

APPENDIX B

Statement of Work

**STATEMENT OF WORK
REMEDIAL DESIGN AND REMEDIAL ACTION
OPERABLE UNIT 3
COPPER BASIN MINING DISTRICT SITE
POLK COUNTY, TENNESSEE**

I. INTRODUCTION

This Statement of Work (SOW) outlines the work to be performed by Settling Defendant at Operable Unit 3 (the Davis Mill Creek Collection and Treatment System) in the Copper Basin Mining District Site ("the Site") located in Polk County, Tennessee. The work outlined is intended to fully implement the remedy as described in the Record of Decision (ROD) for the Site, dated September 26, 2012 and to achieve and maintain the Performance Standards, including all applicable or relevant and appropriate requirements (ARARs), set forth in the ROD, Consent Decree, and this SOW. The requirements of this SOW will be further detailed in work plans and other documents to be submitted by the Settling Defendant for approval as set forth in this SOW. It is not the intent of this document to provide task specific engineering or geological guidance. The definitions set forth in Section IV of the Consent Decree shall also apply to this SOW unless expressly provided otherwise herein.

Settling Defendant is responsible for performing the Work to implement the selected remedy. EPA and the State of Tennessee Department of Environment and Conservation ("TDEC") shall conduct oversight of the Settling Defendant's activities throughout the performance of the Work. Settling Defendant shall assist EPA and TDEC in conducting oversight activities.

EPA and/or TDEC review or approval of a task or deliverable shall not be construed as a guarantee as to the adequacy of such task or deliverable. If EPA modifies a deliverable pursuant to Section XXIX of the Consent Decree, such deliverable as modified shall be deemed approved by EPA and TDEC for purposes of this SOW.

II. OVERVIEW OF THE REMEDY

Pursuant to the ROD, the selected remedy for OU3 is "Davis Mill Creek Removal Actions plus Institutional and Enhanced Engineering Controls."

Davis Mill Creek (DMC) is a small wastewater conveyance to the Ocoee River. The Ocoee River is designated as OU5 of the Site. The DMC is not jurisdictional Waters of the U.S.

The DMC drains a 5.2 square mile area that hosted significant mining, mineral processing, and chemical production facilities and served as a disposal area for mine waste and by-product materials.

The selected remedy for OU3 will complement existing and future remedies for other operable units at the Site. The overall cleanup strategy for OU3 is collection and treatment of contaminated water to prevent its transport to the Ocoee River. Collection and treatment of surface water are proven strategies that use engineered solutions to achieve the Remedial Action Objectives (RAOs) and reduce site contaminants to levels meeting site-specific goals. The strategies employ routine actions to collect contaminated seepage and runoff, pump these contaminants to an existing water treatment plant, and remove these contaminants to acceptable levels using aeration and lime neutralization. These processes are required to be properly operated and maintained. Proper function of the system will be ensured by monitoring and compliance with effluent limits set forth by the State of Tennessee. This cleanup relies on an adaptive management approach that allows for streamlined cleanups and appropriate flexibility in implementing future response actions.

III. REMEDY

The main components of the Selected Remedy for OU3 include:

- Operation and maintenance of 5 previously constructed storm water retention dams;
- Operation and maintenance of the existing diversion of the West Drainage Channel;
- Operation and maintenance of the previously constructed Dam No. 5 and the Dam No. 5 pump station that conveys water from Davis Mill Creek to the Cantrell Flats water treatment plant;
- Operation and maintenance of the previously constructed Belltown Creek and Gypsum Ponds clean water diversions;
- Operation and maintenance of the existing Cantrell Flats water treatment plant, including any necessary refurbishment or replacement of the existing Cantrell Flats water treatment plant with new components, piping or pumps when determined to be necessary;
- Encapsulation, including operation and maintenance, of discharge from the North Potato Creek diversion tunnel and French drain outlets in high density polyethylene piping from their source to Davis Mill Creek; and covering contaminated sediment that would be exposed by the encapsulation of these surface waters with borrow soil;
- Installation, including operation and maintenance, of fencing, netting, or similar materials across the portal of the North Potato Creek diversion tunnel to prevent mammalian and avian entry to the diversion tunnel;
- Construction, including operation and maintenance, of a fence along a portion of upper Davis Mill Creek to restrict access and reduce risk by direct contact; and
- Implementation of institutional controls to restrict access by trespassers and use of surface water.

IV. PLANNING AND DELIVERABLES

The specific scope of this work shall be documented by Settling Defendant in a Remedial

Design and Remedial Action Work Plan. Plans, specifications, submittals, and other deliverables shall be subject to EPA and TDEC review and approval in accordance with Section X of the Consent Decree.

Settling Defendant is responsible for fulfilling additional data and analysis needs identified by EPA and TDEC during the RD/RA process consistent with the general scope and objectives of the Consent Decree, including this SOW.

Settling Defendant shall perform the following tasks:

A. The Remedial Design and Remedial Action Work Plan

Within 60 days after EPA's issuance to it of an authorization to proceed pursuant to Paragraph 9 of the Consent Decree (Selection of Supervising Contractor), Settling Defendant shall submit to EPA and the State a work plan for the design, construction, and performance of the Remedial Action at OU 3 of the Site ("Remedial Design and Remedial Action Work Plan"). The Remedial Design and Remedial Action Work Plan shall provide for construction and implementation of the remedy set forth in the ROD and achievement and maintenance of the Performance Standards, including all ARARs, in accordance with the Consent Decree, the ROD (including those listed in Tables 8-1, 8-2, 13-1 and 13-2), and this SOW. Upon its approval by EPA, the Remedial Design and Remedial Action Work Plan shall be incorporated into and enforceable under this Consent Decree. The Remedial Design and Remedial Action Work Plan shall incorporate a Health and Safety Plan for field activities required by the Remedial Design and Remedial Action Work Plan that conforms to the applicable Occupational Safety and Health Administration and EPA requirements including, but not limited to, 29 C.F.R. § 1910.120. The Remedial Design and Remedial Action Work Plan shall include the following:

1. Work plans for the construction, implementation, and operation and maintenance of the following:
 - a. the encapsulation of discharge from the North Potato Creek diversion tunnel and French drain outlets in high density polyethylene piping from their source to Davis Mill Creek including covering contaminated sediment that would be exposed by the encapsulation of these surface waters with borrow soil;
 - b. the installation of fencing, netting, or similar materials across the portal of the North Potato Creek diversion tunnel to prevent mammalian or avian entry to the diversion tunnel; and
 - c. the construction of a fence along a portion of upper Davis Mill Creek to restrict access by trespassers and reduce risk by direct contact.

2. An Operations and Maintenance Plan (the O&M Plan) for the Cantrell Flats water treatment plant for OU3, Davis Mill Creek Collection and Treatment System for implementation of the Remedial Action. The O&M Plan shall include all necessary procedures, including monitoring of progress toward achievement of Performance Standards, to operate and maintain the components of the selected remedy as set forth in the ROD and shall address:
 - a. the five previously constructed storm water retention dams;
 - b. the existing diversion of the West Drainage Channel;

- c. the previously constructed Dam No. 5 and the Dam No. 5 pump station that conveys water from Davis Mill Creek to the Cantrell Flats water treatment plant;
- d. the previously constructed Belltown Creek and Gypsum Ponds clean water diversions;
- e. the existing Cantrell Flats water treatment plant, including necessary refurbishment;
- f. the encapsulation of discharge from the North Potato Creek diversion tunnel and French drain outlets;
- g. the installation of fencing, netting, or similar materials across the portal of the North Potato Creek diversion tunnel to prevent mammalian and avian entry to the diversion tunnel; and
- h. the construction of a fence along a portion of upper Davis Mill Creek to restrict access by trespassers.

3. An Institutional Control Implementation and Assurance Plan (ICIAP) for implementation of permanent institutional controls (ICs) to restrict access and use of sediment and surface water in OU3. The ICIAP shall include how the required ICs will be implemented including a schedule for implementation. The ICIAP must conform to EPA ICIAP Guidance dated December 2012.

The Remedial Design and Remedial Action Work Plan also shall contain the initial formulation of Settling Defendant's Remedial Design and Remedial Action project team (including, but not limited to, the Supervising Contractor).

B. Final Construction Inspection

Upon completion of all outstanding construction items, as described in the Remedial Design and Remedial Action Work Plan, Settling Defendant shall notify EPA for the purpose of conducting a Final Construction Inspection. The Final Construction Inspection shall consist of a walk through inspection of the entire project site. Any construction items discovered during the inspection still requiring implementation or correction shall be identified and noted on a punch list, and the inspection shall be considered to be a Pre-final Construction Inspection requiring a subsequent Final Construction Inspection.

C. Final Construction Report

Within sixty (60) days following the conclusion of the Final Construction Inspection, Settling Defendant shall submit a Final Construction Report. EPA will review the draft report and will provide comments to Settling Defendant and/or approve the Final Construction Report. The Final Construction Report shall include the following:

1. Explanation of modifications made to the original Remedial Design and Remedial Action Work Plan and why these changes were made;
2. Synopsis of the construction work conducted under the Remedial Design and Remedial

Action Work Plan and certification that the construction work has been completed.

V. OPERATION AND MAINTENANCE

A. Settling Defendant shall initiate OU-3 Operation and Maintenance (O&M) upon completion of the construction work conducted under the Remedial Design and Remedial Action Work Plan described above. Settling Defendant shall perform OU3 O&M according to the approved schedule in the Remedial Design and Remedial Action Work Plan and according to the O&M Manual. An O&M Report documenting OU3 O&M activities shall be submitted annually and include the following, at a minimum:

1. A description of all remedy components, including all institutional controls;
2. An evaluation of institutional control effectiveness;
3. A description of actions performed to maintain achievement of Performance Standards; and
4. Suggestions for modifications.

B. O&M activities are required for OU3. Under the selected remedy, O&M activities include:

1. Settling Defendant shall operate and maintain the Davis Mill Creek Collection and Treatment System (as constructed pursuant to AOC Docket No. 01-12-C, AOC Docket No. CER-04-2003-3521 and the ROD);
2. Settling Defendant shall periodically remove the sediment accumulated behind Dam Numbers 1, 2, 3, 4 and 5 to maintain the storm water capacity of the system. Settling Defendant shall treat the removed sediment with lime to reduce acidity and contaminant mobility prior to or after disposal on Site;
3. Settling Defendant shall upgrade the Cantrell Flats treatment plant as necessary beyond routine maintenance to maintain or improve operational efficiency;
4. Settling Defendant shall maintain the fencing and/or netting (or a similar approach) installed around or across the tunnel opening of the North Potato Creek diversion tunnel and French drain outlets;
5. Settling Defendant shall maintain the fence along both sides of Davis Mill Creek near the Headwaters calcine area; and
6. Settling Defendant shall maintain Institutional Controls.

VI. REMEDIAL ACTION REPORT

According to Section XIII of the Consent Decree, if, after pre-certification inspection, Settling Defendant believes that the Remedial Action has been fully performed and the Performance Standards have been attained and will be maintained without further O&M, Settling Defendant shall submit a Remedial Action (RA) Report to EPA in accordance with Section XIII of the Consent Decree. The RA Report shall include the following:

1. Synopsis of the work defined in this SOW and a demonstration that Performance Standards have been achieved and will be maintained without further O&M; and
2. Certification that the Work has been completed in full satisfaction of the requirements of the Consent Decree.

After EPA review, Settling Defendant shall address any comments and submit a revised report. As provided in Section XIII of the Consent Decree, the Work shall not be considered complete until EPA issues a Certification of Completion of the Work pursuant to Paragraph 43 of the Consent Decree.

VII. COMMUNITY INVOLVEMENT

A. Settling Defendant's Technical Assistance Responsibilities

1. As provided in Section XXVIII (Community Involvement) of the Consent Decree, the Parties anticipate that Settling Defendant will continue its existing Technical Assistance Plan (TAP) arrangement with the Ducktown Basin Museum.
2. Settling Defendant shall only be required to comply with the provisions of Section VIII, Paragraph B of this SOW in the event that the existing TAP is terminated prior to EPA's issuance of a Notice of Completion of the Work pursuant to Paragraph 43.b of the Consent Decree and that EPA requests Settling Defendant to provide another TAP for the Site with a different qualified group.

B. Settling Defendant's Responsibilities for a new TAP. Settling Defendant shall perform the following activities upon receipt from EPA of the Agency's request to provide a new TAP pursuant to Paragraph A.2 of this Section VIII.

1. Settling Defendant shall arrange for a qualified community group to receive the services of a technical advisor(s) who can: (i) help group members understand Site cleanup issues (specifically, to interpret and comment on Site-related documents developed under this SOW); and (ii) share this information with others in the community. The technical advisor(s) will be independent from the Settling Defendant. Settling Defendant's TAP assistance will be limited to \$50,000, except as provided in Paragraph B.4.c of this Section VIII, and will end when EPA issues the Certification of Work Completion under Paragraph 43.b of the Consent Decree. Settling Defendant shall implement this requirement under a Technical Assistance Plan (TAP).
2. Settling Defendant shall cooperate with EPA in soliciting interest from community groups regarding a TAP at the Site. If more than one community group expresses an interest in a

TAP, Settling Defendant shall cooperate with EPA in encouraging the groups to submit a single, joint application for a TAP.

3. Settling Defendant shall, within 60 days of receipt of EPA's request pursuant to Paragraph A.2 of this Section VIII, submit a proposed TAP for EPA approval. The TAP must describe the Settling Defendant's plans for the qualified community group to receive independent technical assistance. The TAP must include the following elements:

a. For Settling Defendant to arrange for publication of a notice in local media that they have received a Letter of Intent (LOI) to submit an application for a TAP. The notice should explain how other interested groups may also try to combine efforts with the LOI group or submit their own applications, by a reasonable specified deadline;

b. For Settling Defendant to review the application(s) received and determine the eligibility of the community group(s). The proposed TAP must include eligibility criteria as follows:

- i. A community group is eligible if it is: (a) comprised of people who are affected by the release or threatened release at the Site, and (b) able to demonstrate its ability to adequately and responsibly manage TAP-related responsibilities.
- ii. A community group is ineligible if it is: (a) a potentially responsible party (PRP) at the Site, represents such a PRP, or receives money or services from a PRP (other than through the TAP); (b) affiliated with a national organization; (c) an academic institution; (d) a political subdivision; (e) a tribal government; or (f) a group established or presently sustained by any of the above ineligible entities; or (g) a group in which any of the above ineligible entities is represented.

c. For Settling Defendant to notify EPA of their determination on eligibility of the applicant group(s) to ensure that the determination is consistent with the SOW before notifying the group(s);

d. If more than one community group submits a timely application, for Settling Defendant to review each application and evaluate each application based on the following elements:

- i. The extent to which the group is representative of those persons affected by the Site; and
- ii. The effectiveness of the group's proposed system for managing TAP-related responsibilities, including its plans for working with its technical advisor and for sharing Site-related information with other members of the community.

e. For Settling Defendant to document their evaluation of, and their selection of, a qualified community group, and to brief EPA regarding their evaluation process and choice. EPA

may review Settling Defendant's evaluation process to determine whether the process satisfactorily follows the criteria in Paragraph B.3.d of this Section. TAP assistance may be awarded to only one qualified group at a time;

f. For Settling Defendant to notify all applicant(s) about Settling Defendant's decision;

g. For Settling Defendant to designate a person (TAP Coordinator) to be its primary contact with the selected community group;

h. A description of Settling Defendant's plans to implement the requirements of Paragraph B.4 of this Section (Agreement with Selected Community Group); and

i. For Settling Defendant to submit quarterly progress reports regarding the implementation of the TAP.

4. Agreement with Selected Community Group

a. Settling Defendant shall negotiate an agreement with the selected community group that specifies the duties of Settling Defendant and the community group. The agreement must specify the activities that may be reimbursed under the TAP and the activities that may not be reimbursed under the TAP. The list of allowable activities must be consistent with 40 C.F.R. § 35.4070 (e.g., obtaining the services of an advisor to help the group understand the nature of the environmental and public health hazards at the Site and the various stages of the response action, and communicating Site information to others in the community). The list of non-allowable activities must be consistent with 40 C.F.R. § 35.4075 (e.g., activities related to litigation or political lobbying).

b. The agreement must provide that Settling Defendant's review of the Community Group's recommended choice for Technical Advisor will be limited, consistent with 40 C.F.R. §§ 35.4190 and 35.4195, to criteria such as whether the advisor has relevant knowledge, academic training, and relevant experience as well as the ability to translate technical information into terms the community can understand.

c. The agreement must provide that the Community Group is eligible for additional TAP assistance, if it can demonstrate that it has effectively managed its TAP responsibilities to date, and that at least three of the following seven factors are satisfied:

- i. EPA expects that more than eight years (beginning with the initiation of the RI/FS) will pass before construction completion will be achieved;
- ii. EPA requires treatability studies or evaluation of new and innovative technologies;
- iii. EPA reopens the ROD;
- iv. The public health assessment (or related activities) for the Site indicates the need for further health investigations and/or health-related activities;

- v. After Settling Defendant's selection of the Community Group for the TAP, EPA designates additional operable units at the Site;
- vi. EPA issues an Explanation of Significant Differences for the ROD;
- vii. After Settling Defendant's selection of the Community Group, a legislative or regulatory change results in significant new Site information;
- viii. Significant public concern about the Site exists, as evidenced, e.g., by relatively large turnout at meetings, the need for multiple meetings, the need for numerous copies of documents to inform community members, etc.;
- ix. Any other factor that, in EPA's judgment, indicates that the Site is unusually complex; or
- x. A RI/FS costing at least \$2 million was performed at the Site.

d. Settling Defendant is entitled to retain any unobligated TAP funds upon EPA's Certification of Work Completion under Paragraph 43.b of the Decree.

REFERENCES

The following list, although not comprehensive, comprises many of the regulations and guidance documents that apply to the RD/RA process. Settling Defendant shall review these guidance documents and shall use the information provided therein in performing the RD/RA and preparing all deliverables under this SOW.

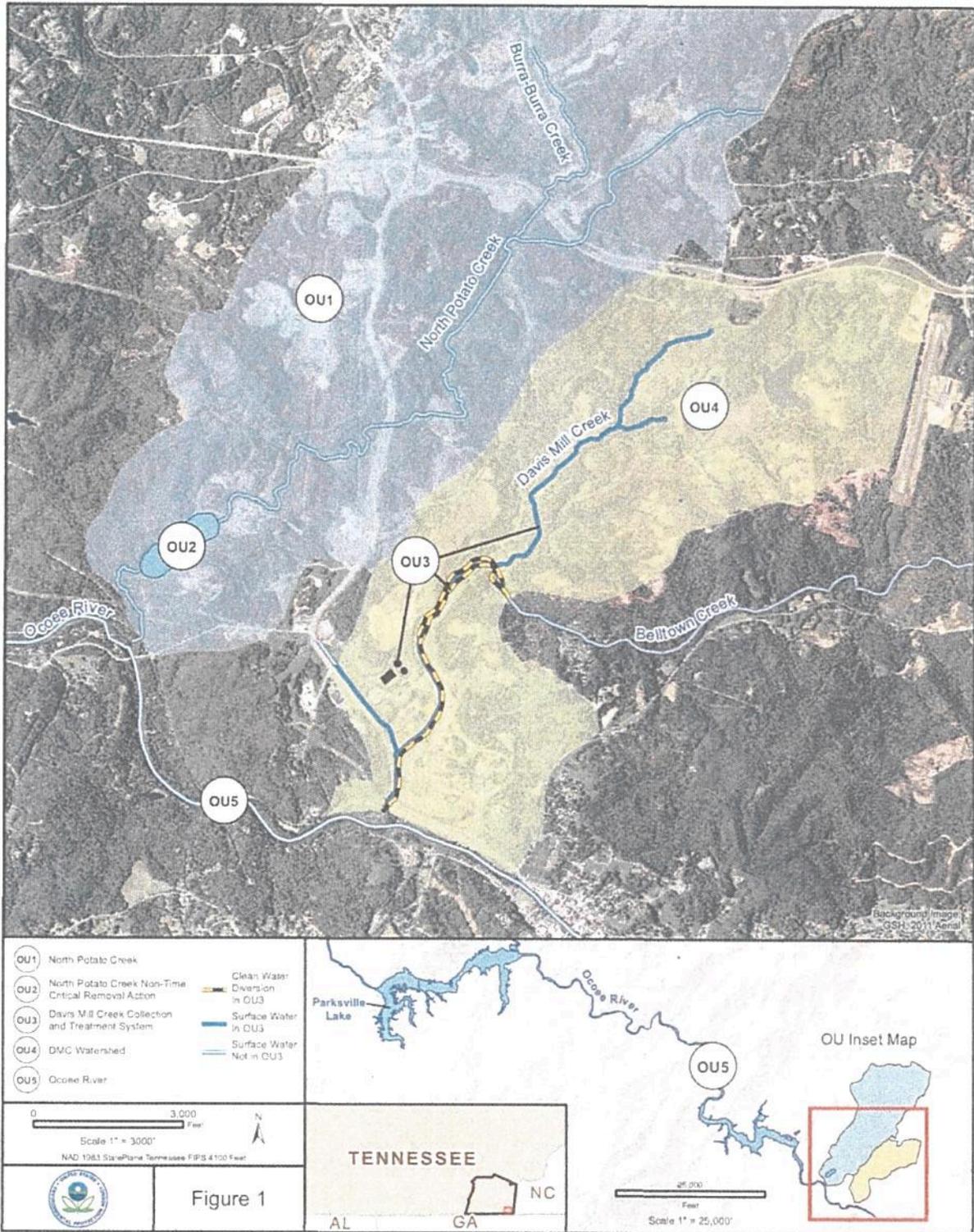
1. "National Oil and Hazardous Substances Pollution Contingency Plan, Final Rule", Federal Register 40 CFR Part 300, October 1994.
2. "Remedial Design/Remedial Action Handbook," U.S. EPA, Office of Emergency and Remedial Response, June 1995, OSWER Directive No. 9355.O-4B.
3. "Guidance on EPA Oversight of Remedial Designs and Remedial Actions Performed by Potentially Responsible Parties," U.S. EPA, Office of Emergency and Remedial Response, April 1990, OSWER Directive No. 9355.5-01.
4. "Guidance for Conducting Remedial Investigations and Feasibility Studies Under CERCLA, Interim Final," U.S. EPA, Office of Emergency and Remedial Response, October 1988, OSWER Directive No. 9355.3-01.
5. "A Compendium of Superfund Field Operations Methods," Two Volumes, U.S. EPA, Office of Emergency and Remedial Response, EPA/540/P-87/001a, August 1987, OSWER Directive No. 9355.0-14.
6. "EPA NEIC Policies and Procedures Manual," EPA-330/9-78-001-R, May 1978, revised November 1984.

7. "Data Quality Objectives for Remedial Response Activities," U.S. EPA, Office of Emergency and Remedial Response and Office of Waste Programs Enforcement, EPA/540/G-87/003, March 1987, OSWER Directive No. 9335.0-7B.
8. "Guidance for Quality Assurance Project Plans," U.S. EPA, QA/G-5, EPA/240/R-02/009, December 2002.
9. "EPA Requirements for Quality Assurance Project Plans," U.S. EPA, QA/R-5, EPA/240/B-01/003, March 2001, reissued May 2006.
10. "Users Guide to the EPA Contract Laboratory Program," U.S. EPA, Sample Management Office, August 1982.
11. "Environmental Compliance Branch Standard Operating Procedures and Quality Assurance Manual," U.S. EPA Region IV, Environmental Services Division, February 1, 1991, (revised periodically).
12. "USEPA Contract Laboratory Program Statement of Work for Organics Analysis," U.S. EPA, SOM01.2, amended April 2007.
13. "USEPA Contract Laboratory Program Statement of Work for Inorganics Analysis," U.S. EPA, ILM05.4, December 2006.
14. "Quality in the Constructed Project: A Guideline for Owners, Designers, and Constructors, Volume 1, Preliminary Edition for Trial Use and Comment," American Society of Civil Engineers, May 1988.
15. "Interim Guidance on Compliance with Applicable or Relevant and Appropriate Requirements," U.S. EPA, Office of Emergency and Remedial Response, July 9, 1987, OSWER Directive No. 9234.0-05.
16. "CERCLA Compliance with Other Laws Manual," Two Volumes, U.S. EPA, Office of Emergency and Remedial Response, August 1988 (Draft), OSWER Directive No. 9234.1-01 and -02.
17. "Guidance on Remedial Actions for Contaminated Ground Water at Superfund Sites," U.S. EPA, Office of Emergency and Remedial Response, (Draft), OSWER Directive No. 9283.1-2.
18. "Guidance for Conducting Treatability Studies Under CERCLA," U.S. EPA, Office of Emergency and Remedial Response, February 1992, OSWER 9355.7-03.
19. "EPA's Emergency Responder Health and Safety Manual," U.S. EPA, July 2005 and updates, OSWER 9285.3-12.
20. "Standard Operating Safety Guides," U.S. EPA, Office of Emergency and Remedial Response, November 1984.
21. "Standards for General Industry," 29 CFR Part 1910, Occupational Health and Safety Administration.

22. "Standards for the Construction Industry," 29 CFR 1926, Occupational Health and Safety Administration.
23. "NIOSH Manual of Analytical Methods," 4th edition.
<http://www.cdc.gov/noish/docs/2003-154>, National Institute of Occupational Safety and Health.
24. "Occupational Safety and Health Guidance Manual for Hazardous Waste Site Activities," National Institute of Occupational Safety and Health/Occupational Health and Safety Administration/United States Coast Guard/ Environmental Protection Agency, October 1985.
25. "Documentation of the Threshold Limit Values and Biological Exposure Indices," 7th ed. – 2014 Supplement. American Conference of Governmental Industrial Hygienists.
26. "American National Standards Practices for Respiratory Protection," American National Standards Institute Z88.2-1992, August 6, 1992.
27. "Quality in the Constructed Project - Volume 1," American Society of Civil Engineers, 1990.
28. "Close Out Procedures for National Priorities List Sites," U.S. EPA, May 2011, OSWER Directive 9320.2-22.
29. "Institutional Controls: A Guide to Preparing Institutional Control Implementation and Assurance Plans at Contaminated Sites," US EPA, December, 2012, OSWER Directive 9200.0-77.
30. "Institutional Controls: A Guide to Planning, Implementing, Maintaining, and Enforcing Institutional Controls at Contaminated Sites," US EPA, December, 2012, OSWER 9355.0-89.

APPENDIX C

Map of the Site



APPENDIX D

Proprietary Controls

This instrument was prepared by:

Bilal Harris
Associate Regional Counsel
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

NOTICE OF LAND USE RESTRICTIONS¹

Notice is hereby given that pursuant to T.C.A. Section 68-212-225 of the *Hazardous Waste Management Act of 1985*, the Commissioner of the Tennessee Department of Environment and Conservation ("TDEC") has determined that land use restrictions are an appropriate remedial action at the below-described property. Pursuant to T.C.A. Section 68-212-225 (d) the register of deeds shall record this Notice and index it in the grantor index under the names of the owners of the land.

Witnesseth:

WHEREAS, Grantor is the owner of a parcel of land, encompassing approximately ___ acres, located at _____, Copperhill, Polk County, Tennessee, which is the real property legally described in Deed Book __, Page ____ in the Office of the Register of Deeds for Polk County, being within Parcel _____ of Tax Map _____ for said county ("Property 1"), and more particularly described on Exhibit A-1 (Legal Description of Property 1) and Schedule A of Exhibit B-1 (Encumbrances on Property 1), attached hereto and incorporated herein by reference; and

WHEREAS, Grantor is the lessee of a parcel of land, encompassing approximately ___ acres, located at _____, Copperhill, Polk County, Tennessee, which is the real property legally described in Deed Book __, Page ____ in the Office of the Register of Deeds for Polk County, being within Parcel _____ of Tax Map _____ for said county ("Property 2"), and more particularly described on Exhibit A-2 (Legal Description of Property 2) and Schedule A of Exhibit B-2 (Encumbrances on Property 2), attached hereto and incorporated herein by reference; and

WHEREAS, Grantor also is the holder of an easement to certain land, encompassing approximately ___ acres, located at _____, Copperhill, Polk County, Tennessee, which is the real property legally described in Deed Book __, Page ____ in the Office of the Register of Deeds for Polk County, being within Parcel _____ of Tax Map _____ for said county ("Property 3"), and more particularly described on Exhibit A-3 (Legal Description of Property 3) and Schedule A of Exhibit B-3 (Encumbrances on Property 3), attached hereto and incorporated herein by reference; and

WHEREAS, a map showing the location of Property 1, Property 2 and Property 3 (collectively, the "Properties") is attached as Exhibit C (Map of the Properties); and

¹ This Notice should be viewed as a model template only, and it should be modified accordingly to reflect Grantor's actual interests in the Property at the time of any future EPA request regarding such Notice pursuant to Paragraph 19.c(2) of the Operable Unit 3 Consent Decree.

WHEREAS, the Properties are included within the geographical area known as the Copper Basin Mining District Site (the “Site”), CERCLIS ID TN0001890839, which is currently being remediated and monitored under the oversight of the United States Environmental Protection Agency (“EPA), with the cooperation of TDEC, pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., as amended. The remediation and monitoring is being performed in a manner consistent with the National Contingency Plan, 40 C.F.R. Part 300, as amended (“NCP”), to levels protective of human health and the environment, as more particularly described in EPA’s Record of Decision, issued in September 26, 2012 (“ROD”); and

WHEREAS, in the ROD, the EPA chose the “Selected Remedy” for Operable Unit 3 (“OU 3”) of the Site, which includes the following remedial actions:

Operation and maintenance of five (5) previously constructed storm water retention dams;

Operation and maintenance of the existing diversion of the West Drainage Channel;

Operation and maintenance of the previously constructed Dam No. 5 and the Dam No. 5 pump station that conveys water from Davis Mill Creek to the Cantrell Flats water treatment plant;

Operation and maintenance of the previously constructed Belltown Creek and Gypsum Ponds clean water diversions;

Operation and maintenance of the existing Cantrell Flats water treatment plant, including necessary refurbishment;

Encapsulation, including operation and maintenance, of discharge from the North Potato Creek diversion tunnel and French drain outlets in high density polyethylene piping from their source to Davis Mill Creek; and covering contaminated sediment that would be exposed by the encapsulation of these surface waters with borrow soil;

Installation, including operation and maintenance, of fencing, netting, or similar materials across the portal of the North Potato Creek diversion tunnel to prevent mammalian and avian entry to the diversion tunnel;

Construction, including operation and maintenance, of a fence along a portion of upper Davis Mill Creek to restrict access and reduce risk by direct contact; and

Implementation of institutional controls to restrict access by trespassers and use of surface water.

WHEREAS, the ROD requires the implementation of institutional controls;

WHEREAS, the Grantor has agreed to impose certain land use restrictions on the future use of the Property as set forth below:

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby declares that all of the Property shall be held, sold, and conveyed subject to the following restrictive covenants which shall run with the Property and shall be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall

insure to the benefit of each owner thereof, TDEC and the respective successors and assigns of such parties:

Covenant, Conditions, and Land Use Restrictions: The following covenants, conditions, and restrictions shall apply to the use of the Properties designated on Exhibits A-1, A-2 and A-3, except for activities authorized under the Site or OU 3 Operations and Maintenance Plan (“O&M Plan”) or Institutional Control Implementation and Assurance Plan (“ICIAP”), or unless otherwise expressly approved by EPA and TDEC:

1. Sediment, soil, sand, gravel, minerals, organic matter, or materials of any kind shall not be removed, excavated, dug, graded, dredged, or released from the streambed of Davis Mill Creek from its origin at the Headwaters iron calcine pile downstream to and including dam No. 5, including the ponds between dams No. 1, 2, 3, 4, and 5, except to the extent required for sampling or monitoring as may be required by the CD or SOW;
2. The surface water contained in the streambed of Davis Mill Creek from its origin at the Headwaters iron calcine pile downstream to and including dam No. 5 shall not be withdrawn, collected or used for any purpose, except for sampling and monitoring purposes required by the CD or SOW;
3. No use or activity shall occur on the Properties that will interfere with or adversely affect the Selected Remedy implemented at the Properties, except upon the prior written permission of both Grantees, which shall not be unreasonably withheld or delayed. Paragraph 6 of this Declaration lists the remedial actions included in the Selected Remedy. Grantor shall have the opportunity to demonstrate to the Grantees’ satisfaction that an intended use would not have any adverse impact on, or otherwise adversely affect, the Selected Remedy; and
4. Grantor, or the owner(s) of any portion of the Properties identified on Exhibits A-1, A-2 and/or A-3, shall submit a letter report, containing the notarized signature of Grantor or its successors or assigns, in January of each year on or before January 31st, to EPA and TDEC, or their respective successors in function that activities and conditions at the portions of the Properties remain in compliance with the land use restrictions herein.

Enforcement:

This Notice of Land Use Restrictions may be enforced by any owner of the Property. The Commissioner of TDEC, through issuance of an order or by means of a civil action, including one to obtain an injunction against present or threatened violations of the restriction, may also enforce this Notice of Land Use Restrictions. This Notice of Land Use Restrictions may also be enforced by any unit of local government having jurisdiction over any part of the Property, by means of a civil action without the unit of local government having first exhausted any available administrative remedy.

The parties expressly recognize and agree that EPA is a third party beneficiary of this Notice of Land Use Restrictions, and as such, has the right of enforcement, through means which include but are not limited to, a civil action, including one to obtain an injunction against present or threatened violations of the Notice of Land Use Restrictions. The parties expressly recognize and agree that this Notice of Land Use Restrictions does not grant EPA any interest in the Property.

Any person who owns or leases the Property shall abide by this Notice of Land Use Restrictions. Pursuant to T.C.A Section 68-212-213, any person who fails, neglects or refuses to comply with a land use restriction commits a Class B misdemeanor, and in addition, is subject to a civil penalty of up to ten thousand (\$10,000) per day.

Notice:

Grantor and its heirs, successors, successors-in-title, and assigns shall include the following notice on all deeds, mortgages, plats, or any legal instruments used to convey any interest in the Property (failure to comply with this paragraph does not impair the validity or enforceability of this Notice of Land Use Restrictions):

NOTICE: This Property Subject to Notice of Land Use Restrictions and any subsequent

Amendments Recorded at _____

Compliance:

Grantor and its heirs, successors, successors-in-title, and assigns shall submit an annual report to EC and EPA on the anniversary of the date the Notice of Land Use Restrictions was signed by the Grantor, detailing the Property owner's compliance, and any lack of compliance with the terms of this Notice of Land Use Restrictions. Once title to all or a portion of the Property has been conveyed by Grantor or any subsequent owner, such predecessor in title shall no longer have any responsibility for submission of the report with respect to the portion of the Property it previously owned.

Term:

This Notice of Land Use Restrictions shall run with and bind the Property unless/until it is made less stringent or canceled as set forth under the paragraph entitled "Amendment or Termination."

Amendment or Termination:

In accordance with T.C.A. Section 68-212-225(e), after public notice and an opportunity for public input, this Notice of Land Use Restrictions may be made less stringent or canceled by the Commissioner of TDEC if the risk has been eliminated or reduced so that less restrictive land use controls are protective of human health and the environment. Prior to amending or terminating the Notice of Land Use Restrictions, TDEC will notify EPA and provide EPA with a reasonable opportunity to comment on such proposed amendment or termination. No amendment to or termination of this Notice of Land Use Restrictions shall be effective until such amendment or instrument terminating this Notice of Land Use Restrictions is recorded in the Register of Deeds Office of Polk County.

No Property Interest Created in EPA:

This Notice of Land Use Restrictions does not in any way create any interest by EPA in the Property. Furthermore, the Act of approving this Notice of Land Use Restrictions does not in any way create any interest by EPA in such Property.

Severability:

In validation of any of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, Grantor has caused this Declaration to be executed by its duly authorized representative this ___ day of _____, 20__.

WITNESS:

OXY USA INC.

By: _____

[typed or printed name and title]

Its: _____

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared [**INSERT NAME AND TITLE OF PERSON**] of OXY USA Inc., known by me to the party so executing the foregoing agreement for and on behalf of OXY USA Inc., and he acknowledged said Declaration, by him so executed, to be his free act and deed in said capacity and the free act and deed of OXY USA Inc.

(signature)

(typed or printed name)

NOTARY PUBLIC

My Commission Expires: _____.

IN WITNESS WHEREOF, The TDEC has determined that the land use restrictions herein are the appropriate remedial action at the Property, and hereby approves this instrument pursuant to Tenn. Code Ann. Section 68-212-225(a) on this _____ day of _____, 20__.

Tennessee Department of Environmental and Conservation

_____ Director, Division of Remediation, Tennessee Department of Environmental and Conservation

Before me, the undersigned Notary Public in and for the State aforesaid, personally appeared _____ and by their signature executed the foregoing instrument for the purpose therein contained.

WITNESS, this _____ day of _____, 20__.

Notary Public _____

Commission Expiration _____

This Notice of Land Use Restrictions is hereby approved by the United States Environmental Protection Agency as a third party beneficiary this ____ day of _____20__.

United States Environmental Protection Agency

Franklin E. Hill

Director

Superfund Division

U.S. Environmental Protection Agency, Region 4

The undersigned, the holder of a **[INSERT NAME OF INTEREST IN PROPERTY, E.G., MORTGAGE, EASEMENT]**, recorded in the Records of _____ of the Town of _____, _____ in Book ___ at Page ___, by execution hereof, agrees that the rights and easements reserved to it and to the portion of the Property described therein and in Exhibit B of this Declaration, shall be subject and subordinate to the terms and provisions of this Declaration.

WITNESS:

[NAME OF INTEREST HOLDER]

By: _____

[typed or printed name and title]

Its: _____

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared **[INSERT NAME AND TITLE OF PERSON SIGNING ON BEHALF OF INTEREST HOLDER]** of **[INSERT NAME OF INTEREST HOLDER]**, known by me to the party so executing the foregoing agreement for and on behalf of **[INSERT NAME OF INTEREST HOLDER]**, and he acknowledged said Declaration, by him so executed, to be his free act and deed in said capacity and the free act and deed of **[INSERT NAME OF INTEREST HOLDER]**

(signature)

(typed or printed name)

NOTARY PUBLIC

My Commission Expires: _____.

IN WITNESS WHEREOF, Grantee hereby acknowledges its acceptance of the above-described property interest (e.g., use restrictions and conservation easement) by its duly authorized representative this ___ day of _____, 20__.

WITNESS:

[NAME OF GRANTEE]

By: _____

[typed or printed name and title]

Its: _____

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared [**INSERT NAME AND TITLE OF PERSON SIGNING ON BEHALF OF GRANTEE**] of [**INSERT NAME OF GRANTEE**], known by me to the party so executing the foregoing agreement for and on behalf of [**INSERT NAME OF GRANTEE**], and he acknowledged said Declaration, by him so executed, to be his free act and deed in said capacity and the free act and deed of [**INSERT NAME OF GRANTEE**]

(signature)

(typed or printed name)

NOTARY PUBLIC

My Commission Expires: _____.

Approved this ____ day of _____, 20__, by the _____ State _____.

APPROVED AS TO
TERMS AND CONDITIONS:

APPROVED AS TO
FORM:

APPROVED AS TO
SUBSTANCE:

APPROVED:

IN WITNESS WHEREOF, Grantee hereby acknowledges its acceptance of the above-described property interest (e.g., use restrictions and conservation easement) by its duly authorized representative this ___ day of _____, 20__.

WITNESS:

[NAME OF GRANTEE]

By: _____

[typed or printed name and title]

Its: _____

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared **[INSERT NAME AND TITLE OF PERSON SIGNING ON BEHALF OF GRANTEE]** of **[INSERT NAME OF GRANTEE]**, known by me to the party so executing the foregoing agreement for and on behalf of **[INSERT NAME OF GRANTEE]**, and he acknowledged said Declaration, by him so executed, to be his free act and deed in said capacity and the free act and deed of **[INSERT NAME OF GRANTEE]**

(signature)

(typed or printed name)

NOTARY PUBLIC

My Commission Expires: _____.

Approved this ____ day of _____, 20__, by the _____ State _____.

APPROVED AS TO
TERMS AND CONDITIONS:

APPROVED AS TO
FORM:

APPROVED AS TO
SUBSTANCE:

APPROVED:

Attachments:

Exhibits A-1, A-2 and A-3: Legal description of the Properties

Exhibits B-1, B-2 and B-3: List of persons, other than Grantor, who hold interests in the
the Properties

Exhibit C: Map of the Properties

Exhibit D: Subordination Agreements

EXHIBIT A

Legal Description of the Properties

EXHIBIT B

Schedule of Encumbrances on the Properties

EXHIBIT C

Map of the Properties

APPENDIX E

Performance Guarantee

[MODEL PERFORMANCE GUARANTEE]

____, 2015

Letter from Chief Financial Officer

Regional Administrator
U.S. Environmental Protection Agency - Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

I am the chief financial officer of Occidental Petroleum Corporation, 5 Greenway Plaza, Suite 110, Houston, Texas 77046. This letter is in support of this firm's use of the financial test to demonstrate financial assurance in the amount of \$33,908,877 in accordance with Paragraph 37 of the Operable Unit 3 Consent Decree entitled United States of America and State of Tennessee v. OXY USA Inc., Civil Action No. _____ ("OU 3 Consent Decree"), and Paragraph 41 of the Operable Unit 5 Consent Decree entitled United States of America and State of Tennessee v. OXY USA Inc., Civil Action No. _____ ("OU 5 Consent Decree") and (hereinafter "OU 5 Consent Decree," collectively the "Consent Decrees"), between OXY USA Inc. and the United States, pursuant to Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

None

2. This firm guarantees, through the guarantee specified in subpart H of 40 CFR parts 264 and 265, the financial ability of its subsidiary, OXY USA Inc., to perform the activities specified in the Consent Decrees at the following sites in the amounts shown. The cost estimate set forth in the Consent Decrees so guaranteed is shown for each operable unit:

Financial Assurance Required

<u>Operable Unit</u>	<u>Estimated Costs</u>
Operable Unit 3	\$ 32,500,000
Operable Unit 5	\$ 1,408,877
Total	\$ 33,908,877

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

3. In States where EPA is not administering the financial requirements of subpart H of 40 CFR part 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

<u>Facility</u>	<u>Financial Assurance Required</u>	<u>Cost</u>
ALD 008 163 388 Mobile, Alabama Plant Site Occidental Chemical Corporation 1300 Jarvis Road Mobile, Alabama 36611		\$
ALD 004 019 642 Muscle Shoals, Alabama Plant Site Occidental Chemical Corporation 1000 North Wilson Dam Road Muscle Shoals, Alabama 35661		\$
CAD 009 184 508 Occidental Chemical Corporation 16777 Howland Road Lathrop, California 95330		\$
DED 003 913 266 Delaware City Plant Site Occidental Chemical Corporation 1657 River Road New Castle, Delaware 19720		\$
DED 003 913 266 U.S. EPA Administrative Order on Consent Docket No. RCRA-03-2012-01 Occidental Chemical Corporation 1657 River Road New Castle, Delaware 19720		\$
KSD007482029 (KDHE) Occidental Chemical Corporation 6200 South Ridge Road Wichita, Kansas 67215		\$
EPA ID No. KSD007482029 Occidental Chemical Corporation Wichita, Kansas 67215		\$
LAD 981 054 075 Civil Action No. 04-2220 Consent Decree Highway 71/72 Refinery Site Bossier City, Louisiana		\$

EPA ID No. LAD 092 681 824	\$
Occidental Chemical Corporation	\$
Geismar, Louisiana 70734	
AI 3544 / GD-093-0517	\$
Permit Application P-0084	
Occidental Chemical Corporation	
7377 Hwy 3214	
Convent, Louisiana 70723	
AI 1137 / GD-089-1288	
Occidental Chemical Corporation	
266 Highway 3142	
Hahnville, Louisiana 70057	
Permit Application P-0011	\$
Permit Application P-0262	\$
	\$
Permit Application P-0264	\$
	\$
Civil Action No. JH-88-3655 Consent Decree	\$
Sand Gravel and Stone Superfund Site	
Elkton, Maryland	
MSD 004 000 568	\$
Mississippi Department of Environmental Quality	
Nashville Ferry Brownfield Agreement Site	
Nashville Ferry Road	
Columbus, Mississippi 39701	
MID 006 014 906	\$
Occidental Chemical Corporation	
U.S. EPA Administrative Order - Final Remedy	
Montague, Michigan	
NJ ISRA No. 98439	\$
Occidental Chemical Corporation	
1804 River Road	
Burlington, New Jersey 08016	
NJ ISRA No. 01-05-25-1327-46	\$
Don Haug Site	
Bridgewater Township	
358 Union Avenue	
Somerset, New Jersey 08807	
NJ ISRA No. 86336	\$
Occidental Chemical Corporation	
Former Diamond Shamrock Chemical	
651 Tonnele Avenue	
Jersey City, New Jersey 07307	

NJ ISRA No. 44454 OXY USA Inc. Former Levey Ink Plant 27 Stouts Lane South Brunswick Township, New Jersey 08810	\$
U.S. EPA Index No. 11-CERCLA-02-2010-2028 JIS Landfill Superfund Site Middlesex, New Jersey	\$
NYD 980 506 810 102 nd Street Superfund Site Niagara Falls, New York 14302	\$
NYD 002 920 312 Hooker Chemical/Ruco Polymer Superfund Site New South Road Hicksville, New York 11801	\$
NYD 000 824 482 Niagara Falls, New York Plant Site Occidental Chemical Corporation Buffalo Avenue & 47th Street Niagara Falls, New York 14302	\$
OHD 003 913 308 Occidental Chemical Corporation 725 State Road Ashtabula, Ohio 44004	\$
OHD 980 614 572 Fields Brook Superfund Site Ashtabula, Ohio 44004	\$
OHD 990 747 859 Kenton, Ohio Plant Site Durez Corporation 13717 State Route 68 South Kenton, Ohio 43326	\$
OKN 000 605 625 Former Empire Refinery Cushing, Oklahoma	\$
PAD 002 334 753 Occidental Chemical Superfund Site Occidental Chemical Corporation Armand Hammer Boulevard Pottstown, Pennsylvania 91464	\$

TN0001890839 Copper Basin Mining District Davis Mill Creek Watershed AOC – RI/FS Toccoa Street, HWY 68 Copperhill, Tennessee 37317	\$
TXD 981 911 209 Deer Park, Texas Plant Site Oxy Vinyls, LP P.O. Box 500 Deer Park, Texas 77536	\$
TXD 982 286 932 Ingleside, Texas Plant Site Occidental Chemical Corporation Highway 361 Gregory, Texas 78359	\$
WAD 009 242 314 Tacoma, Washington Plant Site OCC Tacoma, Inc. 605 Alexander Avenue Tacoma, Washington 98421	\$
EPA Docket No. 10-97-0011-CERCLA Occidental Site Tacoma, Washington 98421	\$
WVD 005 010 277 EPA Docket No. RCRA-03-2013-0217CA Occidental Chemical Corporation 301 DuPont Avenue Belle, West Virginia 25015	\$
Total	\$ _____

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in subpart H of 40 CFR parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility:

Financial Assurance Required

	<u>Closure</u>	<u>Post-Closure</u>	<u>Total</u>
Occidental Chemical Corporation UIC Class I Wells Wichita, Kansas EPA ID No. KSD007482029	\$	\$0	\$
Occidental Chemical Corporation UIC Class III Wells Wichita, Kansas EPA ID No. KSD007482029	\$	\$0	\$
Class III UIC Permit No. UIC3NY001 Dale Brine Field (various wells) Occidental Chemical Corporation 5005 LBJ Freeway Dallas, Texas 75244-6119	\$	\$0	\$
Total			\$

This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 2014.

ALTERNATIVE II

- | | |
|---------------------------------------------------------------------------------------------------|------------------------------------------------|
| 1. Sum of current closure and post-closure cost estimates | \$ |
| 2. Current bond rating of most recent issuance of this firm and name of rating service | Standard & Poor's
Moody's Investors Service |
| 3. Date of issuance of bond | |
| 4. Date of maturity of bond | |
| 5. Tangible net worth | \$ |
| 6. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.) | \$ |

	<u>YES</u>	<u>NO</u>
7. Is line 5 at least \$10 million?	X	
8. Is line 5 at least 6 times line 1?	X	
9. Are at least 90% of firm's assets located in the U.S.? If not, complete line 10.		X
10. Is line 6 at least 6 times line 1?	X	

Except for those changes necessary to reflect that the financial assurance is not being provided with respect to the closure or post-closure care of a facility regulated under 40 CFR Part 264 or 265, but instead with respect to the performance by OXY USA Inc. of the activities specified in the Consent Decrees, I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.

Senior Vice President and Chief Financial Officer
September ____, 2015

CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE

Guarantee made this ____ day of September, 2015, by Occidental Petroleum Corporation, a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor. This guarantee is made on behalf of OXY USA Inc. ("OXY USA"), of 5005 LBJ Freeway, Suite 1350, Dallas, Texas 75244 ("OXY USA"), which is our subsidiary, to the United States Environmental Protection Agency (EPA).

RECITALS

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).
2. OXY USA is a Settling Defendant under those certain Consent Decrees pursuant to Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622 with respect to the following operable unit covered by this guarantee:

TN0001890839
Operable Unit 3 and Operable Unit 5
Davis Mill Watershed and North Potato Creek Watershed
Copper Basin Mining District Site
Toccoa Street, Highway 68
Copperhill, Tennessee 37317
3. "Consent Decrees" as used herein refers to the Consent Decrees between the United States and OXY USA Inc., entitled United States of America and State of Tennessee v. OXY USA Inc., Civil Action No. _____ in the United States District Court, District of Tennessee, Chattanooga Division ("OU 3 Consent Decree"), and Paragraph 41 of the Operable Unit 5 Consent Decree entitled United States of America and State of Tennessee v. OXY USA Inc., Civil Action No. _____ in the United States District Court, District of Tennessee, Chattanooga Division ("OU 5 Consent Decree").
4. For value received from OXY USA, guarantor guarantees to EPA that in the event that OXY USA fails to perform the activities described in the Consent Decrees at the above operable units in accordance with the Consent Decrees whenever required to do so, the guarantor shall do so or establish a trust fund as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of OXY USA in the amount of \$32,500,000 for OU 3 Consent Decree activities and \$1,408,877 for OU 5 Consent Decree activities.
5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrator(s) for the Region(s) in which the facility(ies) is (are) located and to OXY USA that he intends to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of OXY USA. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless OXY USA has done so.
6. The guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.
7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of OXY USA unless OXY USA has done so.

- 8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the Consent Decrees, the extension or reduction of the time of performance of the activities described in the Consent Decrees, or any other modification or alteration of an obligation of OXY USA as a Settling Defendant pursuant to the Consent Decrees.
- 9. Guarantor agrees to remain bound under this guarantee for as long as OXY USA must comply with the applicable financial assurance requirements of the Consent Decrees for the above-listed operable units, except as provided in paragraph 10 of this agreement.
- 10. Guarantor may terminate this guarantee by sending notice by certified mail to the EPA Regional Administrator(s) for the Region(s) in which the facility(ies) is(are) located and to OXY USA, provided that this guarantee may not be terminated unless and until OXY USA obtains, and the EPA Regional Administrator(s) approve(s), alternate financial assurance complying with 40 CFR 264.143, 264.145, 265.143, and/or 265.145.
- 11. Guarantor agrees that if OXY USA fails to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator(s) within 90 days after a notice of cancellation by the guarantor is received by an EPA Regional Administrator from guarantor, guarantor shall provide such alternate financial assurance in the name of OXY USA.
- 12. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by OXY USA. Guarantor also expressly waives notice of amendments or modifications of the Consent Decrees.

Except for those changes necessary to reflect that the financial assurance is not being provided with respect to the closure or post-closure care of a facility regulated under 40 CFR Part 264 or 265, but instead with respect to the performance by OXY USA of the activities specified in the Consent Decrees, I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written.

Effective Date: September ____, 2015

Occidental Petroleum Corporation

Senior Vice President and Chief Financial Officer

State of Texas §
 §
 County of Harris §

This instrument was acknowledged before me on September ____, 2015 by _____, Senior Vice President and Chief Financial Officer of Occidental Petroleum Corporation, a Delaware corporation, on behalf of said corporation.

{SEAL}

 Notary Public in and for the State of Texas

APPENDIX F

Technical Assistance Plan

Technical Assistance Plan (TAP) Grant

Copper Basin Site, Polk County, Tennessee
Submitted by Glenn Springs Holdings, Inc.

I. Background

On January 11, 2001, OXY USA Inc. and Glenn Springs Holdings, Inc. (collectively "Respondent") entered into a Memorandum of Understanding (MOU) with the United States Environmental Protection Agency (EPA) and Tennessee Department of Environment and Conservation (TDEC) to take certain actions at the Copper Basin Site in Polk County, Tennessee (Site). As part of the MOU, the Respondent agreed to provide and administer \$50,000 of the Respondent's funds to be used by a selected nonprofit Community Group that is representative of the area in and around the Site for the purpose of providing technical assistance during the activities to be performed by the parties under the MOU, a January 4, 2001, Lower North Potato Creek VOAP Order with TDEC under its Voluntary Oversight and Assistance Program (TDEC Order), and several Administrative Orders on Consent (AOCs) with EPA. In particular, the selected Community Group will be responsible for hiring and managing a Technical Advisor ("TA"). The TA will be independent of the Respondent and will provide technical information to the Community Group to aid in its understanding of the significance of the data generated during the parties' activities and through EPA's issuance of the ROD. EPA will oversee the Respondent's administration of this Technical Assistance Plan ("TAP") to ensure that it is consistent with the MOU. Additionally, a process for invoking binding arbitration will be in place to resolve any disputes that may arise between the Community Group, the Respondent, and/or the Technical Advisor that cannot first be resolved by the informal dispute resolution process prescribed by their contract.

II. Solicit Application from the Community

The Respondent plans to begin soliciting applications from the community beginning no later than August 15, 2001. It will use the attached application form. It will continue to solicit and advertise its Request for Proposal (RFP) from a Community Group for at least three weeks. At a minimum, the Respondent will place appropriate notices and advertisements in local newspapers including the *Basin Prospector* and the *Chattanooga Times Free Press*, as well as on the Respondent's website. It will also mail the RFP to persons included on the mailing lists EPA or TDEC maintains for those interested in Site information. The Respondent will provide appropriate application information to persons/organizations that directly request such materials. In addition, the Respondent will present and provide application information at any public meetings that it or EPA holds with the affected community while the application process is open.

III. Evaluation of Applications

The Respondent has created an Awards Committee to review any submitted applications. The Committee will prepare a written evaluation of each application, addressing the minimum requirements and selection criteria. If there are multiple applications, then the Committee will prepare a score for each applicable submission, using the criteria set forth below. The Awards Committee will select the applicant with the highest overall score. The final written evaluation of each Community Group Applicant may be disclosed to the public upon request, and is subject to EPA oversight.

1. Minimum Requirements

In order to be selected, the Community Group Applicant must be:

- a) *a group of people who may be "affected" by a release or threatened release at this Site within the meaning of 40 C.F.R. §35.4010;*
- b) *incorporated as a non-profit organization for the purposes of the Site or otherwise established as a charitable organization that operates within the geographical range of the Site and is already incorporated as a non-profit organization; and,*
- c) *able to demonstrate its capability to adequately and responsibly manage any funds awarded.*

2. Selection Criteria

The Awards Committee will consider whether and how successfully each applicant meets the following criteria (which are of equal weight):

- a) *representation of group and individuals affected by this Site;*
- b) *the group's plans to use the services of a technical advisor throughout the Site activities; and,*
- c) *the group's ability and plan to inform others in the community of the information provided by the technical advisor.*

3. Ineligible Community Group Applicants

In reviewing the applications, the Respondent will determine whether it believes any of the Community Group applicants are ineligible. A Community Group Applicant will be considered ineligible if it is:

- a) *A "potentially responsible party" (PRP) for this Site or represents such a PRP, or is a group whose ability to represent the interests of the affected individuals might be limited as a result of receiving money or services from a PRP;*
- b) *Not incorporated as a nonprofit organization for the specific purpose of representing affected people except as provided in 40 C.F.R. § 35.4045;*
- c) *"Affiliated" with a national organization (as defined in 40 C.F.R. § 35.4270);*
- d) *An academic institution;*
- e) *A political subdivision (for example, township or municipality); or*

- f) Established or presently sustained by ineligible entities that paragraphs III.3.(a) through (e) of this section describe, or if any of these ineligible entities are represented in the group.

If the Respondent makes such a determination, then it will inform EPA and the affected Community Group applicant and provide an opportunity for the applicant to revise its application (similar to the procedure specified in 40 C.F.R. 35.4025). That the successful applicant will receive TAP funds from Respondent, which has been identified by EPA as a PRP, shall not preclude that applicant from receiving any other award or grant from EPA.

IV. Selected Community Group

After the Awards committee selects the applicant with the highest overall score, Respondent will promptly notify all applicants and EPA in writing. Respondent will also promptly inform the selected Community Group of the activities that can and cannot be undertaken with the Respondent's funds, respectively, as follows:

Eligible Activities by Selected Community Group

The selected Community Group may perform any of the following activities with the TAP funds provided by the Respondent:

- a) To retain a technical advisor(s) to help the community understand the nature of the environmental and public health hazards at this Site, the various stages of investigations and activities, cleanup, and operation and maintenance of a site, including remedial investigation and feasibility study, record of decision, remedial design, selection and construction of remedial action, operation and maintenance, and removal action. This technical assistance should contribute to the public's ability to participate in the decision-making process by improving the public's understanding of overall conditions and activities at this Site;
- b) Undertake activities that communicate Site information to the public through newsletters, the internet, public meetings or other similar activities;
- c) Procure an administrator to manage the TAP funds;
- d) Provide no more than \$1,000 for one-time health-and-safety- training for the selected technical advisor to gain access to this Site.

Ineligible Activities by Selected Community Group

The selected Community Group may not perform any of the following activities with the TAP funds provided by the Respondent:

- a) Litigation or underwriting any existing or contemplated legal actions such as paying for attorney fees or paying for the time of the Technical Advisor to assist an attorney or any other person in preparing a legal action or preparing for and serving as an expert witness at any legal proceeding regarding or affecting the Site;
- b) Political activity and lobbying that is unallowable under OMB Circular A-122, "Cost Principles for Non-Profit Organizations";
- c) Other activities that are unallowable under the cost principles stated in OMB Circular A-122;
- d) Tuition or other training expenses for the group's members or its Technical Advisor (except as provided above);
- e) Any activities or expenditures for Community Group members' travel;
- f) Generation of new primary data such as well drilling and testing, including split sampling;
- g) Reopening or challenging final EPA or TDEC decisions such as the Record of Decision or conducting disputes with EPA, TDEC, or Respondent;
- h) Generation of new health data through biomedical testing (e.g., blood or urine testing), clinical evaluation, health studies, surveillance, registries, and/or public health interventions.

Ineligible Members of Selected Community Group

In implementing the TAP, the Respondent will inform the selected Community Group (cc: EPA) if it believes any member of the Group is ineligible to participate in the group. An individual might be considered ineligible if he or she has a significant financial interest in a PRP at this Site (other than as an employee or contractor).

Advance payment for start-up expenses

No later than September 24, 2001, Respondent will offer, in writing, up to \$5,000 to the selected Community Group to cover its estimated need for funds for an initial period. This advance payment may be used only for the purchase of supplies, postage, the payment of the first deposit to open a bank account, the rental of equipment, the first month's rent of office space, advertisements for technical advisors, and other items reasonably associated with the start-up of the organization which are specifically described in a request from the group. This advance payment should not be used for contracts for technical advisors or other contractors, or for any costs of the group's incorporation.

V. Community Group's Solicitation for Technical Advisor

Respondent will promptly provide appropriate assistance when requested by the Selected Community Group (or directed by EPA) in its solicitation for an independent Technical Advisor. For example, if requested by the Community Group or directed by EPA, Respondent will issue the attached Request for Proposal (RFP) for a Technical Advisor in order to assist the Community Group in generating a pool of potentially eligible Technical Advisors. The TA applicants should send their applications to the Community Group, with copies to Respondent. Respondent will work with the Community Group to ensure that Technical Advisor applications are received no later than October 23, 2001.

Once the Community Group receives all the submitted Technical Advisor applications, it must review the applications and select its first and second choice candidates for TA. The Community Group also must prepare and submit a written evaluation of its first and second choice selections. The evaluation must demonstrate that each candidate meets the minimum requirements and contain an analysis of each applicable submission. The Community Group will send its first and second choice selections and corresponding evaluations to Respondent (cc: EPA) by October 30, 2001.

As long as the Community Group's selected TA meets the minimum requirements (specified in 40 C.F.R. 35.4195), the Respondent must accept the Community Group's first-choice selected TA. Within seven days of receipt of the Community Group's selected candidates, Respondent will inform the Community Group, the first-choice selected TA, and EPA if it believes that the candidate is not eligible or was not properly selected.

The selected Community Group will ultimately select a qualified Technical Advisor who will be independent from the Respondent and any other potentially responsible parties. In addition to the fact that the TA will report directly to the Community Group, the term "independent", for purposes of this TAP, also means that the Technical Advisor and his immediate family members may not: a) be an employee of, an appointee with, or contractor for any of the PRPs; b) be currently applying for a position with or bidding for any other contract position with any of the PRPs; or c) have a substantial financial interest or other substantial involvement with any PRP. Additionally, the TA may not be related to persons living in the affected Community, nor live within the affected community himself (which shall constitute that portion of Polk County, Tennessee, east of national forest lands). Respondent will immediately notify the Community Group, the TA, and the EPA if it believes the TA does not meet this definition of "independent."

VI. Contract with Community Group and its Technical Advisor

Respondent plans to submit the attached contract to the Community Group and its Technical Advisor. This contract addresses (a) the appropriate and inappropriate activities and services, consistent with the information contained in this Technical Advisor Plan ("TAP"), that the Community Group may finance and the TA may provide with the Respondent's funds; (b) the administration of the invoice/billing system for the services of the Technical Advisor retained by the Community Group; (c) the dispute resolution process; and (d) other necessary provisions that provide for the administration of this TAP consistent with the terms of the MOU that the Respondent entered into with EPA. Respondent must conduct any negotiations in good faith, and make a good-faith effort to complete such negotiations no later than November 7, 2001. Upon completion of the negotiations, Respondent must notify EPA and TDEC and explain any differences between the draft attached contract and the final contract.

VII. Dispute Resolution

In the event that a dispute arises between the Respondent, the Technical Advisor, and/or the Community Group concerning the administration and/or use of the funds under the TAP, Respondent proposes to use the dispute resolution process set forth in the attached contract. This process includes an informal dispute resolution process that would be followed, if necessary, by a specified binding arbitration process. The specifics of the dispute resolution process will be detailed in the final contract entered into between the Respondent, the Community Group, and the Technical Advisor. EPA shall maintain oversight authority over all aspects of this TAP to ensure good-faith compliance by all parties.

VIII. Additional TAP Activities

1. The Respondent will arrange for and host public meetings on an as-needed basis between its Outreach Coordinator, the Community Group, the Technical Advisor, and other interested individuals, that address developments and issues pertaining to the Site.
2. The Respondent will provide comment cards or similar means for recording comments at such meetings, and will respond to the relevant comments submitted. Any comments that relate to activities undertaken by EPA or TDEC will be forwarded by Respondent to EPA or TDEC.
3. The Respondent will send EPA quarterly progress reports on the administration of the TAP. These reports will, at a minimum, summarize the topics discussed at the above-described meetings; give an accounting of invoices the Respondent has received and/or paid for purposes of the TAP; provided a written statement identifying and describing the status, if any, of disputes between the parties; and provide a brief agenda of upcoming activities relating to the TAP.
4. To the extent that issues or situations arise that are not specifically addressed by this TAP, the MOU, TDEC Order, or AOCs, all parties must refer to EPA for guidance and must generally interpret and implement all provisions of this TAP in accordance with its purpose. Specifically, this TAP is designed to provide the affected community in and around the Site with quality technical information and analysis to aid in its meaningful understanding of and participation in the

response activities undertaken in its community.

IX. Schedule

To the extent practicable, Respondent will make a good faith effort to comply with the schedule provided below, which is designed to allow the Community Group to have a Technical Advisor selected and a contract with the Respondent signed no later than November 7, 2001. In the event that unforeseen developments delay implementation, Respondent must provide EPA with written justification for the delay and as expeditiously as possible complete the outstanding activity.

1. June 2, 2001-- Conference call between EPA and the Respondent to finalize revisions to TAP
2. June 11, 2001: EPA approves final TAP
3. August 15, 2001: Respondent publishes RFP for Community Groups, and mails copies to interested individuals. Solicitation continues for at least three weeks.
4. September 5, 2001: Application(s) from Community Group(s) due to Respondent.
5. September 10, 2001: Respondent submits plan for arranging for, and hosting, meeting between its Outreach Coordinator, the community group, potential TA's, and others.
6. September 24, 2001: Respondent informs EPA, TDEC, and applicants of identity of selected Community Group. Respondent offers assistance in solicitation for Technical Advisor, and up to \$5,000 to Group for its start-up expenses.
7. October 2, 2001: If accepted by the Community Group, Respondent transfers up to \$5,000 for start-up expenses.
8. October 9, 2001: Target date for Community Group (with Respondent's assistance, if requested) to issue RFP for a Technical Advisor.
9. October 23, 2001: Applications for Technical Advisor due to Community Group (cc: to Respondent).
10. October 30, 2001: Target date for Community Group to inform Respondent of its first-and second-choice candidates for Technical Advisor. (Within 7 days thereafter, Respondent must notify Group, the first-choice candidate, and EPA if it believes the candidate is not eligible or was not properly selected).
11. November 7, 2001: Respondent finalizes contract with Community Group and its Technical Advisor. Respondent concurrently notifies EPA of any differences between final contract and draft contract.

APPENDIX G

Memorandum of Understanding Regarding the TAP

10008546



IN THE MATTER OF:
COPPER BASIN MINING DISTRICT
SITE,

) **MEMORANDUM OF**
) **UNDERSTANDING BETWEEN**
) **TENNESSEE DEPARTMENT OF**
) **ENVIRONMENT AND**
) **CONSERVATION, U.S. EPA AND**
) **OXY USA, INC.**
)
) U.S. EPA Region 4
) CERCLA Docket No. 01-10-C

MEMORANDUM OF UNDERSTANDING**OXY USA, INC., TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION AND U.S. ENVIRONMENTAL PROTECTION AGENCY**

This document sets forth mutual understandings and agreements among the United States Environmental Protection Agency, the Tennessee Department of Environment and Conservation (TDEC), and OXY USA, Inc. and its corporate affiliate, Glenn Springs Holdings, Inc. (collectively "OXY USA"), concerning the future cleanup of the Copper Basin Mining District Site, located in Polk County, Tennessee. EPA enters into this MOU pursuant to the authority of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA), 42 U.S.C. § 9601 *et seq.* TDEC enters into this MOU pursuant to the authority of T.C.A. Section 68-212-201 *et seq.*

The primary purpose of this Memorandum of Understanding (MOU) is to set forth the current agreements of the signatories. Nothing in this document constitutes an admission of OXY USA, and OXY USA denies liability with respect to the Site. The MOU shall remain in effect and binding unless the parties collectively agree to terminate it, OXY USA defaults under its terms (as hereinafter defined), or OXY USA or TDEC withdraws from the MOU (as hereinafter defined).

I. BACKGROUND

The Copper Basin Mining District Site (CERCLIS ID TN0001890839, hereinafter, referred to as the "Copper Basin" or the "Site") is located in southeast Tennessee in Polk County, and northern Georgia in Fannin County, near the state border with North Carolina. The Copper Basin is the site of extensive former copper and sulfur mining operations that date back to the early 1800s. For more than 150 years, numerous companies and individuals were involved in various mining, refining and manufacturing operations in the area. Mining operations ceased in 1987, although other related industries such as a chemical plant and a sand blasting materials production facility continue to operate in the area.

Mining and related activities have resulted in the environmental degradation of portions of the Copper Basin, including the North Potato Creek Watershed, the Davis Mill Creek Watershed, and parts of the Ocoee River. Acidic conditions and leaching metals have impaired water quality and deforestation has resulted in severe erosion. Abandoned and collapsing mine works and other deteriorating facilities and waste piles also may pose significant physical hazards. In addition, the lack of a healthy soil structure and the poor quality of riparian and upland ecosystems contribute to poor surface water quality.

Over the past 25 years, various government agencies and private parties have taken steps to partially revegetate the area and some improvements in terms of erosion control and habitat restoration are readily evident. However, EPA and TDEC believe that the Copper Basin remains environmentally degraded from the continuing release of hazardous substances, pollutants or contaminants, and that it also contains physical hazards associated with mining and mineral processing.

II. PRINCIPLES AND COMMITMENTS

In recognition of the environmental impacts in the area, OXY USA, TDEC and EPA hereby agree to work together in a coordinated manner with the common goal of the ultimate environmental remediation and redevelopment of the Copper Basin. The parties realize the final remediation and redevelopment of the entire Copper Basin will be a long-term, complicated undertaking that will best succeed in a timely fashion if the parties continue to work together cooperatively, sharing resources and technical expertise. What follows are the more detailed governing principles and specific commitments agreed to by the parties.

III. GOVERNING PRINCIPLES

1. The parties agree to share all technical data and information on a timely and ongoing basis to the extent permitted by law.
2. The parties recognize that the Site includes portions of the Ocoee River and both the Davis Mill and North Potato Creek watersheds, as well as other areas where contamination has come to be located in the Copper Basin.
3. The parties agree that all of the actual response activities to be conducted by OXY USA will be done pursuant to enforceable agreements in the form of either TDEC Commissioner's Orders or EPA administrative agreements or Consent Decrees based on EPA model documents, subject to negotiation.
4. The parties agree to work in a coordinated fashion to inform the public of all significant activities and to appropriately involve the public at all points in the cleanup process where such involvement is normally required in the National Contingency Plan (NCP). Where specific agreements concerning public participation are contained within an administrative enforcement agreement, order, or consent decree, the terms of that agreement will be followed.
5. The parties acknowledge that the work required under this MOU constitutes the first phase of response action for the Site. The parties agree that they will hold good faith negotiations for purposes of entering into enforceable agreement(s) to implement and fund future response activities, including response actions selected by Engineering Evaluation/Cost Analyses (EE/CA), remedies selected by Records of Decision and other actions necessary to meet State requirements.
6. The parties agree that specific provisions or requirements in any subsequently agreed to or attached TDEC or EPA Order, take precedence over any conflicting provisions or requirements in this MOU. Additionally, the parties acknowledge that termination of the MOU will not affect the enforceability of any EPA or TDEC order.
7. The parties agree to work in a coordinated and cooperative fashion with the other parties hereto to provide or obtain access to all areas of the Site to which access is necessary for the purpose of conducting response activities.

IV. SPECIFIC COMMITMENTS

Set forth below are several specific tasks that the parties agree to undertake as a means of initiating response actions in the Copper Basin.

a. OXY USA AGREES TO:

1. Proceed with implementation of the attached January 4, 2001 TDEC Commissioner's Order for cleanup and response actions in the North Potato Creek Watershed. TDEC will conduct lead oversight for the work called for in the Order. The parties agree that EPA's role will include technical consultation and review of the work called for in the State VOAP Order, and that EPA will have the opportunity to review and comment on all major technical decisions.
2. Proceed with the implementation of the attached January 11, 2001 Administrative Order on Consent, Docket No. 01-11-C for purposes of generating an Engineering Evaluation/Cost Analysis to determine the potential for temporary treatment of water at the mouth of the North Potato Creek and to study the conditions in the South Mine Pit. If a lime neutralization process using the South Mine Pit as a settling basin is selected by EPA to be all or any portion of the temporary treatment remedy, then the AOC further requires that OXY USA implement the lime neutralization portion of said temporary remedy. The AOC recognizes that the temporary treatment remedy will be adequate to treat groundwater flow into the South Pit and the flow in North Potato Creek attributable to a 10 year/24 hour storm event. Work by OXY USA under the AOC will be capped at \$6 million in capital costs and the treatment of the discharge from the South Mine Pit to a pH level of 7.5, except that, if EPA determines that it is necessary to protect the biological integrity (as defined in the Commissioner's Order) of the downstream area of North Potato Creek from dissolved metals, then treatment shall be capped at a pH level of 8.5. EPA will conduct lead oversight for the work called for in the AOC. The parties agree that TDEC's role will include technical consultation and review of the work called for in the AOC.
3. Proceed with the attached January 11, 2001 Administrative Order on Consent, Docket No. 01-13-C by depositing \$1,000,000.00 into a Superfund site-specific special account for the purpose of partially funding the cost of EPA's Remedial Investigation/Feasibility Study (RI/FS) activities in the Davis Mill Creek Watershed. EPA will implement the RI/FS pursuant to the NCP and pertinent EPA guidance, however, TDEC and OXY USA will be afforded the opportunity to comment on the technical aspects and scope of the project. Additionally, as required by the attached AOC, OXY USA shall deposit \$500,000 into the Superfund site-specific special account on an annual basis for a period of four years. The purpose of the account is to partially fund the final cleanup of the Davis Mill Creek Watershed. Upon selection of a remedy for the Davis Mill Creek Watershed, EPA will draw down on all monies then existing in the account for the purpose of funding Site-related remediation work or oversight. If OXY USA defaults or withdraws under the MOU, EPA may use up to \$250,000 of the account for Site-related remediation work in other areas of the Copper Basin notwithstanding the above geographic limitations. Pursuant to the AOC, OXY USA shall be afforded an opportunity, in

advance of a draw down for oversight costs, to review the documentation for all such costs. EPA anticipates that it will request OXY USA and possibly other parties to enter into an agreement to perform or fund the selected remedy for the Davis Mill Creek Watershed.

4. Pursuant to the attached AOC, dated January 11, 2001, EPA Docket No. 01-12-C, OXY USA will either refurbish, operate and maintain, or fund the refurbishing, operation and maintenance of, the Cantrell Flats Wastewater Treatment Plant up to the Plant's design capacity. This commitment is conditioned upon EPA's approval of sludge disposal in the Calloway mine. OXY USA will not be required to fund treatment of: 1) any domestic or process wastewater generated by another party currently or in the future as a result of commercial operations, or 2) any water otherwise required to be treated by another party pursuant to a permit or agreement with EPA or TDEC. OXY USA will divert Belltown Creek and the effluent from the Gypsum Pond to the Ocoee River so as to accommodate a 10-year/24 hour storm event. After refurbishment of the Treatment Facility is accomplished as required by the AOC, OXY USA shall cause operation and maintenance of the Treatment Facility to occur until the earlier of: 1) EPA determines that the final remedy selected by EPA in a Record of Decision for the Davis Mill Creek Watershed has been implemented and is operating effectively, or 2) EPA determines that termination of this Order is necessary either to ensure consistency with the permanent remedy selected for the Davis Mill Creek Watershed, or for other reasons.

5. Within 60 days of the effective date of this MOU, enter into a separate agreement with EPA or TDEC, the purpose of which is to conduct restoration activities by funding the planting of hardwoods and other trees and vegetation as agreed to by the parties. This money will not be utilized for assessment activities. Pursuant to the agreement, OXY USA shall deposit \$1,000,000.00 initially and then, on an annual basis, OXY USA shall deposit \$250,000 a year for a period of four years to fund this account.

6. Within ninety (90) days of the date hereof, prepare a Technical Assistance Plan in a manner consistent with EPA guidance, for providing and administering \$50,000 of OXY USA funds to be used by selected representatives of the affected community for the purpose of providing technical assistance during the response activities conducted at the Site prior to selection of an interim or final remedy for any portion of the Site. EPA will consider fully the views of local governmental officials in making selection of any representative. OXY USA will provide and administer additional amounts if the selected community group demonstrates the need required by 40 CFR 35.4065.

7. Make available sufficient resources in terms of personnel and contractors, technical expertise, and finances, to ensure the success and timely completion of work under the MOU and any enforceable agreements related to the Site. Additionally, upon entering into each administrative agreement, order or consent decree for response actions at the Site, OXY USA shall establish and maintain financial security in an amount sufficient (as determined by EPA) to perform the required response actions in one or more of the following forms:

- a. A surety bond guaranteeing performance of the work;
- b. One or more irrevocable letters of credit equaling the total estimated cost of the work;

- c. A trust fund;
- d. A guarantee to perform the work by one or more parent corporations or subsidiaries, or by one or more unrelated corporations that have a substantial business relationship with OXY USA; or
- e. A demonstration that OXY USA meets the substantive requirements of 40 C.F.R. Part 264.143(f).

8. a. OXY USA agrees that, should it default under any attached AOC, under the Commissioner's Order; or under paragraph 5 or 6 of Section IV.a. of this MOU, it will not challenge, either directly or indirectly through an officer, employee, or corporate affiliate, any NPL listing of the Site.

b. Within ten days of the signing of this MOU, OXY USA (i) will secure and provide to EPA and TDEC a written commitment of its corporate parent, Occidental Petroleum Co. ("OPC"), that OPC and its subsidiaries will also not challenge an NPL listing of the Site if OXY USA is in default under any attached AOC, under the Commissioner's Order, or under paragraph 5 or 6 of Section IV.a. of this MOU, and (ii) will seek, and provide if obtained to EPA and TDEC, a parallel written commitment from CanadianOxy Offshore Production Co. ("COOPCO") and its corporate affiliates.

c. In any circumstances other than those set forth in paragraph 8(a) above, OXY USA, OPC, and COOPCO retain all their legal rights to challenge any NPL listing of the Site.

b. THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION AGREES TO:

1. Serve as lead agency in furtherance of the remediation and reclamation of the North Potato Creek Watershed pursuant to the aforementioned Commissioner's Order.
2. Make available sufficient resources in terms of personnel and contractors, technical expertise, and finances, to ensure the success and timely completion of work under the MOU and any enforceable agreements related to the Site.

c. THE ENVIRONMENTAL PROTECTION AGENCY AGREES TO:

1. Conduct RI/FS activities in the Davis Mill Creek Watershed utilizing the funding mechanism set forth in the attached AOC dated January 11, 2001, EPA Docket No. 01-13-C.
2. Conduct RI/FS activities in the impacted sections of the Ocoee River including the gathering of data in the Copper Basin watershed necessary to develop Total Maximum Daily Loads.

3. Serve as lead agency for oversight of the implementation of the EE/CA for the North Potato Creek as set forth in the attached AOC dated January 11, 2001, EPA Docket No. 01-11-C.

4. For so long as is warranted, coordinate activities with the parties to minimize regulatory oversight costs in a manner consistent with EPA's Superfund Administrative Reform efforts.

5. For so long as TDEC serves as the lead agency in furtherance of response actions in the North Potato Creek watershed, EPA agrees to review and comment on activities conducted in that watershed. Additionally, unless: (1) TDEC has determined that OXY USA is in default under TDEC's January 4, 2001, Order, pertaining to the North Potato Creek watershed portion of the Copper Basin Mining District Site, or (2) OXY USA or TDEC terminates TDEC's January 4, 2001, Order, or (3) the parties mutually agree to terminate this MOU, or (4) EPA determines that a situation exists in the North Potato Creek watershed which warrants an emergency response under CERCLA, or (5) after January 11, 2001, EPA receives new information or finds conditions previously unknown in the North Potato Creek Watershed which shows that an imminent and substantial endangerment exists and a Federal response action is necessary, then EPA does not intend to take CERCLA action in the North Potato Creek Watershed (other than response activities relating to the temporary treatment of North Potato Creek as it enters the Ocoee River, including activities in the South Mine Pit).

6. Unless EPA determines that OXY USA has defaulted under the terms of this MOU or OXY USA or TDEC has withdrawn from the MOU, or the parties agree to terminate the MOU, then EPA will withhold the proposed listing of the Site on the National Priorities List.

7. In any AOC or Consent Decree for work pursuant to this MOU, EPA, subject to the exercise of statutory discretion, will provide covenants not to sue upon completion of the work to the extent permitted under CERCLA. The covenants shall extend to OXY USA, and, to the extent permitted by CERCLA and requested by OXY USA, to any corporate affiliates, officers, directors, agents, successors and employees of either OXY USA or COOPCO.

8. With respect to any AOC or Consent Decree entered into in connection with this MOU in which OXY USA and Glenn Springs Holdings are respondents, EPA will treat OXY USA and Glenn Springs Holdings as a single respondent for purposes of stipulated penalties.

V. DEFAULT AND DISPUTE RESOLUTION

For purposes of this MOU, OXY USA will be in default if, after having been provided with written notice and opportunity to cure, as further described below, OXY USA materially violates a substantive provision of the Governing Principles, OXY USA's Specific Commitments, or a Site-related TDEC or EPA enforcement agreement.

The parties agree that attempts will be made at the staff level to resolve all disputes arising under this MOU through timely, good-faith discussions in an informal manner. If following this process, EPA or TDEC continue to believe that OXY USA is in default, as defined above then EPA or TDEC shall provide OXY USA with a written notice of such finding.

The parties shall then enter into a period of negotiations which shall not exceed 14 calendar days from OXY USA's receipt of the written notice, unless such time period is modified by written agreement of the parties to the dispute. If at the end of the negotiation period, the party issuing the notice continues to assert that OXY USA is in default, as defined above, then the matter shall be elevated to the level of Waste Management Director of EPA or corresponding TDEC official, as appropriate. The Waste Management Director of EPA, Region 4 or the TDEC official shall then issue a final written decision concerning the alleged deficiency. The final written decision shall include a reasonable time frame (to be no less than 30 days and no more than 90 days from the date of the final decision) within which OXY USA may cure all deficiencies identified in the decision. Failure to cure within the specified time frame will constitute a default under this MOU.

Notwithstanding the foregoing, for disputes falling within a specific administrative enforcement agreement, order or consent decree, the dispute resolution provisions of that agreement will be followed. For a dispute under an enforcement agreement for which OXY USA has invoked any applicable dispute resolution process, OXY USA shall not be considered to be in default unless OXY USA fails, within the time frame specified, to perform the task in dispute as required in the final decision of the applicable Agency official.

VI. WITHDRAWAL

OXY USA will be considered to have withdrawn from this MOU in the event that OXY USA fails, within a reasonable time frame consistent with CERCLA, to enter into Site-related enforcement agreement(s) for response action(s) at the Site requested by EPA or TDEC. In addition, TDEC or OXY USA will be considered to have withdrawn from this MOU if it terminates TDEC's January 4, 2001 Order.

VII. RESERVATIONS OF RIGHTS

Except as specifically agreed to in this MOU or in any administrative agreement, order or consent decree concerning the performance of or funding of response action at the Site the parties reserve their rights as follows: 1) The parties reserve all of their existing legal and administrative rights and defenses under federal and state law, and 2) EPA and TDEC reserve the right to take any and all actions necessary at any time to fulfill their statutory mandates to protect human health and the environment and to seek reimbursement from any party for costs incurred in connection with the Site.

Nothing in this agreement constitutes a release or covenant not to sue of any type against any party and nothing in this agreement is meant to affect previous or ongoing legal obligations of any party under an existing agreement. OXY USA specifically reserves its rights to seek cost recovery and contribution from anyone not a signatory to this agreement, including other federal or state entities.

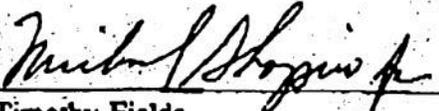
VIII. EFFECTIVE DATE

This document may be executed in counterparts. The effective date of this MOU shall be the date it is signed by the Regional Administrator of EPA Region 4.

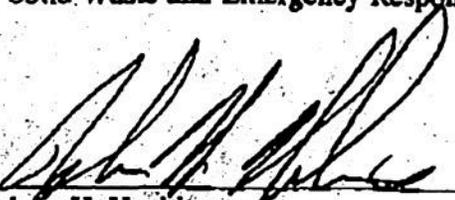
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SIGNATURES:

FOR U.S. EPA


 Timothy Fields
 Assistant Administrator for
 Solid Waste and Emergency Response

Date 1/11/01


 John H. Hankinson, Jr.
 Regional Administrator

Date 1/11/01

01/11/01 13:35 FAX 859 543 2171

GLENN SPRINGS HOLDINGS

009

FOR OXY USA, INC.


Jo Ellen Drisko
Vice-President

1-10-01
Date

10 11 0011

FOR TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Milton H. Hamilton, Jr.
Milton H. Hamilton, Jr.
Commissioner

January 10, 2001
Date