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OFFICE OF GENERAL COUNSEL

**VOLUNTARY CLEANUP CONTRACT
05-5613-RP**

**IN THE MATTER OF
FORMER VERMONT BOSCH SITE, GREENVILLE COUNTY
and
ROBERT BOSCH TOOL CORPORATION**

This Contract is entered into by the South Carolina Department of Health and Environmental Control and Robert Bosch Tool Corporation, pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code Ann. § 44-56-710, et seq. (2005), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C., §§ 9601, et seq., and the South Carolina Hazardous Waste Management Act (HWMA), S.C. Code Ann. § 44-56-200, with respect to the former Vermont American Facility (VAC), currently Robert Bosch Tool Corporation, Fountain Inn Division, a division of Robert Bosch Corporation, located at 800 Woodside Avenue, Fountain Inn, South Carolina. The Former VAC property includes approximately 24 acres, and is bounded generally by Woodside Avenue, a post office, and residential properties to the northeast, ball fields (Fountain Inn's Woodside Park) to the northwest, an industrial site occupied by Fort Dearborn Company (former Sherwin Williams facility) and wooded property to the southwest, and undeveloped land, McCarter Road, a commercial property and residential properties to the southeast. A legal description of the property is attached to the Contract as Appendix A.

1. Unless otherwise expressly provided, terms used in this Contract shall have the meaning assigned to them in CERCLA, 42 U.S.C., §§ 9601, et seq., pursuant to the HWMA, S.C. Code Ann. § 44-56-200, including any amendments, or in the regulations promulgated thereunder.

- A. "Bosch" shall mean Robert Bosch Tool Corporation.
- B. "Contaminant" includes, but is not limited to, any element, substance,

compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction, or physical deformations, in organisms or their offspring; "contaminant" does not include petroleum, including crude oil or any fraction of crude oil, which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of paragraph (14) of CERCLA, Section 101, 42 U.S.C. Section 9601, et seq. and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline quality or mixtures of natural gas and such synthetic gas.

- C. "Contract" shall mean this Voluntary Cleanup Contract.
- D. "Department" shall mean the South Carolina Department of Health and Environmental Control.
- E. "Oversight Costs" shall mean those costs, both direct and indirect, incurred by the Department in implementing the Voluntary Cleanup Program.
- F. "Response Action" shall mean any assessment, cleanup, inspection, or closure of a site as necessary to remedy actual or potential damage to public health, public welfare, or the environment.
- G. "Responsible Party" shall mean:
 - a. The owner and operator of a vessel, as defined in CERCLA Section 101 (28), or a facility;
 - b. Any person who at the time of disposal of any hazardous substance owned or operated any facility at which such hazardous substances were disposed of;
 - c. Any person who by contract, settlement, or otherwise arranged for disposal or treatment, or arranged with a

transporter for transport for disposal or treatment of hazardous substances owned or possessed by such person, by any other party or entity, at any facility or incineration vessel owned or operated by another party or entity and containing such hazardous substances; and/or

- d. Any person who accepts or accepted any hazardous substances for transport to disposal or treatment facilities, incineration vessels, as defined in CERCLA Section 101 (38), or sites selected by such person from which there is a release, or a threatened release that causes the incurrence of response costs, of a hazardous substance.
 - H. "The Site" shall mean the Former VAC facility located at 800 Woodside Road, Fountain Inn, South Carolina, and all areas where a contaminant has been released, deposited, stored, disposed of, placed or otherwise comes to be located; "Site" does not include any consumer product in consumer use or any vessel, as defined in CERCLA Section 101 (28).
 - I. "Voluntary Cleanup" shall mean a response action taken under and in compliance with the Brownfields/Voluntary Cleanup Act, S.C. Code Ann. § 44-56-710, et seq. (2005).
 - J. "Work Plan" shall mean the Remedial Investigation/Feasibility Study (RI/FS) Work Plan.
2. Based on the information known by or provided to the Department, the following findings are asserted for purposes of this Contract:
- A. The Robert Bosch Tool Corporation/Vermont American Corporation property, upon which sits a mostly vacant warehouse building, is currently used as a limited warehouse/storage facility by Bosch. Aerial

photographs indicate that the property was occupied only by a residence or farm building until some time between 1983 and 1989, when the existing industrial building was constructed on the property. The deed was transferred to Vermont American Corporation in 1984, and operations commenced in 1985 as Rosco Tools, a division of VAC.

The former operations at the facility included manufacturing of screwdrivers and spade bits. Facility operations included metalworking and plastics compounding and molding. Metalworking operations included typical lathes and other machining equipment, as well as salt bath heat treatment (with quenchant), Henry filters to separate the grinding swarf from the coolant, a vapor degreaser, and nickel plating. Plastic operations included compounding of plastic, silo storage of pellets, and the use of acetone melt the outer layer of the plastic screwdriver handles. An oil-water separator was used at the former facility, in line with the sanitary sewer discharge. Site operations ceased in 2002.

The subject property has had ten (10) RCRA violation reports from 1985 – 1998 in the areas of general requirements, and recordkeeping requirements.

- B. A release from subgrade piping from an acetone above ground storage tank (AST) occurred in October 1996. A soil and groundwater assessment was performed by Law Engineering and Environmental Services, Inc. (LAW), on behalf of VAC, documenting this release. The assessment report was reviewed and a Conditional No Further Action (CNFA) letter related to this release issued by the Bureau of Underground Storage Tank Management in June 1997.

C. A release of quench tank rinse water and rinse tank water from a heating treatment process occurred in June 2001. A soil and limited groundwater assessment was performed by LAW. The groundwater assessment data was submitted to the Bureau of Water, and because the work was not specifically requested by the BOW, the BOW declined to comment. The BOW did, however, state in a March 2002 letter, that no there was no evidence at that time to indicate that a violation of the Pollution Control Act had occurred, and made note that their statement applied only to data submitted, an did not apply to other areas of the site and/or any potential regulatory violations.

D. A Phase II Environmental Assessment (Phase II) was performed by LAW at the site in 2002. A letter was received from the BOW in response to the Phase II, acknowledging a release to groundwater from an oil/water separator and requesting additional groundwater assessment. The additional groundwater assessment was performed by LAW in 2003. The BOW confirmed the release from the oil/water separator, and acknowledged a release of chlorinated solvents from a block building on the property. The BOW subsequently recommended corrective actions be taken to address the release from the oil/water separator, and requested additional groundwater assessment to address the chlorinated solvent plume. Further groundwater assessment by MACTEC Engineering and Consulting, Inc. (formerly LAW) subsequently took place in 2005.

E. Bosch intends to sell the facility, and currently has the Property under a pending sales contract.

3. The terms and conditions of this Contract apply to and shall inure to the benefit of each signatory and its parents, successors, assigns, and subsidiaries, and upon any

successor agency of the State of South Carolina that may have responsibility for and jurisdiction over the subject matter of this Contract.

4. Bosch agrees to submit to the Department for review and written approval within thirty (30) days of the execution date of this Contract a Work Plan for the Site that is consistent with the technical intent of the National Contingency Plan. The Work Plan shall be prepared in accordance with industry standards and endorsed by a duly licensed Professional Engineer (P.E.) and/or Professional Geologist (P.G.) in South Carolina and shall set forth methods and schedules for accomplishing the following tasks:

- A. Conduct a Remedial Investigation (RI) to determine the source, nature, and extent of contamination at the Site. Include in the Work Plan a summary of existing environmental data and how that data is proposed to be used in the RI.

- B. Submit to the Department an RI Report (to include a Baseline Risk Assessment or other evaluation of risks to human health and the environment, if deemed necessary by the Department) in accordance with the schedule in the approved RI/FS Work Plan. Within a reasonable period of time, the Department shall review the report for determination of completion of the RI and sufficiency of the documentation. If the Department determines that the field investigation is not complete, it will send written notification of such to Bosch, and Bosch shall subsequently conduct additional field investigation to further determine the source, nature, and extent of contamination. If the Department determines that the field investigation is complete but the report is incomplete, the Department shall send to Bosch a letter indicating that revision of the report is necessary. Within thirty (30) days of receipt of such letter from the Department, Bosch shall submit a revised report addressing the Department's comments.

C. If determined necessary by the Department, conduct an evaluation of removal or remedial alternatives for addressing contamination at the Site.

5. The Work Plan shall include the names, addresses, and telephone numbers of the consulting firm, the South Carolina certified analytical laboratory, and Bosch's contact person for matters relating to this Contract. Bosch will notify the Department in writing of changes in the contractor or laboratory. Attached to the Work Plan but under separate cover shall also be a Health and Safety Plan that is consistent with Occupational Safety and Health Administration regulations. The Department will review the Work Plan and will notify Bosch in writing of any deficiencies in the Work Plan, and Bosch shall respond in writing within thirty (30) days to the Department's comments.

6. Within ninety (90) days of the execution date of this Contract and once a month thereafter, Bosch shall submit to the Department a written progress report that must include the following: (a) actions taken under this Contract during the previous reporting period; (b) actions scheduled to be taken in the next reporting period; (c) sampling, test results, and any other data, in summary form, generated during the previous reporting period, whether generated pursuant to this Contract or not; and (d) a description of any environmental problems experienced during the previous reporting period and the actions taken to resolve them.

7. As provided for by S.C. Code Ann. § 44-56-740(B) and S.C. Code Ann. § 44-56-200 (2002), Bosch shall, on a quarterly basis, reimburse the Department for oversight costs of activities required under this Contract. Oversight costs include but are not limited to the direct and indirect costs of negotiating the terms of this Contract, reviewing Work Plans and reports, supervising corresponding work, and public participation. Payments will be due within thirty (30) days of receipt of the Department's invoice.

8. Subject to the provisions of Paragraph 13 of this Contract, nothing in this Contract is intended to be, or shall be construed as, a release or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or equity, that the Department may have against any person, firm, corporation, potentially responsible party, or other entity not a signatory of this Contract.

9. Nothing in this Contract is intended to limit the right of the Department to undertake future response actions at the Site or to seek to compel parties to perform or pay for response actions at the Site. Nothing in this Contract shall in any way restrict or limit the nature or scope of response actions that may be taken or be required by the Department in exercising its authority under State and Federal law.

10. The Department, its authorized officers, employees, representatives, and all other persons performing response actions will not be denied access to the property during normal business hours or at any time work under this Contract is being performed or during any environmental emergency or imminent threat situation, as determined by the Department (or as allowed by applicable law). Bosch shall ensure that a copy of this Contract is provided to any current lessee or sublessee on the property as of the execution date of this Contract. Bosch shall also ensure that any subsequent leases, subleases, assignments or transfers of the property occurring during Bosch's ownership of the property are consistent with this Paragraph.

11. Bosch shall inform the Department at least five (5) working days in advance of all field activities pursuant to this Contract and shall allow the Department and its authorized representatives, if so desired, to take duplicates of any samples collected by Bosch pursuant to this Contract.

12. Upon execution of this Contract, the Department will seek public participation in accordance with S.C. Code Ann. § 44-56-740 (2005) and the technical intent of the National Contingency Plan. Costs associated with public participation, [e.g., public

notices(s), building and equipment rental(s) for public meetings, etc.] will be paid by Bosch.

13. Upon successful completion of the terms of this Contract and the approved Work Plan as referenced in Paragraph 4 above, Bosch shall submit to the Department a written notice of completion. Once the Department acknowledges satisfactory completion of the Contract terms, the Department, pursuant to S.C. Code Ann. § 44-56-740(B)(1) (2005), will give Bosch a Certificate of Completion that provides a covenant not to sue Bosch, its parents, successors, subsidiaries, or assigns for the matters satisfactorily completed and specifically covered in this Contract.

14. If hazardous substances in excess of residential standards exist at the Property after Bosch has completed the actions required under this Contract, land use restrictions shall be defined in the Certificate of Completion and the Department shall enter into a restrictive covenant with Bosch. Upon the Department's approval of the items outlined therein, Bosch shall file this restrictive covenant with the Register of Mesne Conveyance or Deeds in Greenville County, and a copy of the filed restrictive covenant shall be attached to the Certificate of Completion and shall be incorporated into this Contract as an appendix. With the approval of the Department, the restrictive covenant may be modified in the future if: (a) additional remedial activities are carried out that meet appropriate clean up standards at that time; (b) a significant change in law requiring remediation occurs; or (c) circumstances change such that the restrictive covenant would no longer be applicable. The restrictive covenant shall be signed by the Department and representatives of Bosch and witnessed, signed, and sealed by a notary public. In the event that Bosch sells the Property prior to the Certificate of Completion, Bosch will not be responsible for entering into a restrictive covenant.

15. Nothing in this Contract is intended to be or shall be construed as a release or covenant not to sue for any claim or cause of action that the Department may have against Bosch for any matter not expressly included in this Contract. In consideration of the Department's covenant not to sue, Bosch agrees not to assert any claims or causes of

action against the Department arising out of activities undertaken at the Site or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Site, except for those claims or causes of action resulting from the Department's intentional or grossly negligent acts or omissions.

16. Bosch and the Department each reserve the right to unilaterally terminate this Contract. Termination may be accomplished by giving a thirty (30) day advance written notice of the election to terminate this Contract to the other party. Should Bosch elect to terminate, it must submit to the Department all data generated pursuant to this Contract, and certify to the Department's satisfaction that no environmental or physical hazards exist at the Site as a result of Bosch's actions. The Department may terminate this Contract only for cause, which may include but is not limited to the following: (a) events or circumstances at the Site that are inconsistent with the terms and conditions of this Contract; (b) failure to complete the terms of this Contract; or (c) further contamination of the Site by Bosch.

17. If Bosch's business activities at the Site or use of the Site change such that they are inconsistent with the intent of this Contract, then the covenant not to sue [as provided by S.C. Code Ann. § 44-56-740(E)(4) (2005)] extended to Bosch, its parents, successors, subsidiaries, and assigns, shall become null and void.


18. All correspondence which may or are required or permitted to be given by either party to the other hereunder shall be in writing and deemed sufficiently given if delivered by (i) regular U.S. mail, (ii) certified or registered mail, postage prepaid, return receipt requested, (iii) by nationally recognized overnight delivery service company or (iv) by telephone facsimile addressed to the other party at the address shown below or at such place or to such agent as the parties may from time to time designate in writing.

The Department (including five (5) copies of all work plans and reports):

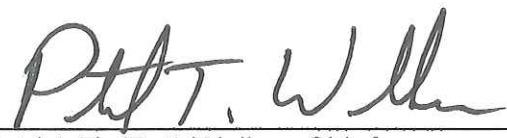
R. Gary Stewart
Bureau of Land and Waste Management
2600 Bull Street
Columbia, South Carolina 29201

Any notice given hereunder shall be deemed delivered when, if sent by mail, the return receipt is signed or refusal to accept the notice is noted thereon or, if sent by recognized overnight courier when the notice is actually delivered or refused as reflected in the courier company's delivery records or if sent via facsimile upon receipt of confirmation by the sender that the facsimile has been received.

THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL
CONTROL

BY: 
Robert W. King, Jr., P.E.
Deputy Commissioner
Environmental Quality Control

DATE: Aug 29, 2005
Columbia, South Carolina


Patrick T. (Pat) Walker, Chief
Bureau of Land and Waste Management

DATE: Aug 29, 2005


Approved by Legal Office

DATE: August 9, 2005

ROBERT BOSCH TOOL CORPORATION

Kate Xoin
Signature

DATE: 8/1/05

SR VP Admin & CFO
Printed Name and Title

DATE: _____

APPENDIX A

Appendix A

Property Description

ALL that certain piece, parcel or tract of land located in the Town of Fountain Inn, County of Greenville, State of South Carolina, and being shown on a survey for Vermont American Corp., prepared by Freeland & Associates, dated 6/6/1984 and recorded in the ROD Office for Greenville County in Plat Book 10-U at Page 41. Said plat shows the gross acreage to be 24.13 Acres with the net acreage excluding road right-of-way as 23.01 acres. Reference is hereby made to the most recent plat for a more complete and accurate metes and bounds description thereof.

LESS HOWEVER:

ALL that certain piece, parcel or tract of land located in the County of Greenville, State of South Carolina and being more specifically shown on that deed from Vermont American Corporation, Smithtown Manufacturing Division, to the South Carolina Department of Transportation dated 7/7/1997 and recorded in the ROD Office for Greenville County on 10/8/1997 in Deed Book 1719 at Page 739.

Tax Map # 349-01.1.2