in accordance with Section XI (Notice) of this Consent Decree, the Settling Third-Party Defendant intending to destroy such records of its objection to the destruction of such records. Upon receipt of such notification, the Settling Third-Party Defendant shall, in lieu of destroying such records, deliver the records, or copies thereof, to the appropriate objecting party(ies). Nothing in this Paragraph shall prohibit a Settling Third-Party Defendant from asserting in response to a notice of objection from the Forest Service, the Department of Justice, or the County that certain records are privileged under the attorney-client privilege, attorney work-product doctrine, or any other privilege recognized by federal law. If the Settling Third-Party Defendant asserts such a privilege, they shall provide the objecting party(ies) with the following information: (1) the title of the record; (2) the date of the record; (3) the name and title of the author of the record; (4) the name and title of each addressee and recipient; (5) a description of the subject of the record; and (6) the privilege asserted. If a claim of privilege applies only to a portion of a record, the record shall be provided to the Forest Service, the

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Department of Justice, or the County in redacted form to mask the privileged information only. A Settling Third-Party Defendant shall retain all records it claims to be privileged until the United States has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in the Settling Third-Party Defendant's favor. However, no records created or generated pursuant to the requirements of this or any other settlement with the United States shall be withheld on the grounds that they are privileged.

- 32. Each Settling Third-Party Defendant hereby certifies individually that it has conducted a thorough, comprehensive, good faith search for documents, and has fully and accurately disclosed to the Forest Service or produced or made available in response to discovery served in this Action, all documents (if any) currently in its possession, or in the possession of its officers, directors, employees, contractors or agents, which relate in any way to the ownership, operation, or control of the Site, or the ownership, possession, generation, treatment, transportation, storage or disposal of a hazardous substance, pollutant, or contaminant at or in connection with the Site; that, to the best of its knowledge and belief, after reasonable inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, reports, or information relating to its potential liability regarding the Site since notification of potential liability by the United States or the County or the filing of suit against it regarding the Site; and that it fully complied with any and all Forest Service requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927. The United States acknowledges that the Forest Service is subject to all applicable Federal record retention laws, regulations, and policies.
- 33. With regard to potential claims for contribution or damages against the Settling Third-Party Defendants, the Parties agree, and the Court finds as follows:
  - a. This Consent Decree constitutes a judicially approved settlement within the meaning of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2); and
  - b. This settlement is a good faith settlement for purposes of California Code of Civil Procedure Section 877.6.
  - 34. Nothing in this Consent Decree shall release any claim as to any entity or person

not subject to this Consent Decree.

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#### XI. **NOTICE**

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Whenever, under the terms of this Consent Decree, notice is required to be given 35. or a document is required to be sent by one Party to another, it shall be in writing and directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any notice requirement of the Consent Decree with respect to the United States, Department of Justice, Forest Service, the County, the City, STR, and the Settling Third-Party Defendants, respectively.

### As to the United States: As to the Department of Justice:

Section **Environment and Natural Resources** Division U.S. Department of Justice (DJ # 90-11-3-06554) P.O. Box 7611 Washington D.C. 20044-7611

Chief. Environmental Enforcement

## As to the County:

Michael Ciccozzi Deputy County Counsel Office of the County Counsel, 330 Fair Lane Placerville, CA 95667

With a copy to:

Thomas F. Vandenburg, Esq. Dongell Lawrence Finney LLP 707 Wilshire Boulevard, 45th Floor Los Angeles, Ca. 90017

### As to the Forest Service:

Dennis Geiser Regional Environmental Engineer Pacific Southwest Region, Region 5 1323 Club Drive Vallejo, California 94592

John Maher Lake Tahoe Basin Management Unit 35 College Drive South Lake Tahoe, CA 96150

Rose Miksovsky Staff Attorney Office of the General Counsel 33 New Montgomery St., 17th Floor San Francisco, California 94150

### As to the City:

City Attorney's Office City of South Lake Tahoe 1901 Airport Road, Suite 300 South Lake Tahoe, CA 96150

With a copy to:

Tripp Goldsberry, Esq. Goldsberry, Freeman & Guzman LLP 777 12th Street, Suite 250 Sacramento CA 95814

1	As to STR:		As to Douglas County, Nevada:
2	Jeffrey Tillman		County Manager
3	c/o South Tahoe Refuse Company 2140 Ruth Avenue		Douglas County P.O. Box 218
4	South Lake Tahoe, CA 96150		Minden, NV 89
5	With a copy to:		With a copy to:
6	Jeffrey K. Rahbeck, Esq.		Scott W. Gordon, Esq.
7	PO Box 435		Law Offices of Scott W. Gordon
8	Zephyr Cove, NV 89448.		1990 North California Blvd., Suite 940 Walnut Creek, California 94596
9	As to The Hertz Corporation:		As to Raley's:
10	Neale R. Bedrock		General Counsel
11	Senior Staff Counsel		Raley's
12	The Hertz Corporation 225 Brae Boulevard		500 West Capitol Avenue West Sacramento, CA 95605-2696
13	Park Ridge, NJ 07656		
14			With a copy to:
15	With a copy to:		.,
16	Robert P. Soran, Esq.		Robert P. Soran, Esq. Amilia Glikman, Esq.
17	Amilia Glikman, Esq.		Downey Brand LLP
	Downey Brand LLP 555 Capitol Mall, 10th Floor		555 Capitol Mall, 10th Floor Sacramento, CA 95814
18	Sacramento, CA 95814		
19	As to Lake Tahoe Unified School		As to Harrah's Operating Company,
20	District:		Inc. and Harveys Tahoe Management
21	Dr. James Tarwater, Superintendent		Company, Inc.:
22	Lake Tahoe Unified School District 1021 Al Tahoe Blvd.		Michael Kostrinsky Chief Litigation Officer
23	South Lake Tahoe, CA 96150		Harrah's Entertainment, Inc.
24	With a copy to:		One Harrah's Court Las Vegas, NV 89119-4312
25	William T. Chicum, Eco		With a copy to:
26	William T. Chisum, Esq. Kronick, Moskovitz, Tiedemann &		With a copy to:
27	Girard 400 Capitol Mall, 27th Floor		Marc A. Zeppetello, Esq. Barg Coffin Lewis & Trapp, LLP
28	Sacramento, CA 95814		350 California Street, 22 <sup>nd</sup> Floor San Francisco, CA 94104-1435
	CONSENT DECREE USDC Eastern District Case No. CIV.S-01-1520 MCE GGH	21 of 41	

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1	As to Heavenly Valley Ski & Resort	As to Sierra Pacific Power Company:	
2	and Heavenly Valley:	As to Sicila Lacine Lower Company.	
3	Andrew M. Handley Far	Bob Jones	
4	Andrew M. Hensler, Esq. Senior Corporate Counsel	Senior Claims Manager Sierra Pacific Power Company	
	Vail Resorts	Attn: Claims Dept	
5	390 Interlocken Crescent Suite 1000	P.O. Box 10100 Reno, NV 89520	
6	Broomfield, CO 80021	Reno, 144 05320	
7	(303) 404-1893	With a copy to:	
8	With a copy to:	Jacey Prupas, Esq. Morris Pickering & Peterson	
9	Robert P. Hoffman, Esq.	6100 Neil Road, Suite 555	
10	Paul, Hastings, Janofsky and Walker 1127 - 11th Street, Suite 905	Reno, Nevada 89511	
11	Sacramento, CA 95814		
	(916) 552-6830		
12	As to Safeway, Inc.:		
13	•		
14	Valerie D. Lewis, Esq. Safeway Inc.		
15	5918 Stoneridge Mall Road		
16	Pleasanton, CA 94588		
	With copy to:		
17	William D. Wick, Esq.		
18	Wactor & Wick LLP		
19	Environmental Attorneys		
20	180 Grand Avenue, Suite 950 Oakland, CA 94612		
21	ŕ		
	XII. <u>EFFECT</u>	IVE DATE	
22	36. The Effective Date of this Consent D	ecree shall be the date upon which this	
23	Consent Decree is entered by the Court.	-	
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25		F JURISDICTION	
26	37. This Court retains jurisdiction over b	oth the subject matter of this Consent Decree	
27	and the Parties for the duration of the performance of	of the terms and provisions of this Consent	
	Decree for the purpose of enabling any of the Parties	s to apply to the Court at any time for such	
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	CONSENT DECREE USDC Eastern District Case No. CIV.S-01-1520 MCE GGH	1	

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CONSENT DECREE

USDC Eastern District Case No. CIV.S-01-1520 MCE GGH

1 form presented, this agreement is voidable at the sole discretion of any Party and the terms of the 2 agreement may not be used as evidence in any litigation between the Parties. 3 XVIII. SIGNATORIES / SERVICE 44. 4 Each undersigned representative of a Settling Party to this Consent Decree and the 5 Assistant Attorney General for the Environment and Natural Resources Division of the 6 Department of Justice certifies that he or she is fully authorized to enter into the terms and 7 conditions of this Consent Decree and to execute and legally bind such Party to this document. 8 45. Each Settling Party hereby agrees not to oppose entry of this Consent Decree by 9 this Court or to challenge any provision of this Consent Decree unless the United States has 10 notified the Settling Parties in writing that it no longer supports entry of the Consent Decree. 11 46. Each Settling Party shall identify, on the attached signature page, the name, 12 address and telephone number of an agent who is authorized to accept service of process by mail 13 on behalf of that party with respect to all matters arising under or relating to this Consent Decree. 14 Settling Parties hereby agree to accept service in that manner and to waive the formal service 15 requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable local 16 rules of this Court, including, but not limited to, service of a summons. 17 IT IS SO ORDERED. 18 DATED: 12/8/2009 19 20 MORRISON C. ENGLAND, JR 21 UNITED STATES DISTRICT JUDGE 22 23 24 25 26 27 28

CONSENT DECREE
USDC Eastern District Case No. CIV.S-01-1520 MCE GGH

1	THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of United
2	States of America v. El Dorado County, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE GGH, concerning the Site.
4	
5	FOR THE UNITED STATES OF AMERICA
6	
7	LAWRENCE G. BROWN Acting United States Attorney
8	Date:
9	
10	JOHN C. CRUDEN
11	Acting Assistant Attorney General Environment and Natural Resources Division
12	U.S. Department of Justice
13	
14	
15	KARL J. FINGERHOOD Trial Attorney
16	Environmental Enforcement Section Environment and Natural Resources Division
17	U.S. Department of Justice
18	P.O. Box 7611 Washington, DC 20044-7611
19	Date:
20	
21	ANDREW DOYLE
22	Environmental Defense Section Environment and Natural Resources Division
23	U.S. Department of Justice P.O. Box 23986
24	Washington, DC 20026-3986
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	CONSENT DECREE

CONSENT DECREE USDC Eastern District Case No. CIV.S-01-1520 MCE GGH 888976.18

1	THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE GGH, concerning the Site.
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5	
6	FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE
7	Date:
8	Date
9	RANDY MOORE
10	Regional Forester
11	U.S. Department of Agriculture Forest Service
12	1323 Club Drive Vallejo, California 94592
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CONSENT DECREE USDC Eastern District Case No. CIV.S-01-1520 MCE GGH 888976.18

1	THE UNDERSIGNED PARTY	enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County,	, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE	
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6	Date:	FOR THE COUNTY OF EL DORADO, CALIFORNIA
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8		Signature:
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16		Agent Authorized To Accept Service On Behalf Of Above-Signed Party:
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28	CONSENT DECREE	27 of 41
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1	THE UNDERSIGNED PARTY	enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County,	California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE	GGH, concerning the Site.
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6	Date:	FOR THE CITY OF SOUTH LAKE TAHOE, CALIFORNIA
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	CONSENT DECREE	28 of 41

1	THE UNDERSIGNED PARTY enters into	this Consent Decree in the matter of <i>United</i>
2	2 States of America v. El Dorado County, California	, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE GGH, con-	cerning the Site.
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6	6 Date: FOR SOU	TH TAHOE REFUSE COMPANY, INC.
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8	8 Signature:	
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	CONSENT DECREE 29 of	11

1	THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <i>United</i>	
2	States of America v. El Dorado County, California, and City of South Lake Tahoe, and related	
3	actions, Case No. CIV S-01-1520 MCE GGH, concerning the Site.	
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6	Date: FOR THE COUNTY OF DOUGLAS, NEVADA	
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	CONSENT DECREE 30 of 41	

1	THE UNDERSIGNED PARTY	enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County,	, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE	GGH, concerning the Site.
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6	Date:	FOR THE HERTZ CORPORATION AND HERTZ LOCAL ADDITION CORPORATION
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16		Agent Authorized To Accept Service On Behalf Of Above-Signed Party:
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28	CONSENT DECREE	31 of 41

31 Of 41

1	THE UNDERSIGNED PARTY enters into this Consent Do	ecree in the matter of <i>United</i>
2	2 States of America v. El Dorado County, California, and City of Society	uth Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE GGH, concerning the Site.	
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	CONSENT DECREE 32 of 41	

CONSENT DECREE USDC Eastern District Case No. CIV.S-01-1520 MCE GGH 888976.18

1	THE UNDERSIGNED PARTY	enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County,	, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE	
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6	Date:	FOR LAKE TAHOE UNIFIED SCHOOL DISTRICT
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	CONSENT DECREE	33 of 41

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1	THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE GGH, concerning the Site.
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6 7	Date: FOR HARRAH'S OPERATING COMPANY, INC. and HARVEYS TAHOE MANAGEMENT COMPANY, INC.
8	Signature:
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<ul><li>16</li><li>17</li></ul>	Agent Authorized To Accept Service On Behalf Of Above-Signed Party:
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	CONSENT DECREE USDC Eastern District Case No. CIV.S-01-1520 MCE GGH  34 of 41

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1	THE UNDERSIGNED PARTY	enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County,	, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE	E GGH, concerning the Site.
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6	Date:	FOR HEAVENLY VALLEY SKI & RESORT and HEAVENLY VALLEY
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	CONSENT DECREE	35 of 41

1	THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County, California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE GGH, concerning the Site.
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6	Date: FOR SIERRA PACIFIC POWER COMPANY
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8	Signature:
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16	Agent Authorized To Accept Service On Behalf Of Above-Signed Party:
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	CONSENT DECREE 36 of 41

CONSENT DECREE USDC Eastern District Case No. CIV.S-01-1520 MCE GGH 888976.18

1	THE UNDERSIGNED PARTY	enters into this Consent Decree in the matter of <i>United</i>
2	States of America v. El Dorado County,	California, and City of South Lake Tahoe, and related
3	actions, Case No. CIV S-01-1520 MCE	
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28	CONSENT DECREE	37 of 41

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