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EXEMPT FROM FILING FEES GOVERNMENT CODE § 6103

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MADERA

PEOPLE OF THE STATE OF CALIFORNIA, ex rel. Debbie Raphael, Director, California Department of Toxic Substances Control, Plaintiff, v. BALTIMORE AIRCOIL COMPANY, INC., a Delaware Corporation. Defendant.	Case No. STIPULATION FOR ENTRY OF FINAL JUDGMENT ON CONSENT

This Stipulation for Entry of Final Judgment on Consent ("Stipulation") is entered into by and between, Plaintiff People of the State of California, ex rel. Debbie Raphael, Director, California Department of Toxic Substances Control ("DTSC") and Defendant Baltimore Aircoil Company, Inc. ("BAC"). DTSC and BAC, collectively "the Parties," have agreed to settle this matter without further litigation on the terms set forth below.

A. JURISDICTION

DTSC and BAC stipulate and agree that the Superior Court of the State of California for the County of Madera (the "Court") has subject matter jurisdiction over the matters alleged in the Complaint and personal jurisdiction over the Parties.

BAC waives its right to a hearing and appeal in this matter.

B. SETTLEMENT OF DISPUTED CLAIMS

DTSC and BAC enter into this Stipulation pursuant to a compromise and settlement of disputed claims for purposes of furthering the public interest. DTSC believes that the resolution embodied in this Stipulation is fair and reasonable and fulfills DTSC's enforcement objectives; that except as provided in this Stipulation, no further action is warranted concerning the allegations contained in the Complaint; and that entry of the Consent Judgment as provided in this Stipulation is in the best interest of the public. BAC agrees that this Stipulation and the Final Judgment and Permanent Injunction Pursuant to Stipulation entered thereon, a copy of which is attached as Exhibit A ("Consent Judgment"), are a fair and reasonable resolution of the matters alleged in the Complaint.

C. DEFINITIONS

Except where otherwise expressly defined herein, all terms in this Stipulation and Consent Judgment shall be interpreted consistent with Chapter 6.5 of Division 20 of the Health and Safety Code and the regulations promulgated under this chapter, Health & Safety Code sections 25100 et seq. and Cal. Code of Reg., tit. 22, section 66000 et seq.

1. "The Facility" means the BAC manufacturing facility at 15341 Road 28 1/2 in the County of Madera, State of California.
2. "Hazardous Material," as used herein, means "hazardous material" as that term is defined in Health and Safety Code section 25501(o).
3. "Hazardous Waste," as used herein, shall have the definition as provided for in Health and Safety Code section 25117.
4. "Hazardous Waste Management," and "management" as used herein, shall have the definition as provided for in Health and Safety Code section 25117.2.

D. SETTLEMENT PAYMENT

BAC is liable for a total of seven hundred and fifty thousand dollars ($750,000) in civil penalties to be paid as set forth herein.

1. SETTLEMENT PAYMENT

Within thirty (30) calendar days of entry of the Consent Judgment in this matter," BAC shall pay to DTSC seven hundred and fifty thousand dollars ($750,000) as the Settlement Payment. This payment shall be made by cashier's check, payable to "the Department of Toxic Substances Control," and mailed to:

Cashier
Accounting Office
Department of Toxic Substances Control
P.O. Box 806
Sacramento, CA 95812-0806

A copy of the check shall be sent to:

Charles A. McLaughlin, Performance Manager
State Oversight and Enforcement Branch
Enforcmeent and Emergency Response Program
Department of Toxic Substances Control
8800 Cal Center Drive, MS R1-3
Sacramento, CA 95826-3200

Kirk McInnis
Deputy Attorney General
Office of the Attorney General
1515 Clay Street, 20th Floor
Oakland, CA 94612-0550

The check for the Settlement Payment shall bear the name of this case and court number.

2. LATE PAYMENTS

BAC shall be and is hereby deemed liable for and shall pay DTSC $1,000 per day for the first seven (7) days that the Settlement Payment is late. If the Settlement Payment is more than seven (7) days late, beginning on the eighth day the Settlement Payment is late, in addition to the late payments for day 1-7, BAC shall be and is hereby deemed liable for, and shall pay DTSC, five thousand dollars ($5,000) per day for each additional day the Settlement Payment is late.

E. INJUNCTIVE RELIEF

1. GENERAL INJUNCTIVE PROVISIONS

BAC shall be, and is enjoined as follows:

Pursuant to the provisions of the Health and Safety Code sections 25181 and 25184, BAC shall comply with Chapter 6.5 of Division 20 of the Health and Safety Code (Health & Saf. Code §25100 et seq.) and the regulations promulgated under this chapter (Cal. Code Reg., tit. 22, § 66000 et seq.) at, and in connection with, the operations of the Facility. Failure to comply with the specific injunctive provisions that follow may subject BAC to the enforcement provisions set forth below.

2. SPECIFIC INJUNCTIVE PROVISIONS

2.1 BAC shall immediately clean up and report any release or threatened release of a hazardous material or hazardous waste at or from the Facility as required by Health and Safety Code section 25507 and California Code of Regulations, Title 19, sections 2703 and 2705.

2.2 BAC shall comply with the employee training requirements as mandated by California Code of Regulations, Title 22, section 66265.16 and California Code of Regulations, Title 8, section 5194(h), pertaining to the management of hazardous waste. BAC shall maintain employee training records as required by these regulations.

2.3 BAC shall manage containers of hazardous waste at the Facility in accordance with the provisions of California Code of Regulations, Title 22, sections 66262.34 and 66265.173.

2.4 BAC shall conduct weekly inspections of hazardous waste storage areas at the Facility as required by California Code of Regulations, Title 22, section 66265.174.

2.5 BAC shall properly and timely dispose of accumulated hazardous waste at the Facility as required by California Code of Regulations, Title 22, section 66262.34.

2.6 BAC shall obtain any written assessments and/or reassessments required by California Code of Regulations, Title 22, section 66265.192, reviewed and certified by an independent, qualified, professional engineer, registered in California, attesting that the hazardous waste tank system or components used at the Facility have sufficient structural integrity, are acceptable for the waste handling activity, and are suitably designed.

2.7 BAC shall maintain secondary containment for all hazardous waste tank systems or components at the Facility as required by California Code of Regulations, Title 22, section 66265.193.

2.8 BAC shall conduct daily inspections of hazardous waste tanks systems, data monitoring and leak detection equipment, and the surrounding areas at the Facility as required by California Code of Regulations, Title 22, section 66265.195.

2.9 BAC shall document the daily inspections referred to in paragraph 2.8 herein in the operating record of the Facility as required by California Code of Regulations, Title 22, section 66265.195(c).

2.10 BAC shall provide employees at the Facility's hazardous waste treatment area immediate access to an internal alarm or emergency device as required by California Code of Regulations, Title 22, section 66265.34(a).

2.11 BAC shall post a sign at the Facility's outdoor hazardous waste treatment area stating: "Hazardous Waste Area – Unauthorized Personnel Keep Out" as required by California Code of Regulations, Title 22, section 66265.14(c).

2.12 BAC shall comply with all record-keeping requirements of California Code of Regulations, Title 22, section 66262.40 for the Facility.

2.13 BAC shall properly prepare, process, and maintain copies of all hazardous waste manifests in accordance with California Code of Regulations, Title 22, sections 66262.20, 66262.23, and 66262.40(a).

2.14 BAC shall not transport hazardous waste or offer hazardous waste for transportation off-site unless BAC has complied with the provisions of California Code of Regulations, Title 22, sections 66262.30, 66262.31, 66262.32, and 66262.33.

2.15 BAC shall not dispose of hazardous waste except at an authorized point as provided pursuant to the Hazardous Waste Control Law, Health and Safety Code section 25100 *et seq.*

2.16 BAC shall not transport hazardous waste or transfer custody of a hazardous waste to a transporter unless such transport is by a properly licensed and registered hazardous waste transporter as required by Health and Safety Code section 25163.

2.17 BAC shall permanently mark all hazardous waste treatment units with the name of the person who owns or operates the units, the Facility identification number, and individual serial number as required by California Code of Regulations, Title 22, section 67450.3(c)(7).

2.18 BAC shall label containers of hazardous waste as "Hazardous Waste" as required by California Code of Regulations, Title 22, section 66262.34(f) and shall keep all containers of hazardous waste closed except when adding or removing waste.

2.19 BAC shall have an up-to-date list in the Facility's contingency plan of all persons qualified to act as emergency coordinator as required by California Code of Regulations, Title 22, sections 66265.52(d) and review and amend the contingency plan when the list of emergency coordinators changes as required by California Code of Regulations, Title 22, section 66265.54.

3. ENVIRONMENTAL COMPLIANCE SCHOOL

3.1 Within six months of the entry of the Court's Consent Judgment in this matter, all officers and employees having responsibility for, or oversight of, hazardous waste management at the Facility must attend and successfully complete Modules I-V relating to hazardous waste at the California Compliance School unless they have attended the California Compliance School and passed the relevant modules within the last five years. Within six months of entry of the Court's Consent Judgment in this matter, BAC shall submit documentation to DTSC showing compliance with this paragraph.

3.2 Within 30 days of entry of the Court's Consent Judgment in this matter, BAC shall provide DTSC a list with the names of those employees covered by paragraph 2.1 above who have completed the relevant California Compliance School modules and those employees who will be attending California Compliance School.

3.3 Any officer or employee promoted, otherwise assuming responsibility for, or oversight of, hazardous waste management after the entry of the Court's Consent Judgment in this matter must attend and successfully complete Modules I-V relating to hazardous waste at the California Compliance School within six months of their hire, promotion, or assumption of responsibility unless they have attended the California Compliance School and passed the relevant modules within the last five years before the date of their hiring, promotion, or

assumption of responsibility. This paragraph only applies to an officer or employee who is subject to the requirements of California Code of Regulations, Title 22, section 66265.16(d)(1).

F. ENFORCEMENT OF CONSENT JUDGMENT

1. DTSC has the right to enforce the Consent Judgment as provided herein and pursuant to applicable law.

2. Before pursuing any action to enforce any of the terms of the Consent Judgment, DTSC shall meet and confer with BAC in a good faith attempt to resolve the issue without judicial intervention. To ensure that the meet and confer process is as productive as possible, DTSC will identify, at least ten (10) days in advance of the meet and confer, as specifically as the available information allows, the grounds for its enforcement action, the actions that DTSC believe BAC must take to remedy its non-compliance, and the specific relief, if any, sought by DTSC.

3. BAC reserves all rights to oppose any motion brought by DTSC to enforce any provisions of the Consent Judgment.

G. EFFECT OF CONSENT JUDGMENT

Other than "Covered Matters" as defined in Paragraph H.1 below, nothing herein is intended, nor shall it be construed, to preclude DTSC, or any state, county, or local agency, department, board, or entity from exercising its authority under any law, statute, or regulation.

H. MATTERS COVERED AND RESERVED CLAIMS

1. The Consent Judgment entered in this matter is a final and binding resolution and settlement of all claims, violations, and causes of action alleged by DTSC against BAC in the Complaint through the date of July 28, 2009, against BAC, its officers, employees, agents, and attorneys. The matters described in the previous sentence are "Covered Matters." DTSC reserves the right to pursue any claim, violation, or cause of action that is not a Covered Matter ("Reserved Claims"). Claims, violations, or causes of action against independent contractors of BAC, if any, are not resolved by this Consent Judgment.

2. Any claims, violations, or causes of action that are not alleged in the Complaint against BAC, including, but not limited to, any alleged violations that occurred after July 28, 2009, are not resolved, settled, or covered by this Consent Judgment.

3. Notwithstanding any other provision of this Consent Judgment, Reserved Claims include, but are not limited to, any claims or causes of action for: a) performance of corrective action, response action, or recovery of costs of actions, concerning or arising out of actual past or future releases, spills, leaks, discharges, or disposal of hazardous materials, hazardous wastes, and/or hazardous substances; and b) claims or causes of action relating to the disposal of hazardous materials, hazardous wastes, and/or hazardous substances, by BAC, where such disposal is unknown to DTSC as of the date of entry of this Consent Judgment.

4. In any subsequent action that may be brought in the name of DTSC based on any Reserved Claims, BAC agrees that it will not assert that the failure to pursue the Reserved Claims as part of this action constitutes claim-splitting or laches or is otherwise inequitable because of this asserted failure. This Paragraph does not bar BAC from asserting any statute of limitations that may be applicable to any Reserved Claims or any other defense.

5. BAC covenants not to pursue any civil or administrative claims against DTSC or against any governmental unit of the State of California, any counties or municipalities in the State of California, or against their officers, employees, representatives, agents, or attorneys for actions taken against BAC arising out of or related to Covered Matters.

I. NOTICE

1. All submissions and notices required by this Permanent Injunction shall be sent to:

a. For Plaintiff:

Charles A. McLaughlin, Performance Manager
State Oversight and Enforcement Branch
Enforcmeent and Emergency Response Program
Department of Toxic Substances Control
8800 Cal Center Drive, MS R1-3
Sacramento, CA 95826-3200

b. For BAC :

Marvin Tignor, Vice President, Operations
Baltimore Aircoil Company, Inc.
7600 Dorsey Run Road
Jessup, MD 20794

Any party may change its notice and name and address by informing the other parties in writing by certified mail. The change shall be effective upon receipt of the certified mail.

2. All notices and communications required or permitted under the Consent Judgment that are properly addressed as provided in this section are effective upon delivery if delivered personally or by overnight delivery, or are effective five (5) days following deposit in the United States mail, postage prepaid, if delivered by mail, or are effective the next court day that electronic mail is sent before 5 p.m. (PST) to the electronic mail addresses of the designated recipient for notice concurrent with sending the notice by United States mail.

J. NECESSITY FOR WRITTEN APPROVALS

All notices, approvals, and decisions of DTSC under the terms of this Stipulation or the Consent Judgment shall be communicated to BAC in writing. No oral advice, guidance, suggestions, or comments by employees or officials of DTSC regarding submissions or notices shall be construed to relieve BAC of its obligations to obtain any final written approval required by this Stipulation or the Consent Judgment.

K. NO LIABILITY OF DTSC

DTSC shall not be liable for any injury or damage to persons or property resulting from acts or omissions by BAC or their respective officers, directors, employees, agents, representatives, contractors, successors, or assigns, in carrying out activities pursuant to the Consent Judgment, nor shall DTSC be held as a party to or guarantor of any contract entered into by BAC or their respective officers, directors, employees, agents, representatives, contractors, successors, or assigns, in carrying out the requirements of this Stipulation or the Consent Judgment.

L. NO WAIVER OF RIGHT TO ENFORCE

The failure of DTSC to enforce any provision of this Stipulation or the Consent Judgment shall neither be deemed a waiver of such provision, nor in any way affect the validity of this Stipulation or the Consent Judgment. The failure of DTSC to enforce any such provision shall not preclude it from later enforcing the same or other provisions of this Stipulation or the Consent Judgment. No oral advice, guidance, suggestions, or comments by employees or officials of DTSC or BAC, or people or entities acting on behalf of BAC, regarding matters covered in this Stipulation or the Consent Judgment shall be construed to relieve BAC of its obligations under this Stipulation or the Consent Judgment.

M. FUTURE REGULATORY CHANGES

Nothing in this Stipulation or the Consent Judgment shall excuse BAC from meeting any more stringent requirements that may be imposed by changes in applicable law.

N. APPLICATION OF CONSENT JUDGMENT

This Stipulation and the Consent Judgment shall apply to and be binding upon DTSC and upon BAC, and upon its officers, managers, employees, agents, contractors, successors, and assigns.

O. AUTHORITY TO ENTER INTO STIPULATION

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

P. CONTINUING JURISDICTION

The Parties agree that this Court has continuing jurisdiction to interpret and enforce this Stipulation and the Consent Judgment. The Court shall retain continuing jurisdiction to enforce the terms of this Stipulation and the Consent Judgment and to address any other matters arising out of or regarding this Stipulation and the Consent Judgment.

Q. ABILITY TO INSPECT AND COPY RECORDS AND DOCUMENTS

BAC shall permit any duly authorized representative of DTSC to inspect and copy BAC's records and documents to determine whether BAC is in compliance with the terms of this

Stipulation and the Consent Judgment. Nothing in this Paragraph is intended to require access to or production of any privileged documents.

R. INTERPRETATION OF STIPULATION AND CONSENT JUDGMENT

This Stipulation and the Consent Judgment were drafted equally by the signatories hereto. The signatories agree that the rule of construction holding that ambiguity is construed against the drafting party shall not apply to the interpretation of this Stipulation and the Consent Judgment.

S. COUNTERPART SIGNATURES

This Stipulation may be executed in counterpart signatures.

T. INTEGRATION

This Stipulation and the Consent Judgment constitutes the entire agreement between DTSC and BAC with respect to the matters alleged in the Complaint and may not be amended or supplemented except as provided for in this Stipulation or the Consent Judgment.

U. MODIFICATION OF CONSENT JUDGMENT

The Consent Judgment may be modified by express written agreement of the Parties, with the approval of the Court, or by an order of the Court in accordance with law.

V. COSTS AND ATTORNEYS' FEES

Each Party to this Stipulation and Consent Judgment shall bear its own costs and attorneys' fees.

IT IS SO STIPULATED

Plaintiff, People of the State of California, ex rel. Debbie Raphael, Director, California **Department of Toxic Substances Control**

DATED: October 27, 2011

By: Original signed by Susan J. Laney
Susan J. Laney
Assistant Deputy Director
Plaintiff People of the State of California, ex rel. Debbie Raphael, Director, California Department of Toxic Substances Control

Baltimore Aircoil Company, Inc.:

DATED: September 2, 2011

By: Original signed by Marvin Tignor

Marvin Tignor
Vice President, Operations