

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In Re:

KAISER ALUMINUM CORPORATION,
a Delaware corporation, et al.,

Debtors.

Jointly Administered

Case No. 02-10429 (JKF)

Chapter 11

CONSENT DECREE

WHEREAS Kaiser Aluminum Corporation (“KAC”) and certain of its affiliates, including debtor-in-possession, Kaiser Aluminum & Chemical Corporation (“KACC”), (collectively the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Court” or “Bankruptcy Court”) voluntary petitions for relief under Title 11 of the United States Code (the “Bankruptcy Code”) on various dates as set forth in Attachment A hereto, which cases have been consolidated for procedural purposes and are being administered jointly, styled *In re Kaiser Aluminum Corporation, et al.*, Case No. 02-10429 (JKF) (the “Chapter 11 Cases”);

WHEREAS the United States, on behalf of the United States Environmental Protection Agency (“EPA”), the Department of Interior (“DOI”) and the National Oceanic and Atmospheric Administration (“NOAA”) (collectively, the “Settling Federal Agencies”), contends that the Debtors are liable for response costs incurred and to be incurred by the United States in the course of responding to releases and threats of releases of hazardous substances into the environment for the Liquidated Sites as set forth herein and natural resource damages relating to such sites;

WHEREAS the United States, on behalf of EPA, DOI, NOAA and the Nuclear Regulatory Commission (“NRC”), has filed a proof of claim, Claim No. 7135, against the Debtors (“Claim No. 7135”);

WHEREAS the States of California, Rhode Island and Washington (the “States”) contend that the Debtors are liable for response costs incurred and to be incurred by the States in the course of responding to releases and threats of releases of hazardous substances into the environment for certain of the Liquidated Sites as set forth herein and natural resource damages relating to such sites;

WHEREAS the State of California has filed a proof of claim, Claim No. 7297, against KACC (“Claim No. 7297”);

WHEREAS the State of Rhode Island has filed a proof of claim, Claim No. 7111, against the Debtors (“Claim No. 7111”);

WHEREAS the State of Washington has filed a proof of claim, Claim No. 7181, against KAC (“Claim No. 7181”);

WHEREAS the Puyallup Tribe of Indians (the “Tribe”) contends that the Debtors are liable for natural resource damages relating to a certain Liquidated Site as set forth herein and has filed a proof of claim, Claim No. 1727, against KAC (“Claim No. 1727”);

WHEREAS the Debtors would dispute the United States’, the States’, and the Tribe’s contentions and would object, in whole or in part, to their proofs of claim;

WHEREAS the Debtors seek, to the maximum extent permitted by law, to obtain protection, through the resolution of environmental liabilities for the Liquidated Sites as set forth herein, from and against all Claims that have been or may in the future be asserted for response costs or natural resource damages;

WHEREAS the Debtors, the Settling Federal Agencies, the States, and the Tribe wish to resolve their differences with respect to the Liquidated Sites and with respect to the proofs of claim of the Settling Federal Agencies, the States, and the Tribe, as well as to address other issues relating to environmental matters as provided herein;

WHEREAS in consideration of, and in exchange for, the promises and covenants herein, including, without limitation, the covenants not to sue set forth in Paragraphs 18, 20 and 24 and,

subject to the provisions of Paragraphs 28-30 and intending to be legally bound hereby, the Debtors, the Settling Federal Agencies, the States and the Tribe hereby agree to the terms and provisions of this Consent Decree;

WHEREAS settlement of the matters governed by this Consent Decree is in the public interest and an appropriate means of resolving these matters and will lead to a more expeditious cleanup of hazardous substances in compliance with federal and state laws and regulations, including cleanup standards under Wash. Rev. Code § 70.105D.030(2)(e);

NOW, THEREFORE, without the admission of liability or any adjudication on any issue of fact or law, and upon the consent and agreement of the parties to this Consent Decree by their attorneys and authorized officials, it is hereby agreed as follows:

DEFINITIONS

1. In this Agreement, the following terms shall have the following meanings:

A. “Additional Sites” means all sites and properties, including, without limitation, all facilities, as that term is defined in CERCLA, other than the Liquidated Sites, the Discharged Sites, the Debtor-Owned Sites and the Reserved Sites. An “Additional Site” shall be construed to include (i) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any affected natural resources, and (ii) for those sites or portions of sites not included on the NPL, all areas and natural resources affected or potentially affected by the release or threatened release of hazardous substances.

B. “Allowed General Unsecured Claim” against a particular Debtor shall have the meaning set forth in the Plan of Reorganization.

C. “CERCLA” refers to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq.*, as now in effect or hereafter amended.

D. “Claims” has the meaning provided in Section 101(5) of the Bankruptcy Code.

E. “Debtors” means Kaiser Aluminum Corporation and certain of its affiliates listed on Attachment A hereto that filed voluntary petitions for relief on the respective dates set forth on Attachment A hereto, as debtors, debtors-in-possession or in a new or reorganized form as a result of the Chapter 11 Cases.

F. “Debtor-Owned Sites” means any properties, facilities or sites owned by any of the Debtors at or at any time after the confirmation of the Plan of Reorganization, except that Debtor-Owned Sites shall not include any Reserved Sites as defined below.

G. “Discharged Sites” means the following 18 sites (in alphabetical order) which shall have the Claims treatment set forth in Paragraph 17:

- American Barrel/ Utah Power & Light in Salt Lake City, UT
- Brantley Landfill in Island, KY
- Colorado School of Mines in Denver, CO
- Des Moines Barrel & Drum Site in Des Moines, IA
- Fike-Artel Chemical Site in Nitro, WV
- Hillyard Processing (aka Aluminum Recycling Corp.) in Spokane, WA (with respect to the State of Washington only)
- J.I.S. Landfill in Jamesburg, NJ
- Kaiser Center in Oakland, CA (with respect to the State of California only)
- Kin-Buc Landfill in Edison, NJ
- Lawrence County Landfill in Lawrence County, IN
- Many Diversified Interests in Houston, TX
- Marco of Iota in Iota, LA
- Metro Container in Trainer, PA
- Mexico Feed & Seed/ Pierce Waste Oil Services in Mexico, MO
- Miami County Incinerator in Troy, OH
- New Lyme Landfill in New Lyme, OH

- North American Environmental in Clearfield, UT
- Pottstown in Pottstown, PA.

A “Discharged Site” delineated above shall be construed to include (i) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any affected natural resources, or (ii) for those sites or portions of sites not included on the NPL, all areas and natural resources affected or potentially affected by the release or threatened release of hazardous substances.

H. “DOI” means the Department of the Interior of the United States of America or any legal successor thereto.

I. “EPA” means the United States Environmental Protection Agency or any legal successor thereto.

J. “Effective Date” means the date on which this Consent Decree is approved by the Bankruptcy Court.

K. “Effective Date of the Plan of Reorganization” means the date on which any plan of reorganization that includes KACC and is confirmed becomes effective in accordance with its terms.

L. “KACC” means Kaiser Aluminum & Chemical Corporation as debtor, debtor-in-possession or in a new or reorganized form as a result of the Chapter 11 Cases.

M. “Liquidated Sites” means the following 66 sites (in alphabetical order) which shall have the Claims treatment as set forth in Paragraphs 4(A), 4(B) or 4(C) below, as noted in parentheses:

- Aberdeen Pesticide Dumps Superfund Site in Aberdeen, NC (Paragraph 4(C))
- American Chemical Services in Griffith, IN (Paragraph 4(B))
- Aqua Tech Environmental Inc. in Greer, SC (Paragraph 4(B))
- ARRCOM Corporation in Kootenai County, ID (Paragraph 4(B))

- Bay Area Drum Site in San Francisco, CA (Paragraph 4(C))
- Bay Drums (aka Peak Oil Co.) in Brandon, FL (Paragraph 4(C))
- Bayou Sorrel in Bayou Sorrell, LA (Paragraph 4(C))
- Breslube Penn Superfund Site in Coroapolis, PA (Paragraph 4(C))
- Cannons Engineering Corporation in Bridgewater, MA, Plymouth, MA and Londonderry, NH and Gilson Road, aka Sylvester's in Nashua, NH (Paragraph 4(B))
- Casmalia Disposal Site in Santa Barbara County, CA (Paragraph 4(C))
- Center for Technology (aka CFT or Pleasanton Center for Technology) in Pleasanton, CA (Paragraph 4(C)) (with respect to the State of California only)
- Chemical Control Superfund Site in Elizabeth, NJ (Paragraph 4(B))
- Chemical Handling Corporation in Broomfield, CO; (Paragraph 4(B))
- Coastal Radiation Services in St. Gabriel, LA (Paragraph 4(C))
- Combustion Inc. in Livingston, LA (Paragraph 4(C))
- Commencement Bay (Hylebos Waterway) in Tacoma, WA (Paragraph 4(C))
- Commercial Oil Services in Toledo, OH (Paragraph 4(B))
- Custom Distribution Services in Perth Amboy, NJ (Paragraph 4(A))
- Diamond State Salvage Yard in Wilmington, DE (Paragraph 4(A))
- Doepke-Holliday in Johnson County, KS (Paragraph 4(B))
- Douglassville Disposal/ Berks Reclamation in Douglassville, PA (Paragraph 4(C))
- Dubose Oil Products Superfund Site in Cantonment, FL (Paragraph 4(C))
- Dutchtown Refinery in Dutchtown, LA (Paragraph 4(C))
- Eastern Diversified Metals Superfund Site in Hometown, PA (Paragraph 4(C))
- Ekotek (aka Petrochem Recycling) in Salt Lake City, UT (Paragraph 4(B))
- Ellis Road in Jacksonville, FL (Paragraph 4(B))

- Envirotek II in Tonawanda, NY (Paragraph 4(B))
- Ettlinger's Pit in Duval County, FL (Paragraph 4(A))
- Four County Landfill in De Long, IN (Paragraph 4(B))
- French Limited in Crosby, TX (Paragraph 4(B))
- Geigy Superfund Site in Aberdeen, NC (Paragraph 4(C))
- General Refining in Garden City, GA (Paragraph 4(A))
- Gibson Environmental, Inc. in Bakersfield, CA (Paragraph 4(C))
- Great Lakes Container in St. Louis, MO (Paragraph 4(A))
- Higgins Disposal in Somerset County, NJ (Paragraph 4(A))
- Hillsdale Drums in Hillsdale and Amite, LA (Paragraph 4(B))
- Huth Oil Services in Cleveland, OH (Paragraph 4(C))
- Laskin Poplar in Ashtabula County, OH (Paragraph 4(B))
- Liquid Disposal in Utica, MI (Paragraph 4(B))
- Liquid Dynamics in Chicago, IL (Paragraph 4(C))
- Lorentz Barrel & Drum in San Jose, CA (Paragraphs 4(B))
- Marzone in Tipton, GA (Paragraph 4(C))
- Metamora Landfill in Lapeer County, MI (Paragraph 4(A))
- Moyer's Landfill in Collegeville, PA (Paragraph 4(B))
- Operating Industries, Inc. Corporation in Monterey Park, CA (Paragraph 4(B))
- Pickettville Road Landfill Site in Jacksonville, FL (Paragraph 4(C))
- PRC Patterson in Patterson, CA (Paragraph 4(C))
- Pristine, Inc. in Reading, OH (Paragraph 4(B))
- Quicksilver Products, Inc. in Brisbane, CA (Paragraph 4(A)) (with respect to the State of California only)
- Richmond Railyard in Richmond, CA (Paragraph 4(A))

- Richmond Shipyard No. 2 (aka Marina Bay Development) in Richmond, CA (Paragraph 4(C))
- Rouse Steel Drums in Jacksonville, FL (Paragraph 4(B))
- Sadler Drum Superfund Site in Mulberry, FL (Paragraph 4(C))
- Sand Springs Petrochemical Complex in Sand Springs, OK (Paragraph 4(B))
- Sea Cliff Marina in Richmond, CA (Paragraph 4(A)) (with respect to the State of California only)
- Spokane Junkyard in Spokane, WA (Paragraph 4(C))
- Stickney Ave. Landfill & Tyler St. Dump in Toledo, OH (Paragraph 4(A))
- Tacoma Reduction Facility in Tacoma, WA (Paragraph 4(A))
- Tex-Tin in Texas City, TX (Paragraph 4(C))
- Tremont City Landfill in Clark County, OH (Paragraph 4(C))
- Tri-County and Elgin Landfills in South Elgin, IL (Paragraph 4(C))
- Waste, Inc. Landfill in Michigan City, IN (Paragraph 4(A))
- West County Landfill Site in Contra Costa County, CA (Paragraph 4(B))
- West Virginia Ordnance Works (aka Point Pleasant Landfill) in Mason County, WV (Paragraph 4(C))
- XTRON in Blanding, UT (Paragraph 4(B))
- Yellow Water Road Superfund Site in Baldwin, FL (Paragraph 4(B))

A “Liquidated Site” delineated above shall be construed to include (i) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any affected natural resources, or (ii) for those sites or portions of sites not included on the NPL, all areas and natural resources affected or potentially affected by the release or threatened release of hazardous substances.

N. “NOAA” means the National Oceanic and Atmospheric Administration of the United States Department of Commerce of the United States of America or any legal successor thereto.

O. “NPL” means the National Priorities List, 40 C.F.R. Part 300.

P. “NRC” means the Nuclear Regulatory Commission of the United States or any legal successor thereto.

Q. “Plan of Reorganization” or “Plan” means any plan of reorganization that includes KACC and is confirmed and becomes effective in the Chapter 11 Cases.

R. “Prepetition” with respect to a Debtor refers to the time period on or prior to the date such Debtor filed a voluntary petition for relief under Title 11 of the Bankruptcy Code, as set forth in Attachment A hereto. “Postpetition” with respect to a Debtor refers to the time period from and after the date such Debtor filed a voluntary petition for relief under Title 11 of the Bankruptcy Code, as set forth in Attachment A hereto.

S. “RCRA” refers to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* as now in effect or hereafter amended.

T. “Reserved Sites” means the following sites: Mead Aluminum Reduction Works in Mead, WA; Spokane River (including Upriver Dam) in Spokane, WA; Mica Landfill in Spokane, WA; Tulsa Thorium Remediation Site # 9875 (aka Specialty Products Site) in Tulsa, OK; Ravenswood Aluminum Smelter and Rolled Products Facility in Ravenswood, WV; and Ohiopyle in Ohiopyle, PA.

U. “Settling Federal Agencies” means, collectively, DOI, EPA and NOAA.

V. “Similar State Laws and Tribal Laws” shall include, but not be limited to: the Hazardous Substance Account Act, Cal. Health & Safety Code section 25300 *et seq.*; the Rhode Island Hazardous Waste Management Act of 1978, R.I. Gen. Laws ch. 23-19.1 *et seq.*; the Rhode Island Groundwater Protection Act of 1985, R.I. Gen. Laws ch. 46-13.1 *et seq.*; the Rhode Island Water Pollution Act, R.I. Gen. Laws ch. 46-12 *et seq.*; the Washington State Model

Toxics Control Act, RCW 70.105D; and the Puyallup Tribal Interim Hazardous Substances Control Act, Puyallup Tribal Code, Title 10, Chapter 1.

W. State of California means, collectively, the California Department of Toxic Substances Control (“DTSC”) and the California Department of Fish and Game (“DFG”).

X. State of Rhode Island means the Rhode Island Department of Environmental Management.

Y. State of Washington means, collectively, the Washington State Department of Ecology and the Washington State Department of Fish & Wildlife.

Z. “States” means the State of California, the State of Rhode Island and the State of Washington.

AA. “Tribe” means the Puyallup Tribe of Indians.

BB. “United States” means the United States of America, including EPA, DOI, NOAA, NRC and all of the United States’ agencies, departments and instrumentalities.

JURISDICTION

2. The Court has jurisdiction over the subject matter hereof pursuant to 28 U.S.C. §§157, 1331, and 1334, and 42 U.S.C. §§9607 and 9613(b).

PARTIES BOUND; SUCCESSION AND ASSIGNMENT

3. This Consent Decree applies to, is binding upon, and shall inure to the benefit of the United States, the States, the Tribe, the Debtors, and the Debtors’ legal successors and assigns, and any trustee, examiner or receiver appointed in the Bankruptcy Cases.

ALLOWANCE OF CLAIMS

4. In settlement and satisfaction of the Claims of the Settling Federal Agencies, the States and the Tribe under CERCLA, Section 7003 of RCRA and all Similar State Laws and Tribal Laws with respect to the Liquidated Sites, the Debtors consent to Allowed General Unsecured Claims against KACC in the amounts set forth in Paragraphs 4(A), 4(B) and 4(C) below. The Settling Federal Agencies, the States and the Tribe shall receive no distributions

from the Debtors in the Chapter 11 Cases with respect to any Debtor's liabilities and obligations under CERCLA, Section 7003 of RCRA and Similar State Laws and Tribal Laws for the Liquidated Sites other than as set forth in this Consent Decree. If no amount of allowed claim is listed below for EPA, DOI, NOAA, NRC, the Tribe, DTSC, DFG, or the State of Washington for a particular Liquidated Site, then the amount of the allowed claim for such entity for the Liquidated Site is zero.

A. With respect to the following Liquidated Sites, the following parties shall have Allowed General Unsecured Claims in the amount of zero (\$ 0) because the parties agree that a settlement for no liability under CERCLA, Section 7003 of RCRA and Similar State Laws and Tribal Laws for such Liquidated Sites is appropriate:

<u>Site Name and Location</u>	<u>EPA Region</u>	<u>Claim Recipient</u>	<u>Amount of Allowed General Unsecured Claim</u>
Custom Distribution Services, Perth Amboy, NJ	2	EPA	\$ 0
Diamond State Salvage Yard, Wilmington, DE	3	EPA	\$ 0
Ettlinger's Pit, Duval County, FL	4	EPA	\$ 0
General Refining, Garden City, GA	4	EPA	\$ 0
Great Lakes Container, St. Louis, MO	7	EPA	\$ 0
Higgins Disposal, Somerset County, NJ	2	EPA	\$ 0
Metamora Landfill, Lapeer County, MI	5	EPA	\$ 0
Quicksilver Products, Inc., Brisbane, CA (with respect to State of CA only)	9	CA	\$ 0
Richmond Railyard, Richmond, CA	9	CA	\$ 0

<u>Site Name and Location</u>	<u>EPA Region</u>	<u>Claim Recipient</u>	<u>Amount of Allowed General Unsecured Claim</u>
Sea Cliff Marina, Richmond, CA (with respect to State of CA only)	9	CA	\$ 0
Stickney Ave. Landfill & Tyler St. Dump, Toledo, OH	5	EPA	\$ 0
Tacoma Reduction Facility, Tacoma, WA	10	WA EPA	\$ 0 \$ 0
Waste, Inc. Landfill, Michigan City, IN	5	EPA	\$ 0

B. With respect to the following Liquidated Sites, the following parties shall have Allowed General Unsecured Claims in the amount of zero (\$ 0) because the parties agree that such a settlement is appropriate on account of payments previously made by KACC, including in the amounts, on the dates and to the recipients listed below:

<u>Site Name and Location</u>	<u>Claim Recipient</u>	<u>Amount(s) of Payments Made</u>	<u>Date(s) of Payments</u>	<u>Recipient(s) of Payments</u>
American Chemical Services, Griffith, IN	EPA	\$8,726.35	1/17/95	American National Bank and Trust Company of Chicago Corporate Trust Division (cc EPA 5)
Aqua Tech Environmental Inc., Greer, SC	EPA	\$4,000	11/11/93 to 9/11/95	Aqua-Tech PRP Group Trust Fund
ARRCOM Corporation, Kootenai County, ID	EPA	\$234,600	4/6/92	Mellon Bank, Superfund Accounting, US EPA Region 10

<u>Site Name and Location</u>	<u>Claim Recipient</u>	<u>Amount(s) of Payments Made</u>	<u>Date(s) of Payments</u>	<u>Recipient(s) of Payments</u>
Cannons Engineering Corporation in Bridgewater, MA, Plymouth, MA and Londonderry, NH and Gilson Road, aka Sylvester's in Nashua, NH	EPA	\$41,746.80 \$4,745.88 \$4,005.30	8/88	EPA, Massachusetts, New Hampshire
Chemical Control Superfund Site, Elizabeth, NJ	EPA	\$250 \$2,500 \$1,000 \$2,475 \$6,000 \$160,002.07 \$120,886.42	5/24/89 5/24/89 5/24/89 8/26/91 8/27/90 11/22/91 11/11/98	Chemical Control Joint Admin Fund State Chem Control Joint Defense Fund Fed Chem Control Joint Defense Fund Chemical Control PRP Group Admin Fund Richard White, Esq. Of Putnam, Hayes & Bartlett, Inc. Chemical Control PRP Trust Fund, Chemical Control State Settlement Escrow Account
Chemical Handling Corporation, Broomfield, CO	EPA	\$106.10	9/30/96	EPA Hazardous Substance Superfund
Commercial Oil Services, Toledo, OH	EPA	\$61,064.42	6/24/88 to 3/2/94	Commercial Oil Services Steering Committee
Doepke-Holliday, Johnson County, KS	EPA	\$15,000	1/17/95	Holliday Remediation Task Force
Ekotek (aka Petrochem Recycling), Salt Lake City, UT	EPA	\$250	5/18/94	Ekotek Site Remediation Committee

<u>Site Name and Location</u>	<u>Claim Recipient</u>	<u>Amount(s) of Payments Made</u>	<u>Date(s) of Payments</u>	<u>Recipient(s) of Payments</u>
Ellis Road, Jacksonville, FL	EPA	\$8,235.93	2/9/89 to 5/8/92	Ellis Road Steering Committee Trust Fund
Envirotek II, Tonawanda, NY	EPA	\$250	3/18/91	Sent to Saperston & Day of Buffalo, NY - administrators of Envirotek II Escrow Fund
Four County Landfill, De Long, IN	EPA	\$3,000	5/8/99	Four County Landfill Operable Unit One RD RA Group
French Limited, Crosby, TX	EPA	\$540	4/27/93	FLTG, Inc. Coopers & Lybrand, Trustee
Hillsdale Drums Hillsdale and Amite, LA	EPA	\$20,000 \$786.87	6/27/94 6/27/94	Texas Commerce Bank Nat'l Assn Hillsdale Group Administrative Fund
Laskin Poplar, Ashtabula County, OH	EPA	\$13,500 \$4,034	10/27/87 11/18/94 to 6/1/00	October 1986 Laskin Settlement Trust Fund Laskin Final Remediation Trust Fund
Liquid Disposal, Utica, MI	EPA	\$1,250 \$17,940.01	12/19/85 to 9/21/87 2/22/90	LDI PRP Admin Fund LDI De Minimis Settlement Fund
Lorentz Barrel & Drum, San Jose, CA	EPA CA (DTSC)	\$5,447.75 \$2,563.65	10/18/96	Lorentz Superfund Site De minimis Escrow Acct
Moyer's Landfill, Collegetown, PA	EPA	\$178,479 \$33,996	11/97 11/5/97	U.S. Dept. of Justice Hazardous Sites Cleanup Fund, Commonwealth Environmental Cleanup Program

<u>Site Name and Location</u>	<u>Claim Recipient</u>	<u>Amount(s) of Payments Made</u>	<u>Date(s) of Payments</u>	<u>Recipient(s) of Payments</u>
Operating Industries, Inc. Corporation, Monterey Park, CA	EPA	\$122,148	1/14/99	OII Fifth Partial Consent Decree Escrow Account
Pristine, Inc., Reading, OH	EPA	\$2,000 \$250	11/19/90 9/3/93	Pristine Facility 468B Trust Fund Pristine City Steering Committee Repository Acct
Rouse Steel Drums, Jacksonville, FL	EPA	\$16,076.94	8/11/00	Rouse Steel Drum PRP Group
Sand Springs Petrochemical Complex, Sand Springs, OK	EPA	\$500 \$5,375	9/21/87 2/22/91	Sand Springs Superfund PRP Group Sand Springs Superfund PRP Trust
West County Landfill Site, Contra Costa County, CA	CA (DTSC)	\$213,000	2/10/97	West County Landfill Premium Fund
XTRON, Blanding, UT	EPA	\$20,000	8/27/91	Participating Respondents Xtron Site Account
Yellow Water Road Superfund Site, Baldwin, FL	EPA	\$41,629.50	5/6/94 to 5/7/94	EPA Hazardous Substance

C. With respect to the following Liquidated Sites, the following parties shall have Allowed General Unsecured Claims in the amounts set forth below:

<u>Site Name and Location</u>	<u>EPA Region</u>	<u>Claim Recipient</u>	<u>Amount of Allowed General Unsecured Claim</u>
Aberdeen Pesticide Dumps Superfund Site, Aberdeen, NC	4	EPA	\$323,613
Bay Area Drum Site, San Francisco, CA	9	EPA	\$2,500
Bay Drums (aka Peak Oil Co.), Brandon, FL	4	EPA	\$2,500
Bayou Sorrel, Bayou Sorrel, LA	6	EPA	\$95,400
Breslube Penn Superfund Site, Coroapolis, PA	3	EPA	\$3,480,000
Casmalia Disposal Site, Santa Barbara County, CA	9	EPA CA (DTSC) CA (DFG)	\$633,965 \$25,885 \$15,818
Center for Technology (aka CFT or Pleasanton Center for Technology), Pleasanton, CA	9	CA (DTSC)	\$10,000
Coastal Radiation Services, St. Gabriel, LA	6	EPA	\$2,750,000
Combustion Inc., Livingston, LA	6	EPA	\$100,000
Commencement Bay (Hylebos Waterway), Tacoma, WA	10	EPA NOAA, DOI, WA, and Tribe	\$8,900,000 \$5,500,000
Douglassville Disposal/ Berks Reclamation, Douglassville, PA	3	EPA	\$5,000
Dubose Oil Products Superfund Site, Cantonment, FL	4	EPA	\$3,000
Dutchtown Refinery, Dutchtown, LA	6	EPA	\$24,000

<u>Site Name and Location</u>	<u>EPA Region</u>	<u>Claim Recipient</u>	<u>Amount of Allowed General Unsecured Claim</u>
Eastern Diversified Metals Superfund Site, Hometown, PA	3	EPA	\$1,000,000
Geigy Superfund Site, Aberdeen, NC	4	EPA	\$119,261
Gibson Environmental, Inc., Bakersfield, CA	9	CA (DTSC)	\$3,813
Huth Oil Services, Cleveland, OH	5	EPA	\$2,500
Liquid Dynamics, Chicago, IL	5	EPA	\$2,500
Marzone, Tipton, GA	4	EPA	\$2,500
Pickettville Road Landfill Site, Jacksonville, FL	4	EPA	\$119,600
PRC Patterson, Patterson, CA	9	CA (DTSC)	\$26,666
Richmond Shipyard No. 2 (aka Marina Bay Development), Richmond, CA	9	CA (DTSC)	\$1,075,000
Sadler Drum Superfund Site, Mulberry, FL	4	EPA	\$5,000
Spokane Junkyard, Spokane, WA	10	EPA	\$2,500
Tex-Tin, Texas City, TX	6	EPA	\$100,000
Tremont City Landfill, Clark County, OH	5	EPA	\$2,500
Tri-County and Elgin Landfills, South Elgin, IL	5	EPA	\$2,500
West Virginia Ordnance Works (aka Point Pleasant Landfill), Mason County, WV	3	EPA	\$150,000

D. Summary of Total Allowed General Unsecured Claims Under Paragraph

4(C): Each of the following parties shall have an Allowed General Unsecured Claim against KACC under Paragraph 4(C) in the total amount listed below:

<u>Claimant</u>	<u>Total Allowed General Unsecured Claim</u>
United States on behalf of EPA	\$ 17,828,839
For Commencement Bay (Hylebos Waterway), Tacoma, WA NRDA Claim: United States on behalf of DOI and NOAA, State of Washington and Tribe	\$ 5,500,000
California DTSC	\$ 1,141,364
California DFG	\$ <u>15,818</u>
TOTAL	\$ 24,486,021

5. With respect to the Liquidated Sites:

A. With respect to the Allowed General Unsecured Claims set forth in Paragraph 4 for EPA, DOI, NOAA, the State of California, the State of Washington and the Tribe, only the amount of cash received by each such entity (and net cash received by each such entity on account of any non-cash distributions) from KACC under this Consent Decree for the Allowed General Unsecured Claim for a particular site, and not the total amount of the allowed claim, shall be credited by each such entity to its account for a particular site, which credit shall reduce the liability of non-settling potentially responsible parties for the particular site by the amount of the credit. Nothing in this Consent Decree shall require any agency to credit to its account for a site any distribution received by any other agency under this Consent Decree.

B. The Claims and distributions set forth in Paragraph 4 will be deemed allocated towards all past, present and future Claims with respect to response costs, natural resource damages and cleanup costs for the Liquidated Sites, whether to address matters known or unknown, for which a Claim of any kind or nature has been or could be asserted against the Debtors pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, Section 7003 of RCRA, 42 U.S.C. § 6973, or Similar State Laws or Tribal Laws by the Settling Federal

Agencies, the States, the Tribe or potentially responsible parties or potentially responsible party groups which have incurred or may incur such costs.

C. While none of the Debtors has nor shall have any obligation to pursue insurance recovery, including by virtue of this Consent Decree, and subject to the limitations set forth in this Paragraph, to the extent that at any time after the Effective Date of the Plan of Reorganization, KACC pursues from its insurers recovery for environmental costs or payments under liability coverage applicable to property damage liability and obtains insurance proceeds for such costs or payments from such coverage on account of any of the Liquidated Sites in excess of KACC's costs of pursuing such recovery ("Excess Recovery"), KACC may retain 60% of the Excess Recovery and KACC shall pay 40% of the Excess Recovery to the Settling Federal Agencies, the State of California, the State of Washington and the Tribe on a pro rata basis in accordance with the allocation set forth in Attachment B. KACC agrees to allocate in writing any Excess Recovery on a fair and equitable basis between Liquidated Sites and other sites based upon all of the facts and circumstances, including but not limited to any defenses asserted by insurers, and with deference to any allocation by a court or in an approved settlement document. In determining KACC's cost of pursuing recovery for environmental costs for the Liquidated Sites, KACC shall use the same percentage allocation of costs as is used in KACC's allocation of the Excess Recovery. To the extent that the Excess Recovery is allocable to sites other than the Liquidated Sites, no payment need be made to the government agencies and the Tribe from the Excess Recovery allocable to sites other than Liquidated Sites. The United States, the State of California, the State of Washington and the Tribe each reserves the right to petition the Court for an adjustment of KACC's allocation based upon all of the facts and circumstances. The payments required to be made under this Paragraph 5(C) shall be in addition to the payments required to be made under Paragraph 4. Under no circumstances may the payments required to be made under this Paragraph, when combined with any other consideration received by any of the government agencies and the Tribe for the Liquidated Sites under this Consent Decree,

exceed the amount of the Allowed General Unsecured Claims to be received by the applicable government agencies and the Tribe for the Allowed General Unsecured Claims for the Liquidated Sites under Paragraph 4 of this Consent Decree. In the event that the Excess Recovery sharing requirements of this Paragraph would otherwise result in such an exceedance, KACC shall retain the additional amount of the Excess Recovery necessary to avoid such an exceedance.

D. Notwithstanding the foregoing, and as an express limitation to the foregoing, the Settling Federal Agencies, the States and the Tribe acknowledge that KACC is pursuing insurance coverage for asbestos and non-asbestos bodily injury liabilities, including in litigation styled *Kaiser Aluminum & Chemical Corporation v. Certain Underwriters at Lloyds, London, et al.*, No. 312415, and *Kaiser Aluminum & Chemical Corporation v. Insurance Company of North America, et al.*, No. 322710, pending in the San Francisco County, Superior Court of California (collectively, the “California Insurance Litigation”). The Settling Federal Agencies, the States and the Tribe recognize and agree that, except as set forth in the next two sentences, they have no right or entitlement to, the provisions of this Paragraph shall not apply to, and the Settling Federal Agencies, the States and the Tribe shall not seek, in any proceeding, to assert any right or entitlement to (a) any policies at issue in the California Insurance Litigation and/or (b) any amounts paid by an insurer or insurers in settlement or otherwise where (i) the predominant liability being resolved is bodily injury liability and/or (ii) the funds are paid by an insurer or insurers on account of asbestos and/or non-asbestos bodily injury liabilities under a trust established under section 524(g) or section 105 of the Bankruptcy Code, even if the release provided to an insurer or insurers extends to environmental liabilities or costs, either expressly or impliedly. KACC (and any successor-in-interest) shall have no obligation to amend the California Insurance Litigation or to otherwise pursue from its insurers insurance recoveries for non-asbestos environmental costs or payments as to any specific Liquidated Site. In the event, however, that KACC (or any successor-in-interest) amends the California Insurance Litigation to

pursue, or otherwise specifically pursues, insurance recoveries from its insurers for non-asbestos environmental costs or payments as to any specific Liquidated Site, then KACC (or any successor-in-interest) shall allocate on a fair and equitable basis, in writing, the portion of such recoveries allocable to such specific Liquidated Sites and, then, the provisions of Paragraph 5(C) shall apply to such allocated portion only.

NON-DISCHARGEABILITY/DEBTOR-OWNED SITES/RESERVATION OF RIGHTS

6. A. The following claims of or obligations to the Settling Federal Agencies and the States shall not be discharged pursuant to this Consent Decree or Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization, nor shall such claims or obligations be impaired or affected in any way in the Chapter 11 Cases or by the confirmation of a Plan of Reorganization:

(i) Claims against the Debtors by the Settling Federal Agencies or the States under Section 107 of CERCLA, 42 U.S.C. §9607, or Similar State Laws for recovery of response costs incurred Postpetition with respect to response action taken at a Debtor-Owned Site, including such response action taken to address hazardous substances that have migrated from a Debtor-Owned Site to a proximate location other than a Reserved Site;

(ii) Actions against the Debtors by the Settling Federal Agencies or the States under CERCLA, RCRA, or Similar State Laws seeking to compel the performance of a removal action, remedial action, corrective action, closure or any other cleanup action at a Debtor-Owned Site, including actions to address hazardous substances that have migrated from a Debtor-Owned Site to a proximate location other than a Reserved Site;

(iii) Claims against the Debtors by the Settling Federal Agencies or the States under Section 107 of CERCLA, 42 U.S.C. §9607, for recovery of natural resource damages arising as a result of Postpetition releases or ongoing releases of hazardous substances at or which migrate or leach from a Debtor-Owned Site to a proximate location other than a Reserved Site; or

(iv) Claims against the Debtors by the Settling Federal Agencies or the States for recovery of civil penalties for violations of law resulting from Postpetition conduct of the Debtors at Debtor-Owned Sites.

Nothing in this Paragraph 6(A) shall limit or be deemed to waive any rights or defenses of any of the parties to this Consent Decree, except for any alleged defense of discharge of liabilities provided under the Bankruptcy Code, any plan of reorganization or order of confirmation.

B. With respect to any Liquidated Site, Additional Site or Discharged Site, this Consent Decree does not address the Debtors' Postpetition conduct which would give rise to liability under 42 U.S.C. §§9606 and 9607(a)(1)-(4) and the Settling Federal Agencies, the States, the Tribe and the Debtors reserve all rights and defenses they may have with respect to such Postpetition conduct; *provided, however*, that this reservation shall not apply to any damage which arises from or is related to Prepetition acts, omissions or conduct of the Debtors or their predecessors, including without limitation any ongoing releases of hazardous substances, exacerbation (except to the extent caused by Postpetition acts of the Debtors) of pre-existing contamination, migration or leaching of hazardous substances, and natural resource damages. Nothing in this Consent Decree shall affect or limit such rights and defenses.

C. As used in this Paragraph 6, "Postpetition conduct" shall not include a failure to satisfy or comply with any Prepetition liability or obligations, or to pay a claim (including, without limitation, a penalty claim) except as required by or resulting from the terms of the Plan of Reorganization, any provision of this Consent Decree, or a final order of the Court confirming a Plan of Reorganization.

D. The Settling Federal Agencies or the States may pursue enforcement actions or proceedings under applicable law with respect to the Claims and obligations of the Debtors to the Settling Federal Agencies or the States, respectively, under the foregoing Paragraphs 6(A) and 6(B) in the manner, and by the administrative or judicial tribunals, in which

the Settling Federal Agencies or the States could have pursued enforcement actions or proceedings if the Chapter 11 Cases had never been commenced. The Debtors reserve the right to assert any and all defenses and counterclaims available to them under applicable law with respect to any Claims and obligations of the Debtors to the Settling Federal Agencies or the States under Paragraphs A and B that are asserted by the Settling Federal Agencies or the States, respectively, except for any alleged defense of discharge of liabilities provided under the Bankruptcy Code, any plan of reorganization or order of confirmation. The Settling Federal Agencies and the States reserve all of their rights with respect to any defenses or counterclaims asserted by the Debtors under this Paragraph D.

E. This Consent Decree does not address or apply to the Reserved Sites and the United States, the States and the Debtors reserve all rights and defenses they may have with respect to the Reserved Sites, including with respect to Debtors' conduct at the Reserved Sites. Nothing in this Consent Decree shall affect, limit or waive such rights and defenses.

TREATMENT OF ADDITIONAL SITES

7. With respect to all Additional Sites, all liabilities and obligations of the Debtors to the Settling Federal Agencies and the States under Sections 106 and 107 of CERCLA, 42 U.S.C. §§9606 and 9607, Section 7003 of RCRA, 42 U.S.C. § 6973, and Similar State Laws arising from Prepetition acts, omissions or conduct of the Debtors or their predecessors, including without limitation the Prepetition generation, transportation, disposal or release of hazardous substances, wastes or materials or dangerous wastes or the Prepetition ownership or operation of hazardous waste or hazardous substance sites and/or facilities and state counterparts, shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation of a Plan of Reorganization, and the Settling Federal Agencies and the States shall receive no distributions in the Chapter 11 Cases with respect to such liabilities and obligations, but KACC may be required to distribute to the Settling Federal Agencies, the States or such other party as they may designate, such amounts as are provided for in this Paragraph and Paragraph 8. Such liabilities

and obligations shall be treated and liquidated as general unsecured Claims against KACC on the terms specified herein. If and when any Settling Federal Agencies or the States undertake(s) enforcement activities in the ordinary course with respect to any Additional Site, the Settling Federal Agencies or the States, respectively, may seek a determination of the liability, if any, of KACC and may seek to obtain and liquidate a judgment of liability of KACC or enter into a settlement with KACC with regard to any of the Additional Sites (for Prepetition acts, omissions or conduct of the Debtors or their predecessors) in the manner and before the administrative or judicial tribunal in which the Settling Federal Agencies' or the States' claims would have been resolved or adjudicated if the Chapter 11 Cases had never been commenced. However, the Settling Federal Agencies and the States shall not issue or cause to be issued any unilateral order or seek any injunction against KACC under Section 106 of CERCLA, 42 U.S.C. § 9606, Section 7003 of RCRA, 42 U.S.C. § 6973, or any Similar State Laws arising from the Prepetition acts, omissions or conduct of the Debtors or their predecessors with respect to any Additional Sites. The Settling Federal Agencies and KACC (and the States and KACC, as applicable) will attempt to settle each liability or obligation asserted by the Settling Federal Agencies (or the States, as applicable) against KACC relating to an Additional Site on a basis that is fair and equitable under the circumstances, including consideration of (i) settlement proposals made to other PRPs who are similar to KACC in the nature of their involvement with the site, (ii) the fact of KACC's bankruptcy, and (iii) the circumstances of this Agreement; but nothing in this sentence shall create an obligation of the Settling Federal Agencies or the States that is subject to judicial review. The aforesaid liquidation of liability may occur notwithstanding the terms of the Plan of Reorganization, the order confirming the Plan of Reorganization, or the terms of any order entered to effectuate the discharge received by KACC. In any action or proceeding with respect to an Additional Site, KACC, the Settling Federal Agencies and the States reserve any and all rights, claims, and defenses they would have been entitled to assert had the claim been liquidated in the ordinary course or during the course of the Chapter 11 Cases, including, without

limitation, any argument that joint and several liability should or should not be imposed upon KACC. Nothing herein shall be construed to limit the Parties' rights to assert any and all rights, claims and defenses they may have in actions or proceedings involving other parties with respect to Additional Sites.

8. In the event any Claim is liquidated pursuant to Paragraph 7 by settlement with KACC or judgment against KACC to a determined amount (the "Determined Amount"), KACC will satisfy such Claim within thirty (30) days after the date on which the settlement or judgment is final and effective (the "Settlement/ Judgment Date") by providing the holder of the Claim the "Distribution Amount." The Distribution Amount shall be the value of the consideration which would have been distributed under the Plan of Reorganization to the holder of such Claim if the Determined Amount had been an Allowed General Unsecured Claim against KACC in such amount under the Plan of Reorganization. Except as provided in Paragraph 9(B), the Distribution Amount shall be paid in the same form (e.g., stock, cash, notes, etc.) as was distributed under the Plan of Reorganization.

9. A. In the event that the Plan of Reorganization provides that Allowed General Unsecured Claims against KACC will receive consideration other than cash, for purposes of determining the value of the consideration paid to the holders of Allowed General Unsecured Claims at the time of distribution(s) under the Plan of Reorganization (i.e., the Distribution Amount), notes shall have a value equal to their face value and equity securities shall have a value equal to (a) if the security is trading, the reported closing sales price for the security on the date(s) of distribution(s) under the Plan of Reorganization (or the first date thereafter on which the security trades), (i) on the New York Stock Exchange; or (ii) if the security is not listed or admitted to trade on the New York Stock Exchange, on the principal national securities exchange on which the security is listed or admitted to trading; or (iii) if the security is not listed or admitted to trading on any national securities exchange, on all transactions on the National Association of Securities Dealers Automated Quotations National Market System; or (iv) if the

security is not listed or admitted to trading on any national securities exchange or quoted on such National Market System, on all transactions in the over-the-counter market in the United States as furnished by any New York Stock Exchange member firm selected by KACC and the Settling Federal Agencies (or the States, if applicable) for that purpose; or (b) if the security is not trading in any of the foregoing markets, the value ascribed to the security in the disclosure statement pursuant to which approval of the Plan was sought. Then, for purposes of determining the number of shares of securities that have the value of the Distribution Amount on the Settlement/Judgment Date (i.e., the number of shares to be distributed in satisfaction of the Claim as provided in Paragraph 8), the fair market value per share of securities on the Settlement/Judgment Date also shall be determined as set forth in the immediately preceding sentence. To the extent, however, that the Settling Federal Agencies (or the States, if applicable) calculate that the reported closing sales price for the security is materially different than the weighted average of the reported regular way sales prices of all transactions for the security on the date(s) of distribution(s) under the Plan of Reorganization (or the first date thereafter on which the security trades), the Settling Federal Agencies (or the States, if applicable) may present this calculation to KACC prior to the date KACC must satisfy the Claim as provided in Paragraph 8 and then the weighted average of the reported regular way sales prices of all transactions for the security shall be used to value the security instead of the reported closing sales price.

B. Further, in the event that the Plan of Reorganization provides that Allowed General Unsecured Claims against KACC will receive consideration other than cash, Debtors may, in their sole discretion, provide the non-cash portion of the Distribution Amount to the Settling Federal Agencies (or the States, if applicable) in cash that has an aggregate value as of the Settlement/Judgment Date that is equivalent to the Distribution Amount. The terms of Paragraphs 7, 8 and this Paragraph 9 of this Consent Decree shall apply to, be binding on, and inure to the benefit of any successor or assign of KACC to the extent that, and only to the extent

that, the alleged liability of the successor or assign for an Additional Site is based on its status as and in its capacity of a successor or assign of KACC.

TREATMENT OF ALLOWED CLAIMS

10. With respect to the Allowed General Unsecured Claims set forth in Paragraph 4 for EPA, DOI, NOAA, the State of California, the State of Washington and the Tribe, and regardless of the holder of such Claims, such Claims (A) will receive the same treatment under the Plan of Reorganization, without discrimination, as other Allowed General Unsecured Claims against KACC with all attendant rights provided by the Bankruptcy Code and other applicable law and (B) will not be entitled to any priority in distribution (although the provisions of Paragraph 5(C) shall apply in the event of excess insurance proceeds). With respect to any Claims as may eventually be allowed pursuant to Paragraphs 7-9 for Additional Sites, such Claims shall be governed by the terms of Paragraphs 7-9. In no event shall the General Unsecured Claims against KACC allowed or to be allowed pursuant to this Consent Decree be subordinated to any other Allowed General Unsecured Claims against KACC pursuant to any provision of the Bankruptcy Code or other applicable law that authorizes or provides for subordination of allowed Claims, including without limitation Sections 105 and 510 of the Bankruptcy Code.

11. The Claims allowed in this Consent Decree do not constitute, nor shall they be construed as, forfeitures, fines or penalties (or payments in lieu thereof), and nothing herein is intended, or shall be construed, as an admission by Debtors of any facts (other than the fact of distributions made referred to in Paragraph 4) or any violation of law. Notwithstanding the foregoing, Debtors do agree to comply with all terms of this Consent Decree upon the Effective Date.

12. Notwithstanding any other provision of this Consent Decree, and except as provided under applicable law, there shall be no restrictions on the ability and right of the United States on behalf of EPA or the State of California to transfer or sell all or a portion of any

securities distributed to them pursuant to the Plan of Reorganization; to sell their right to all or a portion of any distributions under the Plan to one or more third parties; or to transfer or sell to one or more third parties all or a portion of any Allowed General Unsecured Claim pursuant to this Consent Decree.

TREATMENT OF PROOFS OF CLAIM

13. The Settling Federal Agencies, the States, and the Tribe shall be deemed to have filed proofs of claim for all matters addressed in this Consent Decree, which proofs of claim are and shall be deemed satisfied in full in accordance with the terms of this Consent Decree. Accordingly, by executing this Consent Decree but without any prejudice with respect to any of the Reserved Sites, (i) the Settling Federal Agencies agree that Claim No. 7135 shall be reduced and allowed as of the Effective Date in the amounts listed for the Settling Federal Agencies in Paragraph 4(C) of this Consent Decree; (ii) the State of California agrees that Claim No. 7297 shall be reduced and allowed as of the Effective Date in the amount listed for the State of California in Paragraph 4(C) of this Consent Decree; (iii) the State of Rhode Island agrees that Claim No. 7111 shall be withdrawn pursuant to this Consent Decree as of the Effective Date and Kaiser's claims and noticing agent, Logan & Company, is authorized and empowered to withdraw Claim No. 7111 as of the Effective Date; (iv) the State of Washington agrees that Claim No. 7181 shall be reduced and allowed as of the Effective Date in the amount listed for the State of Washington in Paragraph 4(C) of this Consent Decree; and (v) the Tribe agrees that Claim No. 1727 shall be reduced and allowed as of the Effective Date in the amount listed for the Tribe in Paragraph 4(C) of this Consent Decree.

DISTRIBUTION INSTRUCTIONS

14. A. Cash distributions for the Liquidated Sites to the United States on behalf of EPA shall be made by Fed Wire Electronic Funds Transfer ("EFT" or wire transfer) to the U.S. Department of Justice account in accordance with current electronic funds transfer procedures. Payment shall be made in accordance with instructions provided to the Debtor by

the Financial Litigation Unit of the United States Attorney's Office for the District of Delaware and shall reference Case No. 02-10429 (JKF) and DOJ File Number 90-11-3-07769/1. The Debtors shall transmit written confirmation of such payments to the Department of Justice at the address specified in Paragraph 27. In the event that the United States sells or transfers its Claims, payment will be made to a transferee only at such time as the Debtors receive written instructions from the United States directing that payments be made to a transferee amid instructions as to where such payments should be directed, and, prior to the closing of the Chapter 11 Cases, after an evidence of claim transfer shall have been filed with the Court.

B. Other distributions with respect to the allowed Claims of the United States for the Liquidated Sites pursuant to this Consent Decree shall be made as follows. Non-cash Distributions to the United States on behalf of EPA shall be made to:

U.S. EPA Superfund
P.O. Box 371003M
Pittsburgh, PA 15251

Copies of all distributions and related correspondence to the United States shall be sent to:

Environmental Enforcement Division
Environment & Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, D.C. 20044
Ref. DOJ File No. 90-11-3-07769/1

Helena A. Healy
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W. - Mail Code 2272A
Washington, D.C. 20460

C. The United States must notify the Debtors in writing of any modifications to the foregoing addresses. In the event that the United States on behalf of EPA sells or transfers its Claims, distributions will be made to a transferee only at such time as the Debtors receive

written instructions from the United States on behalf of EPA directing that payments be made to a transferee and instructions as to where such payments should be made, and, prior to the closing of the Chapter 11 Cases, after an evidence of claim transfer shall have been filed with the Court.

D. Distributions received by EPA will either be deposited in site-specific special accounts within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with those sites, or be deposited into the EPA Hazardous Substance Superfund.

E. Cash distributions for the Commencement Bay (Hylebos Waterway), Tacoma, WA Liquidated Site with respect to the Allowed General Unsecured Claims of the United States on behalf of NOAA and DOI, the State of Washington and the Tribe pursuant to this Consent Decree shall be made to:

Registry of the Court
c/o Clerk of the Court
U.S. District Court
Western District of Washington
1010 Fifth Avenue, Room 215
Seattle, WA 98104

The payment shall reference the Case Number U.S. Dist. Ct. D. Del (Bankr) Case No. 02-10429 (JKF) and shall request that the payment be deposited in the Commencement Bay Natural Resource Restoration Account established pursuant to W.D. Wash. Civil No. C93-5462B.

Non-cash distributions with respect to the Commencement Bay (Hylebos Waterway), Tacoma, WA Liquidated Site with respect to the Allowed General Unsecured Claims of the United States on behalf of NOAA and DOI, the State of Washington and the Tribe shall be made to:

United States Department of the Interior
Natural Resource Damage Assessment and Restoration Program
Attn: Restoration Fund Manager
1849 C Street, NW, Mail Stop 4449
Washington, DC 20240

Copies of all distributions under this Paragraph 14(E) and related correspondence shall be sent to:

Eric G. Williams
Trial Attorney
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, D.C. 20044
Ref. DOJ File No. 90-11-3-07769/1

Robert A. Taylor
NOAA GC Natural Resources/NW
7600 Sand Point Way NE
Seattle, WA 98115-0070

Steven J. Thiele
Assistant Attorney General
Office of the Attorney General, Ecology Division
P.O. Box 40117
Olympia, WA 98504-0117

Cynthia P. Lyman
Office of the Tribal Attorney
Puyallup Tribe of Indians
1850 Alexander Ave.
Tacoma, WA 98421

Bill Sullivan
Environmental Programs
Puyallup Tribe of Indians
1850 Alexander Ave.
Tacoma, WA 98421

15. A. Cash distributions for the Liquidated Sites to the California DTSC shall be made by certified check, payable to: Cashier, Department of Toxic Substances Control and shall be sent to DTSC Accounting, P.O. Box 806, Sacramento, CA 95812-0806, and shall reference the docket number of the Chapter 11 Cases. A copy of such check shall be sent to the attention of Jeff Mahan, DTSC, P.O. Box 806, Sacramento, CA 95812-0806.

B. Cash distributions for the Liquidated Sites to the California DFG shall be made by check, payable to: Office of Spill Prevention and Response, California Department of Fish & Game, and shall be sent in care of John Holland, Esquire, Department of Fish & Game, P.O. Box 160-362, Sacramento, CA 95816-0362.

C. Distributions received by DTSC for a particular site will be used by DTSC to supervise, conduct or pay for environmental response activities at or for that site, or will be credited to the unreimbursed costs that DTSC has incurred at that site.

D. In the event that the State of California sells or transfers its Claims, distributions will be made to a transferee only at such time as the Debtors receive written instructions from the State of California directing that distributions be made to a transferee and instructions as to where such distributions should be made, and, prior to the closing of the Chapter 11 Cases, after an evidence of claim transfer shall have been filed with the Court.

16. A. Distributions with respect to the Allowed General Unsecured Claims of the State of Washington and the Tribe for the Liquidated Sites pursuant to this Consent Decree shall be made in accordance with Paragraph 14(E).

B. Notwithstanding anything to the contrary in this Consent Decree, in the event that the Plan of Reorganization provides that Allowed General Unsecured Claims against KACC will receive consideration in the form of equity securities and any one of the States is precluded by law from accepting a distribution under this Consent Decree in the form of equity securities, then KACC and such State shall work to cause the equity securities that otherwise would have been distributed to such State to be sold on any applicable market and the cash proceeds from such sale, less all costs and expenses associated with such sale, shall be distributed to such State instead of the equity securities.

TREATMENT OF DISCHARGED SITES

17. With respect to all Discharged Sites, all liabilities and obligations of the Debtors to the Settling Federal Agencies, the States and the Tribe under Sections 106 and 107 of

CERCLA, 42 U.S.C. §§9606 and 9607, Section 7003 of RCRA, 42 U.S.C. § 6973, and Similar State Laws and Tribal Law arising from Prepetition acts, omissions or conduct of the Debtors or their predecessors, including without limitation the Prepetition generation, transportation, disposal or release of hazardous substances, wastes or materials or dangerous wastes or the Prepetition ownership or operation of hazardous waste or hazardous substance sites and/or facilities, shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation and effectiveness of a Plan of Reorganization, and neither the Settling Federal Agencies, the States, nor the Tribe shall receive any distributions in the Chapter 11 Cases with respect to such liabilities and obligations.

COVENANT NOT TO SUE AND RESERVATION OF RIGHTS

18. In consideration of all of the foregoing, including, without limitation, the distributions that will be made and the Claims allowed pursuant to the terms of this Consent Decree, and except as specifically provided in Paragraphs 21 through 23 (below), the Settling Federal Agencies, the States and the Tribe covenant not to file a civil action or to take any administrative or other action against the Debtors pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§9606 or 9607, Section 7003 of RCRA, 42 U.S.C. § 6973, or any Similar State Laws or Tribal Laws with respect to each of the Liquidated Sites. These covenants not to sue shall take effect on the Effective Date.

19. This Consent Decree in no way impairs the scope and effect of the Debtors' discharge under Section 1141 of the Bankruptcy Code as to any third parties or as to any Claims that are not addressed by this Consent Decree.

20. Without in any way limiting the covenant not to sue (and the reservations thereto) set forth in Paragraph 18 and notwithstanding any other provision of this Consent Decree, such covenant not to sue shall also apply to the Debtors' successors and assigns, officers, directors, employees, and trustees, but only to the extent that the alleged liability of the successor or assign,

officer, director, employee, or trustee of any Debtor is based on its status as and in its capacity as a successor or assign, officer, director, employee, or trustee of any Debtor.

21. The covenants not to sue contained in Paragraphs 18 and 20 of this Consent Decree extend only to the Debtors and the persons described in Paragraph 20 above and do not extend to any other person. Nothing in this Agreement is intended as a covenant not to sue or a release from liability for any person or entity other than the Debtors, the United States, the States, the Tribe and the persons described in Paragraph 20. The United States, the States, the Tribe and the Debtors expressly reserve all claims, demands and causes of action either judicial or administrative, past, present or future, in law or equity, which the United States, the States, the Tribe or the Debtors may have against all other persons, firms, corporations, entities or predecessors of the Debtors for any matter arising at, or relating in any manner to, the sites or claims addressed herein.

22. Notwithstanding the foregoing, the covenants not to sue contained in this Consent Decree shall not apply to nor affect any action based on (i) a failure to meet a requirement of this Consent Decree; (ii) criminal liability; or (iii) matters addressed in Paragraph 6(A) through 6(D) above.

23. Nothing in this Consent Decree shall be deemed to limit the authority of the United States or the States to take response action under Section 104 of CERCLA, 42 U.S.C. §9604, Similar State Laws or any other applicable law or regulation, or to alter the applicable legal principles governing judicial review of any action taken by the United States or the States pursuant to that authority. Nothing in this Consent Decree shall be deemed to limit the information gathering authority of the United States or the States under Sections 104 and 122 of CERCLA, 42 U.S.C. §§9604 and 9622, Similar State Laws or any other applicable federal law or regulation, or to excuse the Debtors from any disclosure or notification requirements imposed by CERCLA, RCRA, any Similar State Laws or any other applicable federal or state law or regulation.

24. The Debtors hereby covenant not to sue and agree not to assert or pursue any claims or causes of action against the United States, the States or the Tribe with respect to the Liquidated Sites including, but not limited to, any direct or indirect claim for reimbursement from the Hazardous Substances Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) through Sections 106(b)(2), 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9611, 9612, or 9613, any Similar State Laws or Tribal Laws or any other provision of law; any claim against the United States, including any department, agency or instrumentality of the United States, under Sections 107 or 113 of CERCLA, 42 U.S.C. § 9607 or 9613, related to the Liquidated Sites, or any claims arising out of response activities at the Liquidated Sites. The covenant not to sue set forth in this Paragraph shall not apply in the event that the Settling Federal Agencies and/or one or more of the States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraphs 6(A) and/or 6(B), but only to the extent that the Debtors' claims arise from the same response action, response costs, or damages that the Settling Federal Agencies and/or the States is/are seeking pursuant to Paragraphs 6(A) and/or 6(B). Nothing in this Consent Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

CONTRIBUTION PROTECTION

25. With regard to all existing or future third-party Claims against the Debtors with respect to the Liquidated Sites, including claims for contribution, the parties hereto agree that, as of the Effective Date, the Debtors are entitled to protection from actions or Claims to the maximum extent provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and Similar State Laws and Tribal Laws.

26. The Debtors agree that with respect to any suit for contribution brought against any of them after the Effective Date for matters related to this Consent Decree in which a party challenges the applicability of Debtors' contribution protection provided under Paragraph 25, they will notify the United States within a reasonable time after service of the complaint upon

them. In addition, in connection with such suit, the Debtors shall notify the United States within a reasonable time after service or receipt of any Motion for Summary Judgment and within a reasonable time after receipt of any order from a court setting a case for trial (provided, however, that the failure to notify the United States pursuant to this Paragraph shall not in any way affect the protections afforded under Paragraphs 18 through 25).

NOTICES AND SUBMISSIONS

27. Whenever, under the terms of this Consent Decree, written notice is required to be given, or a report or other document is required to be sent by one party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change of address to the other parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Except as otherwise provided in this Consent Decree, written notice as specified herein shall constitute complete satisfaction of any written notice requirement in this Consent Decree with respect to the United States, the States and the Debtors, respectively.

As to the United States:

Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, D.C. 20044
Ref. DOJ File No. 90-11-3-07769/1

Helena A. Healy
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W. - Mail Code 2272A
Washington, D.C. 20460

As to the State of California:

Kevin James, Deputy Attorney General
California Department of Justice
1515 Clay Street, Suite 2000
Post Office Box 70550
Oakland, CA 94612-0550

As to the State of Rhode Island:

Bret W. Jedeke, Esq.
RIDEM Office of Legal Services
235 Promenade Street
Providence, RI 02908

As to the State of Washington:

Steven J. Thiele
Assistant Attorney General
Office of the Attorney General, Ecology Division
P.O. Box 40117
Olympia, WA 98504-0117

James Pendowski
Program Manager
Toxics Cleanup Program
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-76001

As to the Tribe:

Puyallup Tribe of Indians
1850 Alexander Avenue
Tacoma, WA 98421
ATTN: Cynthia Lyman

Bill Sullivan
Environmental Programs
Puyallup Tribe of Indians
1850 Alexander Ave.
Tacoma, WA 98421

As to the Debtors:

Kaiser Aluminum & Chemical Corporation
5847 San Felipe, Suite 2500
Houston, TX 77057
ATTN: General Counsel

Heller, Ehrman, White & McAuliffe, LLP
701 Fifth Avenue, Suite 6100
Seattle, WA 98104-7098
ATTN: R. Paul Beveridge

LODGING AND OPPORTUNITY FOR PUBLIC COMMENT

28. This Consent Decree shall be subject to approval of the Bankruptcy Court. The Debtors shall promptly seek approval of this Consent Decree under Bankruptcy Rule 9019 or other applicable provisions of the Bankruptcy Code. The hearing on Debtors' request for such approval will not be held for at least thirty-eight days from the date of filing (the "Filing Date").

29. Likewise, this Consent Decree shall be lodged with the Court for public notice and comment for a period of not less than thirty days. To the extent, if any, that such lodging does not satisfy all public notice and comment requirements of the State of Washington laws and regulations, the State of Washington shall take all action necessary during such thirty-day period to satisfy all such requirements. After the conclusion of the public comment period, the United States (and, if applicable, the State of Washington) will file with the Court any comments received, as well as the United States' (and the State of Washington's, as applicable) responses to the comments, and at that time, if appropriate, the Court will be requested by motion of the United States (and the State of Washington, as applicable) to approve this Consent Decree. The United States and the State of Washington reserve the right to withdraw or withhold their consent if the comments regarding the Consent Decree disclose facts or considerations which

indicate that this Consent Decree is not in the public interest.

30. If for any reason (i) this Consent Decree is withdrawn by the United States or the State of Washington as provided in Paragraph 29, or (ii) the Bankruptcy Court issues a final order not approving this Consent Decree, or (iii) KACC's Chapter 11 Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code before the Effective Date of a Plan of Reorganization: (a) this Consent Decree shall be null and void and the parties shall not be bound hereunder or under any documents executed in connection herewith; (b) the parties shall have no liability to one another arising out of or in connection with this Consent Decree or under any documents executed in connection herewith; (c) this Consent Decree and any documents prepared in connection herewith shall have no residual or probative effect or value and it shall be as if they had never been executed; and (d) this Consent Decree, any statements made in connection with settlement discussions, and any documents prepared in connection herewith may not be used as evidence in any litigation between or among the parties.

31. The Debtors shall file a Plan of Reorganization that is consistent with and does not conflict with the terms and provisions of this Consent Decree. The Settling Federal Agencies and the States will not oppose any term or provision of a Plan of Reorganization filed by the Debtors that is addressed by and consistent with this Consent Decree. The parties reserve all other rights and defenses they may have with respect to any Plan of Reorganization filed by the Debtors.

AMENDMENTS/INTEGRATION AND COUNTERPARTS

32. This Consent Decree and any other documents to be executed in connection herewith shall constitute the sole and complete agreement of the parties hereto with respect to the matters addressed herein. This Consent Decree may not be amended except by a writing signed by all parties to this Consent Decree.

33. This Consent Decree may be executed in counterparts each of which shall constitute an original and all of which shall constitute one and the same agreement.

RETENTION OF JURISDICTION

34. Except as provided in Paragraphs 6 through 9 regarding proceedings in other administrative or judicial tribunals, the Court (or, upon withdrawal of the Court's reference, the U.S. District Court of the District of Delaware) shall retain jurisdiction over the subject matter of this Consent Decree and the parties hereto for the duration of the performance of the terms and provisions of this Consent Decree for the purpose of enabling any of the parties to apply to the Court at any time for such further order, direction and relief as may be necessary or appropriate for the construction or interpretation of this Consent Decree or to effectuate or enforce compliance with its terms.

[Remainder of Page Left Intentionally Blank]

THE UNDERSIGNED PARTIES ENTER INTO THIS CONSENT DECREE

FOR THE UNITED STATES OF AMERICA:

Date: 8.15.03

By: Tom Sansonetti
Thomas L. Sansonetti
Assistant Attorney General
Environment and Natural Resources
Division
U.S. Department of Justice

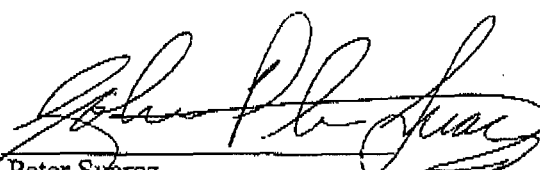
Date: 8/18/03

By: Alan S. Tenenbaum
Alan S. Tenenbaum
Senior Counsel
Environmental Enforcement Section
Environment and Natural Resources
Division
U.S. Department of Justice

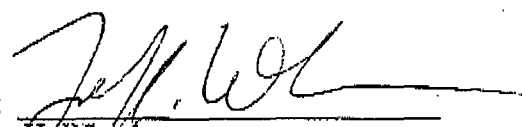
Date: 8/09/03

By: Eric G. Williams
Eric G. Williams
Trial Attorney
Environmental Enforcement Section
Environment and Natural Resources
Division
U.S. Department of Justice

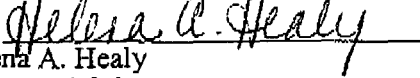
Date: 8/20/03

By: 
John Peter Suarez
Assistant Administrator for Enforcement
and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

Date: 8/20/03

By: 
John H. Wheeler
Senior Attorney
Office of Enforcement and
Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

Date: 8/20/03

By: 
Helena A. Healy
Attorney-Advisor
Office of Enforcement and
Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

FOR THE STATE OF CALIFORNIA
DEPARTMENT OF TOXIC SUBSTANCES
CONTROL:

Date: August 12, 2003

By: Edwin F. Lowry
Edwin F. Lowry
Director, State of California Department
of Toxic Substances Control
Post Office Box 806
Sacramento CA 95812-0806

FOR THE STATE OF CALIFORNIA
DEPARTMENT OF FISH AND GAME:

Date: _____

By: _____
John A. Holland
Staff Counsel III
Office of Spill Prevention and Response
State of California Department of
Fish and Game
1700 K Street, Suite 250
Post Office Box 94420
Sacramento, CA 94244-2090


FOR THE STATE OF CALIFORNIA
DEPARTMENT OF TOXIC SUBSTANCES
CONTROL:

Date: _____

By: _____
Edwin F. Lowry
Director, State of California Department
of Toxic Substances Control
Post Office Box 806
Sacramento CA 95812-0806

FOR THE STATE OF CALIFORNIA
DEPARTMENT OF FISH AND GAME:

Date: 13 August 2003

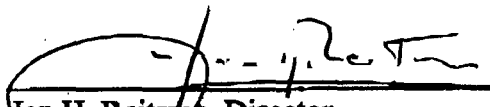
By: 
John A. Holland
Staff Counsel III
Office of Spill Prevention and Response
State of California Department of
Fish and Game
1700 K Street, Suite 250
Post Office Box 94420
Sacramento, CA 94244-2090

FOR THE STATE OF RHODE ISLAND:

Date:

8/21/03


By:


Jan H. Reitsma, Director
Rhode Island Department of
Environmental Management
235 Promenade Street
Providence, RI 02908

Date:

8/21/03

By:


Bret W. Jedeles Esq.
RIDEM Office of Legal Services
235 Promenade Street
Providence, RI 02908

FOR THE PUYALLUP TRIBE OF INDIANS:

Date:

By:

Name: _____

Title: _____

FOR THE STATE OF RHODE ISLAND:

Date: _____

By: _____

Jan H. Reitsma, Director
Rhode Island Department of
Environmental Management
235 Promenade Street
Providence, RI 02908

Date: _____

By: _____

Bret W. Jedeke, Esq.
RIDEM Office of Legal Services
235 Promenade Street
Providence, RI 02908

FOR THE PUYALLUP TRIBE OF INDIANS:

Date: 8/13/03

By: Bill Sternd

Name: Bill Sternd

Title: Chairman

FOR THE STATE OF WASHINGTON:

DEPARTMENT OF ECOLOGY

Date: 8/19/03

By: 

Jim Pendowski
Program Manager
Washington Department of Ecology
Toxics Cleanup Program

CHRISTINE O. GREGOIRE

Attorney General

Date: 8/19/03

By: 

Steven J. Thiele, WSBA #20275
Assistant Attorney General
Attorney for State of Washington
Department of Ecology

FOR THE DEBTORS:

Kaiser Aluminum & Chemical Corporation

Date: August 13, 2003

By: 

John Barneson
Senior Vice President and
Chief Administrative Officer

Date: August 13, 2003

By: 

Joseph A. Fischer, III
Assistant General Counsel

ATTACHMENT A
List of Debtors and Petition Dates

DEBTOR	PETITION DATE
Kaiser Aluminum Corporation	February 12, 2002
Kaiser Aluminum & Chemical Corporation	February 12, 2002
Akron Holding Corporation	February 12, 2002
Kaiser Alumina Australia Corporation	February 12, 2002
Kaiser Aluminum & Chemical Investment, Inc.	February 12, 2002
Kaiser Aluminium International, Inc.	February 12, 2002
Kaiser Aluminum Properties, Inc.	February 12, 2002
Kaiser Aluminum Technical Services, Inc.	February 12, 2002
Kaiser Bellwood Corporation	February 12, 2002
Kaiser Finance Corporation	February 12, 2002
Kaiser Micromill Holdings, LLC	February 12, 2002
Kaiser Sierra Micromills, LLC	February 12, 2002
Kaiser Texas Sierra Micromills, LLC	February 12, 2002
Kaiser Texas Micromill Holdings, LLC	February 12, 2002
Oxnard Forge Die Company, Inc.	February 12, 2002
Alwis Leasing, LLC	March 15, 2002
Kaiser Center, Inc	March 15, 2002
Alpart Jamaica Inc.	January 14, 2003
KAE Trading, Inc.	January 14, 2003
Kaiser Aluminum & Chemical Investment Limited (Canada)	January 14, 2003
Kaiser Aluminum & Chemical of Canada Limited (Canada)	January 14, 2003
Kaiser Bauxite Company	January 14, 2003
Kaiser Center Properties	January 14, 2003
Kaiser Export Company	January 14, 2003
Kaiser Jamaica Corporation	January 14, 2003
Texada Mines Ltd. (Canada)	January 14, 2003

ATTACHMENT B
Pro Rata Allocation of 40% Share of Excess Recovery

United States on behalf of EPA	72.81%
For Commencement Bay (Hylebos Waterway), Tacoma, WA NRDA Claim: United States on behalf of DOI and NOAA, State of Washington and Tribe	22.46%
California DTSC	4.66%
California DFG	0.07%