

**VOLUNTARY CLEANUP CONTRACT  
10-5578-NRP**

**IN THE MATTER OF  
ROCK HILL PRINTING AND FINISHING COMPANY, YORK COUNTY  
and  
THE CITY OF ROCK HILL**

This Contract is entered into by the South Carolina Department of Health and Environmental Control ("Department") and The City of Rock Hill, with respect to the Property located at 420 West White Street, Rock Hill, South Carolina. The Property includes approximately 24 acres identified by Tax Map Serial Number 598-11-01-001. In entering this Contract, the Department relies on the representations of the "Non Responsible Party Application for Voluntary Cleanup Contract" of May 4, 2010 by The City of Rock Hill, which is incorporated into this Contract and attached as Appendix A.

AUTHORITY

This contract is entered pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code § 44-56-710 to 760, as amended on June 11, 2008; the South Carolina Hazardous Waste Management Act (HWMA), S.C. Code Ann. § 44-56-10, et. seq., and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. §§ 9601, et seq.

DEFINITIONS

1. Unless otherwise expressly provided in this Contract, terms used in this Contract shall have the meaning assigned to them pursuant to the Brownfields/Voluntary Cleanup Program, S.C. Code § 44-56-710 to 760, as amended on June 11, 2008, and if not set forth therein, shall have the meaning assigned to them pursuant to the South Carolina Hazardous Waste Management Act, S.C. Code Ann. § 44-56-10, et. seq., the S.C. Pollution Control Act, S.C. Code Ann. § 48-1-10, et. seq., the S.C. State Underground Petroleum Environmental Response Bank Act, S. C. Code Ann. § 44-2-10, et. seq., or the Comprehensive Environmental Response, Compensation and Liability Act

(CERCLA), 42 U.S.C. §§ 9601, et seq.

- A. "The City" means The City of Rock Hill.
- B. "Asbestos Containing Material (ACM)" means material containing asbestos of any type, either alone or mixed with other materials, in an amount greater than one percent (1%) as determined by using the method specified in 40 CFR Part 763, Appendix A, Subpart F, Section 1, as amended, or an accepted equivalent.
- C. "Beneficiaries" means The City's Non-Responsible Party lenders, parents, managers, members, employees, subsidiaries, assigns and successors, including new purchasers, lessees, heirs, devisees, and other parties acquiring an interest in any portion of the Property, but only to the extent that such parties have never been a Responsible Party at the Site
- D. "Contamination" means the presence of a contaminant, hazardous substance, petroleum, or petroleum product.
- E. "Contract" means this Voluntary Cleanup Contract.
- F. "Department" means the South Carolina Department of Health and Environmental Control, or a successor agency of the State of South Carolina that has responsibility for and jurisdiction over the subject matter of this Contract.
- G. "Existing Contamination" shall mean any contamination including pollutants or contaminants, petroleum or petroleum products, or hazardous substances present on, or under, the Site as of the execution date of this Contract.
- H. "Property" means the real property as described in the Non Responsible Party Application for Voluntary Cleanup Contract attached as Appendix A, and that is

subject to the ownership, prospective ownership, or possessory or contractual interest of The City. The Property is bounded generally to the south by Springs Global US, Inc, to the east by a railroad track with residential properties beyond, to the north by Stewart Avenue, and to the west by White Street.

- I. "RACM" shall mean Regulated Asbestos Containing Material in accordance with the state's asbestos regulation, Regulation 61-86.1 "Standards of Performance For Asbestos Projects".
- J. "Segregated Sources" means drums, tanks, or similar discrete containers that potentially hold substances that may cause contamination upon release to the environment.
- K. "Waste Materials" means any contamination-causing solid, semi-solid, or liquid material discarded, buried, or otherwise present on the Property, and may include sludge, slag, or solid waste materials such as empty containers and demolition debris or materials containing asbestos, lead-based paint, or petroleum or other contaminants.

FINDINGS

2. Based on the information known by the Department, the following are asserted for this Contract:

A. Owners and Operators: The historical owners and operators of the Property are as follows:

Springs Industries	1929 – 1998
York Printing and Finishing, Inc.	1998 - 2003
RHP&F, LLC	2003 - Present

B. Property and Surrounding Areas: By 1926, the southeast corner of the Property

was developed as the Anderson Motor Car Company. By 1929, Springs Industries purchased the Property and established the Rock Hill Printing and Finishing Company, which expanded operations by constructing manufacturing buildings to the west and to the north and eventually employing nearly 2,000. Operations included bleaching and dyeing of cotton and polyester blend fabrics.

A large quantity of hot water was used in the bleaching process. Raw water was sourced from the Catawba River and filtered through a series of sand filtration clarifiers. The water was heated by onsite coal-fired boilers, which were consuming 350 tons of coal per day as of 1951. By the 1990's the plant was fueled by oil and propane rather than coal. Wastewater was treated by the onsite wastewater treatment system and subsequently directed to the 2,000,000-gallon reservoir located on the Property.

Based upon the age of the building (constructed beginning in 1929) ACM may be present in the floor tile and in other areas where asbestos-containing materials are typically present. Much of the pipe wrap and tank insulation is clearly labeled as asbestos containing.

Three fires have occurred on the Property – one in 1954, one in 2007, and the third in 2009. The first two fires occurred in the main process building. Damage from the 1954 fire was quickly repaired while the damage from the 2007 fire remains. The third fire was started by arsonists and did extensive damage to the top two floors and the roof of the east-central portion of the main building. It is likely that the fires resulted in the release of RACM to the environment.

The Property continued to be used as a textile mill until 1998. In 2003, the Property was purchased by Environmental Land Augmentation, Inc. who occupies a small portion of the Property for offices and storage.

C. Investigations / Reports: Ten (10) regulated underground storage tanks (USTs) had

been registered with the Department's Division of UST Management at the property.  
See the tables below for registration and assessment information:

<b>Underground Storage Tank Information</b> <b>Rock Hill Printing and Finishing LLC</b> <b>SCDHEC UST Permit ID #09188</b> <b>UST Owner: Rock Hill P &amp; F</b>			
UST #	Capacity (gallons)	Substance	Status
1	12,000	Naptha, Mineral Spirits	Removed from ground unknown date
2	12,000	Naptha, Mineral Spirits	Removed from ground unknown date
3	10,000	Naptha, Mineral Spirits	Filled in-place 09-23-1994

<b>Underground Storage Tank Information</b> <b>Rock Hill Printing and Finishing LLC</b> <b>SCDHEC UST Permit ID #18188</b> <b>UST Owner: Springs Global US Inc</b>			
UST #	Capacity (gallons)	Substance	Status
1	12,000	Naptha, Mineral Spirits	Removed from ground 05-01-1987
2	12,000	Naptha, Mineral Spirits	Removed from ground 05-01-1987
3	12,000	Naptha, Mineral Spirits	Removed from ground 05-01-1987
4	150	Gasoline	Removed from ground 05-01-1987
5	2,000	Gasoline	Removed from ground 05-01-1987
6	500	Gasoline	Removed from ground 1950
7	NA	Kerosene	Removed from ground unknown date

<b>Underground Storage Tank Assessment Information</b> <b>Rock Hill Printing and Finishing LLC</b> <b>SCDHEC UST Permit ID #09188</b> <b>UST Owner: Rock Hill P &amp; F</b>			
Release #	Reported Date	For UST #	Status
1	11-08-1995	NA	Project closed 07-30-1996

**Underground Storage Tank Assessment Information**  
**Rock Hill Printing and Finishing LLC**  
**SCDHEC UST Permit ID #18188**  
**UST Owner: Springs Global US Inc**

Release #	Reported Date	For UST #	Status
1	07-01-1998	1-3	Project closed 04-27-2009
2	07-01-1998	6	Project closed 04-27-2009
3	07-01-1998	5	Project closed 04-27-2009
4	07-01-1998	4	Project closed 04-27-2009

Nineteen Areas of Concern (AOCs) were identified by Dames and Moore in September 1998. Initial assessment activities resulted in seven of the AOCs requiring additional assessment and/or remediation. Oversight for three of the AOCs provided by the Department's UST program resulted in a no further action determination. Oversight for the remaining four AOCs is administered by the Department's Aboveground Storage Tank (AST) Petroleum Restoration & Site Environmental Investigations Program. No further action is warranted for three of the four AOCs while the fourth is currently under a natural attenuation / annual groundwater monitoring program.

- D. Party Identification: The City is a local government with its principal place of business located at 155 Johnston Street, Suite 210, Rock Hill, South Carolina, 29731. The City affirms that it has the financial resources to conduct the response action pursuant to this Contract.
- E. Proposed Redevelopment: The redevelopment plan for the property is being updated due to the recent economic downturn and no formal redevelopment plan has been adopted for the Property by the City of Rock Hill. However, it is the intent of the City of Rock Hill to acquire the Property and renovate the existing 248,000 sq ft office building and the 11,622 sq ft historically significant pump house on the Property to their highest and best use. Those potential uses could include Grade A

office space, a data center, a call center, a records center, restaurants and a boutique hotel to serve both the adjacent Winthrop University population of 6,500 and the daily downtown worker population of over 5,000. Additionally 4 + acres of the Property will be reserved for a public performance park. The City will also investigate the possibility of building 50 three story townhomes on the Property and the feasibility of an 8 - 10 acre Urban Office Park. It is preliminarily estimated that the total project would result in approximately a \$46 million investment exclusive of soft costs and infrastructure costs.

### BONA FIDE PROSPECTIVE PURCHASER STATUS

3. The City certifies that it is a Non-Responsible Party at the Site and is eligible to be a Bona Fide Prospective Purchaser for the Property.

### RESPONSE ACTION

4. The City agrees to conduct the response actions specified in the sub-paragraphs below. An initial Work Plan shall be submitted by The City, or its designee, within thirty days of the execution date of this Contract, or later date if approved by the Department's project manager, setting forth methods and schedules for response actions detailed herein. The City acknowledges that the response actions may find distributions of existing contamination requiring additional assessment or corrective actions on the Property that cannot be anticipated with this Contract. The City agrees to perform the additional response actions consistent with the intended uses of the Property under the purview of this Contract; however, The City may seek an amendment of this Contract to clarify its further responsibilities. The City shall perform all response actions required by this Contract, and any related actions of The City's choosing not expressly required by this Contract, pursuant to Work Plans and/or Addenda approved by the Department.

#### A. Work Plan Logistics:

- 1). All activities undertaken pursuant to this Contract shall be consistent with S.C.

statutes and permitting requirements (e.g., stormwater management and waste disposal regulations). The City shall identify and obtain the applicable permits before beginning any action.

- 2). The Work Plan and all associated reports shall be in accordance with accepted industry standards and shall be signed and sealed by a Professional Engineer or Professional Geologist duly-licensed in South Carolina.
- 3). The Work Plan(s) shall provide sufficient information about the proposed sampling points, collection methods, analytical methods, and other pertinent details of the response actions.
  - a). Sample collection methodologies shall be consistent with the US EPA Region IV Field Branches Quality System and Technical Procedures.
  - b). All monitoring wells and groundwater sampling points shall be constructed in accordance with the South Carolina Well Standards and Regulations-R.61-71. The Work Plan shall provide sufficient detail to support issuance of the well approvals.
  - c). The laboratory analyses shall be as required in the media-specific subparagraphs below, but may include: 1) the full EPA-TAL (Target Analyte List); 2) the full EPA-TCL (Target Compound List); 3) the TAL-Metals (EPA-TAL without Cyanide); 4) SVOCs (EPA-TCL Semi-Volatile Organics); 5) VOCs (EPA-TCL Volatile Organic Compounds); or, 6) Pesticides (the EPA-TCL Pesticides).
  - d). All analytical methods shall use appropriate detection levels to allow comparison to the media-specific screening criteria listed in the "EPA Regional Screening Levels for Chemical Contaminants at Superfund Sites" in effect at the time of sampling. The applicable Protection of Groundwater SSL (Soil Screening Level) for a compound shall be the "MCL-Based SSL" if listed.
- 4). The Work Plan shall include the names, addresses, and telephone numbers of The City's consulting firm(s), analytical laboratories, and The City's contact person for matters relating to this Contract.

- a). The analytical laboratory shall possess applicable Certification, as per South Carolina R.61-81, for the test methods and specific analytes to be used and reported for this assessment.
  - b). The City shall notify the Department in writing of changes in the contractor or laboratory.
- 5). The Department will notify The City in writing of approvals or deficiencies in the Work Plan.
  - 6). The City, or its designee, shall respond in writing within thirty days to the Department's comments with regards to deficiencies.
  - 7). The City shall implement the Work Plan upon written approval from the Department.
  - 8). The City shall inform the Department at least five (5) working days in advance of all field activities, and shall allow the Department, or its authorized representatives, to take duplicates of any samples if desired.
  - 9). The City shall preserve items that may: 1) provide evidence of a Potentially Responsible Party's involvement at the site; 2) lead to the discovery of other areas of contamination; or 3) contain environmental information. Such items may include drums, bottles, labels, business and operating records, contracts, site studies, investigations, and other physical or written materials relating to the site. The City shall notify the Department of the location of any such items, and provide the Department with an opportunity to inspect any materials or copy any documents at the Department's expense prior to destruction of said items.

**B. Assess Waste Materials and Segregated Sources:**

- 1). The City shall assess Waste Materials and Segregated Sources upon their discovery on the Property at any time during assessment, corrective action, or development activities.
- 2). The City's assessment shall include characterization of the contaminant concentrations, and an estimation of the quantity or extent of each type of Waste Material or Segregated Source, as applicable.

- 3). The City shall expeditiously stabilize or remove from the Property any Segregated Source that has not yet released all contents to the environment upon discovery.
- 4). The City shall notify the Department if a release of contamination occurs as a result of its assessment, stabilization or removal actions. The City shall assess the impact of the release and take necessary action in accordance with a Department approved plan.

C. Conduct a well survey:

- 1). The City shall map all public and private wells used for drinking water supply within a one-half mile radius of the Property, and wells used for irrigation or other non-drinking water use within a one-quarter mile radius.
- 2). The City shall report sufficient information to the Department to allow the Department to secure permission to sample the wells. At a minimum, this information shall include the: 1) Location of the well; 2) Identity and mailing address of the well owner; and, 3) Telephone number, if publicly available or otherwise known to The City, of the well owner or occupant of the residence served by the well.

D. Asbestos Abatement:

- 1). The Work Plan shall include the names, addresses, and telephone numbers of The City's asbestos abatement contractor, and any consulting firms and/or analytical laboratories used on the project. The City will notify the Department's Project Manager in writing of changes of any key person or entity.
  - a). The asbestos abatement contractor must be Department-licensed for the removal of RACM.
  - b). The analytical laboratory shall possess applicable Certification, as per South Carolina R.61-81 and R.61-86.1, for the test methods to be used during this project.
- 2). The City's asbestos abatement contractor shall obtain renovation and/or

demolition approval from the Department's Asbestos Section.

- a). No abatement or demolition activities may occur on the property until the Department's Asbestos Section approves the application and issues a license.
- b). All work practices, notification, transport and disposal requirements applicable to this project shall comply with Regulation 61-86.1, *Standards of Performance For Asbestos Projects*.
- 3). The demolition application shall be submitted at least ten working days before the desired start date of demolition. The demolition application shall include a variance request to justify allowing the RACM to remain in place during the demolition if the RACM cannot be abated prior to demolition. The variance request shall outline the measures to be taken to minimize the disturbance of the RACM, including a discussion of the methods that will be used to adequately wet the material during demolition, and the means to capture and dispose of run-off. Perimeter air monitoring will also be required.
- 4). If the contractor elects to segregate the RACM in order to dispose of the non-asbestos material at anything other than at a landfill permitted to accept RACM, the contractor shall notify the Department's Asbestos Section and receive written approval before proceeding.
- 5). A copy of a completed waste shipment record documenting proper disposal of the renovation and/or demolition debris must be submitted to the Department's Asbestos Section.

E. Structure Demolition:

- 1). The City shall demolish those structures which shall not be retained as an element of the redevelopment plan. The demolition shall be conducted in accordance with the Department's asbestos abatement regulatory requirements specified in Paragraph 4.D above. Prior to demolition, the Department shall be allowed access to the Property to identify areas requiring post-demolition environmental assessment. These areas shall be identified and tagged using a

handheld global positioning system (GPS) device.

F. The City shall conduct environmental assessment on the Property:

- 1). The assessment shall be conducted in accordance with the Work Plan submitted on July 15, 2010, if approved by the Department prior to the City's signing this Contract. If the July 15, 2010, Work Plan cannot be approved by the Department prior to the City's signing of this Contract, the scope of the assessment as addressed in the Work Plan shall encompass all environmental media potentially impacted by the historical operations on the Property except those areas that have been determined by the Department's UST Program to be closed, or those areas that have been adequately assessed and/or remediated previously.
- 2). The analytical parameters for each sample shall be based upon the types of chemicals reasonably expected to have been used on the Property. A minimum of 20% of the samples from each media type shall be analyzed for the full EPA-TAL and EPA-TCL parameters.
- 3). The analytical results from the assessment shall be compared to the following:
  - a). Soil quality results shall be compared to the Residential and Industrial Screening Levels and to the applicable Protection of Groundwater SSL.
  - b). Groundwater quality results shall be compared to standards in the South Carolina State Primary Drinking Water Regulations, R.61-58, and to the Regional Screening Tables values for "Tapwater", if not specified in R.61-58.
  - c). Surface water quality results shall be compared to the values in the SC Water Classifications and Standards, R.61-68, based on consumption of either "water and organisms" or "organisms only" as applicable for the water body.
  - d). Sediment samples shall be compared to the Ecological Screening Values in EPA Region 4 Ecological Risk Assessment – Supplement to RAGS.

G. Evaluate and control potential impacts to indoor air:

- 1). The City shall evaluate potential impacts to indoor air if the Department determines significant concentrations of volatile organic compounds are present in the subsurface. The Department will use a modified Johnson and Ettinger Model to determine "Significant concentrations" based on representative soil and/or groundwater quality results reflective of the Property. The model will be constrained towards predicting residential and/or commercial exposures consistent with the building construction on the Property.
- 2). The City's evaluation shall, unless otherwise agreed to by the Department, consist of collection and analysis of representative number of soil gas samples from the proposed footprint of buildings to be constructed on the Property over areas potentially subject to Vapor Intrusion. Soil gas samples shall be analyzed for all site related volatile compounds by appropriate methods capable of detecting soil gas concentrations at screening levels indicative of a  $10^{-6}$  risk for shallow gas samples (using a depth-appropriate attenuation factor). The applicable screening concentrations shall be based upon the EPA OSWER "Draft Guidance for Evaluating the Vapor Intrusion to Indoor Air Pathway from Groundwater and Soils" or supplemental EPA guidance.
- 3). This evaluation shall, unless otherwise agreed to by the Department, consist of collection and analysis of indoor air samples from within the existing building(s) during two separate sampling events approximately six months apart. One sample shall be collected per every 1000 square feet of building footprint potentially subject to Vapor Intrusion. One sampling event shall be in the winter. Each sampling event shall include collection of a representative number of indoor air samples for laboratory analysis of all site-related volatile organic constituents. The samples collected for laboratory analysis may use either active or passive collection methods provided the same protocol is used for both sampling events. The method shall be capable of detecting gas concentrations at screening levels indicative of a  $10^{-6}$  risk. The applicable screening concentrations shall be based upon the EPA OSWER "Draft Guidance for Evaluating the Vapor Intrusion to Indoor Air Pathway from

Groundwater and Soils" or supplemental EPA guidance.

- 4). The Department will allow The City to implement Vapor Intrusion control measures that are protective for the intended future use of the Property in lieu of the above evaluation.
- 5). The City shall submit an addendum to the Work Plan detailing the steps for further study and/or remedial or other control management measures to be implemented if the indoor air concentration exceeds a  $10^{-6}$  risk calculated for occupational exposure (40 hrs/wk, 50 wk/yr, 25 yrs) and/or residential exposure, as appropriate. The Department shall give reasonable consideration of data or other demonstration that shows unacceptable exposures inside the building do not result from the subsurface conditions.

Institute reasonable contamination control measures:

- H. The City shall take reasonable measures to limit or prevent human exposure to existing contamination on the Property:
  - a). Measures shall be required for Waste Materials and contaminated media with concentrations in excess of appropriate human-health and ecological risk-based exposure standards via plausibly complete routes of exposure. The measures may include removal, encapsulation, barriers, or other methods reasonably expected to limit human exposures to the contamination.
    - i. The measures shall be approved by the Department prior to implementation, and shall be consistent with the intended future use of the Property.
    - ii. The City shall provide appropriate documentation to demonstrate satisfactory completion of the control measures for Department review and approval prior to obtaining a Certificate of Completion.
  - b). The City shall remove from the Property any Segregated Sources of contamination that have not yet released all contents to the environment.
    - i. The contents of the Segregated Sources shall be properly reused or

disposed of in accordance with regulations.

- ii. The City shall document the characterization and ultimate disposition of the materials to the Department within sixty (60) days of removal of any material from the Property.

Monitor and/or abandon the monitoring wells:

- I. The City shall implement a groundwater-monitoring program if required by the Department. Continued monitoring requirements will be based on the Department's determination of potential adverse effects on nearby receptors, i.e., individuals that are presently or potentially exposed to contamination.
  - 1). The Department will determine the frequency and duration of the monitoring program on a case-specific basis.
  - 2). The City shall abandon the monitoring well(s) when the Department determines there are no further needs for wells. The wells shall be abandoned in accordance with R.61-71 of the South Carolina Well Standards.

#### HEALTH AND SAFETY PLAN

5. The City shall prepare and submit under separate cover from the Work Plan, a Health and Safety Plan consistent with Occupational Safety and Health Administration regulations. The City agrees that the Health and Safety plan is submitted to the Department only for informational purposes. The Department expressly disclaims any liability that may result from implementation of the Health and Safety Plan by The City.

#### PUBLIC PARTICIPATION

6. The City and the Department will foster public participation to implement this Contract as follows:
  - A. The Department will seek public comment and initiate a thirty-day claim contribution notification period in accordance with established procedures consistent with S.C. statutes upon signature of this Contract by The City.

- B. The City shall erect a sign at major entrances onto the Property or other locations routinely accessible by the public. The sign(s) shall be erected within one day of the Department's public announcement about the Contract in a newspaper of general circulation in the community.
- 1). The sign will state "Voluntary Cleanup Project by The City of Rock Hill under Voluntary Cleanup Contract 10-5578-NRP with the South Carolina Department of Health and Environmental Control." The sign shall provide a brief description of the scope of activities under the Contract, and contact information, including telephone number and address, for a representative of The City. Contact information for the Department shall state "TOLL-FREE TELEPHONE: 1-866-576-3432".
  - 2). All sign lettering must be of sufficient size to be legible with un-aided normal eyesight from the point where the public will normally pass by the Property without intruding onto the Property.
  - 3). The City shall submit photographs of the sign and a Property drawing showing the location(s) of the signs. The photographs shall be submitted to the Department within 10 days of erecting the sign.
  - 4). The City agrees to revise the sign if the Department determines the sign is inaccurate, not legible, or otherwise ineffectively placed.
  - 5). The City shall maintain the sign(s) in legible condition and at visible locations throughout the duration of the contract period until a Certificate of Completion is issued on the Property.
  - 6). The sign(s) may be removed to accommodate building or grading activities; however, The City shall restore the sign within two days to its original location, or other publicly accessible location upon notice to the Department.

#### PROGRESS UPDATES

7. The City shall submit periodic written updates to the Department's project manager until such time as all activities are complete pursuant to this Contract. The first update

shall be due within 90 days of the execution date of this Contract and semi-annually thereafter.

- A. The updates may be in summary letter format, but should include information about:
- 1). The actions taken under this Contract during the previous reporting period;
  - 2). Actions scheduled to be taken in the next reporting period;
  - 3). Sampling, test results, and any other data in summary form, generated during the previous reporting period regardless of whether the data was collected pursuant to this Contract; and,
  - 4). A description of any environmental problems experienced during the previous reporting period and the actions taken to resolve them.
- B. The Department's project manager may allow an extended schedule between updates based on site-specific conditions.

#### SCHEDULE

8. The City shall perform all activities and response actions pursuant to this Contract in an expeditious manner. In the event that circumstances dictate a delay in implementation of the response actions, the Department may require implementation of interim measures to stabilize the contamination or prevent unacceptable exposures. The City shall implement the interim measures in accordance with a Department-approved plan.

#### DECLARATION OF COVENANTS AND RESTRICTIONS

9. The City or its Beneficiaries shall enter, and record, a Declaration of Covenants and Restrictions (Covenant) for the Property if contamination exceeds residential standards after completing the response actions pursuant to this Contract. The recorded Covenant shall be incorporated into this contract as an Appendix and shall be implemented as follows:

- A. The Department shall prepare and sign the Covenant prior to providing it to The City. An authorized representative of The City or its Beneficiaries shall sign the Covenant within ten days of receipt. All signatures shall be witnessed, and signed and sealed by a notary public.
- B. The City or its Beneficiaries shall file the executed Covenant with the Registrar of Deeds for the county where the Property is located.
- C. The City or its Beneficiaries shall provide a copy of the recorded Covenant to the Department within sixty days of the Department's execution. The copy shall show the date and Book and Page number where the Covenant has been recorded.
- D. In the event that contamination exceeds residential standards on a portion of the Property, The City or its Beneficiaries may create a new parcel that will be subject to the Covenant.
- E. The Covenant shall be recorded on the master deed of any residential development planned for the Property and noted, or referenced thereafter, on each individual deed of property subdivided from the Property and subject to the Covenant.
- F. The Covenant shall reserve a right of entry and inspection for The City or its Beneficiaries that may be transferred to another single individual or entity for purposes of compliance monitoring.
  - 1). The City or its Beneficiaries shall ensure that the restrictions established by the Covenant remain on any subdivided property.
  - 2). The City or its Beneficiaries shall create a procedure to provide a single point of contact responsible for documenting current land use and compliance with the Covenant regardless of the Property's ownership status. The procedure shall be reviewed and approved by the Department before it is implemented.

- G. The City or its Beneficiaries, or the individual or entity responsible for compliance monitoring, shall annually document the Property's land use and compliance with the Covenant to the Department. The report shall be submitted by May 31<sup>st</sup> in a manner and form prescribed by the Department.
- H. The Department may amend the Covenant in response to changes in law, completion of remedial actions meeting the applicable standards in effect at the time, or if other circumstances of the Property change; however, said amendment shall not be applied retroactively unless expressly provided for in the enabling legislation. An amendment may strengthen, relax, or remove restrictions based on the Regional Screening Tables in effect at that time; however, the Department shall not impose a more restrictive condition based solely on changes in the Regional Screening Tables. An amendment shall be duly executed and recorded with the county using procedures similar to those detailed above.

#### NOTIFICATION

10. All correspondence required to be given by either party to the other shall be in writing. Each party shall have a continuing obligation to identify a contact person, whose name, address, and telephone number must be updated to the other party, throughout the term of the contract. Notices by electronic mail or facsimile shall be acceptable if acknowledged in writing by the recipient; with the delivery date being the date of acknowledgment or earlier date if stated in the acknowledgment. All other forms of correspondence shall be deemed sufficiently given if delivered at the address shown below, or at such place or to such agent as the parties may from time to time designate in writing, by: 1) regular U.S. Mail; 2) Certified or Registered Mail; 3) Commercial delivery service company; or, 4) hand delivery to the other party.
- A. All correspondence to the Department including two hardcopies of all Work Plans and reports, and one hardcopy of the Health and Safety Plan should be submitted to:

Jerry Stamps  
Bureau of Land and Waste Management  
2600 Bull Street  
Columbia, South Carolina 29201

B. The City's designated contact person as of the effective date of this contract shall be:

Carey F. Smith  
City Manager  
155 Johnston St., PO Box 11706  
Rock Hill, South Carolina 29731

#### FINANCIAL REIMBURSEMENT

11. The City or its Beneficiaries shall reimburse the Department for its public participation costs and for oversight costs of activities specific to this Contract as provided by S.C. statutes. The oversight costs shall include the direct and indirect costs incurred by the Department in implementing the Voluntary Cleanup Program as related to this Contract, and any future amendments thereof, and may include costs incurred by the Department prior to execution of this Contract. Invoices for oversight costs will be sent to The City on a quarterly basis. In recognition of The City's non-profit status, the Department may waive reimbursement of oversight costs, exclusive of the cost incurred for public participation. The Department reserves the right to re-instate oversight billing upon thirty-day notice to The City; however, said billing shall not include any costs incurred by the Department prior to receipt of the notice. All costs are payable within thirty days of the Department's invoice submitted to:

Carey F. Smith  
City Manager  
155 Johnston St., PO Box 11706  
Rock Hill, South Carolina 29731

### ACCESS TO THE PROPERTY

12. The City agrees the Department has an irrevocable right of access to the Property after The City acquires the Property. This right of access remains until such time as remediation is accomplished for unrestricted use and monitoring is no longer required, and shall extend to the Department's authorized representatives and all other persons performing response actions on the Property under the Department's oversight.

### CERTIFICATE OF COMPLETION AND COVENANT NOT TO SUE

13. A Certificate of Completion will be issued on the Property as follows:
  - A. The City shall request a Certificate of Completion after the response actions are completed and any required Covenants are recorded pursuant to this Contract. The request shall be in writing and shall report 1) the amount of soil that was removed or remediated on the Property; and 2) the cost of all environmental work conducted pursuant to this Contract.
  - B. The Department will issue the Certificate of Completion with its covenant not to sue upon determining that The City has successfully and completely complied with the Contract.
  - C. The Department may issue a Provisional Certificate of Completion if the substantive response actions are complete but all activities on the Property cannot be completed due to site-specific circumstances.
    - 1). A Provisional Certificate of Completion will include specific performance standards that The City or its Beneficiaries shall continue to meet.
    - 2). The Provisional Certificate of Completion may include the Department's covenant not to sue for Existing Contamination; however, said covenant shall be automatically revoked if The City or its Beneficiaries do not satisfactorily complete the requirements of the Contract.

## ECONOMIC BENEFITS REPORTING

14. The City or its Beneficiaries shall report information to the Department that demonstrates that the activities pursuant to this Contract have been beneficial to the State and community. The report shall be submitted within two years after the execution date of this Contract, and annually until two years after redevelopment of the Property is complete. The City shall summarize the new operations at the Property, the number of jobs created, the amount of increase to the tax base, and the total amount invested for property acquisition and capital improvements.

## INUREMENT OF CONTRACT

15. The terms and conditions of this Contract apply to and inure to the benefit of the Department, The City, and its Beneficiaries. The following stipulations apply to ensure the transition of all responsibilities and benefits to successive Beneficiaries for any portion of the Property:

- A. The City or its Beneficiaries shall provide a copy of this Contract and applicable Appendices to any subsequent Beneficiary. Transmittal of the Contract copy may be via any commonly accepted mechanism.
- B. The City and its Beneficiaries shall not allow residential occupancy on any portion of the Property prior to obtaining the Certificate of Completion or a Provisional Certificate of Completion specific to that portion of the Property.
- C. If the Certificate of Completion has not been issued, The City or its Beneficiaries shall seek approval from the Department prior to assigning or transferring the protections and obligations of this Contract to a new individual or entity. The protections shall not inure to an individual or entity without the Department's approval. The Department shall not unreasonably withhold its approval upon receipt of documentation from the new individual or entity showing it:

- 1). Is eligible to be a Bona Fide Prospective Purchaser for the Property;
- 2). Has sufficient resources to complete the activities of this Contract;
- 3). Will not use the Property for activities that are inconsistent with the terms and conditions of this Contract;
- 4). Will assume the protections and all obligations of this Contract and,
- 5). Will, in the Department's sole discretion, provide a measurable benefit to the State and the community as a result of this transfer.

D. If the Certificate of Completion has been issued and the portion of the Property is subject to a Covenant or other ongoing obligation pursuant to this Contract, The City or its Beneficiaries shall provide written notification to the Department identifying the new individual or entity within thirty days after the effective date of the ownership change or other possessory transfer of the Property.

- 1). The notification shall include a signed statement from the new individual or entity that its use of the Property will remain consistent with the terms of the Contract, and that it will assume the protections and ongoing obligations of this Contract.
- 2). This requirement is waived for an individual or entity acquiring a portion of the Property for individual residential use provided the Covenant is recorded on the master deed for the residential development, and the Department has approved the procedure for a single point of contact responsible for documenting current land use and compliance with the Covenant.

E. If a Certificate of Completion has been issued and the Property is not subject to a Covenant or other continued obligation pursuant to this Contract, no notification is required.

#### CONTRACT TERMINATION

16. The City, its Beneficiaries, and the Department each reserve the right to unilaterally terminate this Contract by giving thirty days advance written notice to the other party.

Termination shall be subject to the following:

- A. The Department may terminate this Contract only for cause and shall provide opportunity for The City or its Beneficiaries to correct causes of termination, which may include, but is not limited to, the following:
- 1). Failure to complete the terms of this Contract;
  - 2). Change in The City's or its Beneficiaries' business activities on the Property or use of the Property that are inconsistent with the terms and conditions of this Contract;
  - 3). Failure to submit timely payment for costs upon receipt of the Department's invoice;
  - 4). Failure of The City or its Beneficiaries to implement appropriate response actions for additional contamination or releases caused by The City or its Beneficiaries, or
  - 5). Providing the Department with false or incomplete information or knowing failure to disclose material information;
  - 6). Failure by The City or its Beneficiaries to obtain the applicable permits from the Department for the response actions or other activities undertaken at the Property pursuant to this contract; or,
  - 7). Failure by The City or its Beneficiaries to make material progress toward the expansion, redevelopment, or reuse of the property as determined by the Department upon consideration of The City's or its Beneficiaries' marketing efforts, regional economic conditions, and other pertinent information on the Property.
- B. Should The City or its Beneficiaries elect to terminate, that party shall certify to the Department's satisfaction that any environmental or physical hazards created by The City or its Beneficiaries have been stabilized or mitigated such that the Property does not pose hazards to human health or the environment that did not exist before the response actions identified in this Contract.

- C. Termination of this Contract by any party does not end the obligations of The City or its Beneficiaries to pay costs incurred by the Department pursuant to this Contract prior to the date that any such termination takes effect. Payment for such costs shall become immediately due.
  
- D. The protections provided to The City or its Beneficiaries shall be null and void as to any party who willfully or intentionally participated in actions giving rise to termination of the Contract. This shall apply to that party's lenders, parents, subsidiaries, members, managers, employees, assigns, and successors, including lessees, heirs, devisees, and other parties taking an interest in the Property through that party. The protections will continue for any other covered party who did not willfully or intentionally participate in the action giving rise to the termination.

#### ENTITLEMENT OF PROTECTIONS AND BENEFITS

- 17. The City and its Beneficiaries are entitled to the protections and benefits provided by S.C. statutes as follows:
  - A. Effective on the date this Contract is first executed by the Department:
    - 1). Protection from CERCLA contribution claims.
    - 2). Protection from third-party claims as provided by S.C. Code Ann. § 44-56-750(H).
    - 3). Eligibility to file annual application for Voluntary Cleanup Activity Tax Credits pursuant to S.C Code § 12-6-3550.
  
  - B. Effective on the date the Certificate of Completion is issued by the Department:
    - 1). The Department's covenant not to sue The City and its Beneficiaries for Existing Contamination except for releases and consequences caused by The City or its Beneficiaries.
    - 2). Specific tax credits or additional benefits expressly contingent in S.C. statutes on issuance of the Certificate of Completion.

C. These Protections and Benefits do not apply to any contamination, releases, and consequences caused by The City and its Beneficiaries. The Department retains all rights under State and Federal laws to compel The City or its Beneficiaries to perform or pay for response activity for contamination, releases and consequences which are specifically attributable to The City or its Beneficiaries. Nothing contained in this paragraph shall require a previous owner to perform or pay for a response activity for contamination, releases, and consequences created by subsequent owners.

#### RESERVATION OF RIGHTS BY THE DEPARTMENT

18. 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, past or future, that the Department may have against any person, firm, or corporation other than The City and its Beneficiaries. The Department reserves the right to undertake future response actions at the Site and to seek to compel parties, other than The City and its Beneficiaries, 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.

#### RESERVATION OF RIGHTS BY THE CITY

19. The City retains all rights to assert claims in law or equity against any person, company, or entity with respect to the Property, except as limited elsewhere by this Contract. The City and its Beneficiaries specifically deny responsibility for response costs or damages resulting from Existing Contamination except for contamination, releases, and consequences they cause or contribute to the Site. However, The City and its Beneficiaries agree to undertake the requirements of this Contract.

BURDEN OF PROOF

20. The City and its Beneficiaries shall have the continuing obligation to demonstrate that any newly discovered contamination is not attributable to The City or its Beneficiaries. The City and its Beneficiaries shall make this demonstration to the Department's satisfaction in accordance with State or Federal Law applicable to such newly discovered contamination. For purposes of this clause, newly discovered contamination means finding types of contamination not previously identified at the Site or substantially higher concentrations of Existing Contamination.

LIMITATION OF CLAIMS BY THE CITY AND ITS BENEFICIARIES

21. In consideration of the protections from the Department, The City and its Beneficiaries agree not to assert any claims or causes of action against the Department or to seek other costs, damages, or attorney's fees from the Department arising out of activities undertaken at the Site. This limitation shall not extend to any claims or causes of action resulting from the Department's intentional or grossly negligent acts or omissions, or the Department's willful violation of the terms of this agreement.

SIGNATORS

22. The signatories below hereby represent that they are authorized to and do enter into this contract on behalf of their respective parties.

THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL  
CONTROL

BY: \_\_\_\_\_  
Daphne G. Neel, Chief  
Bureau of Land and Waste Management

DATE: \_\_\_\_\_

\_\_\_\_\_  
Approved by Office of General Counsel

DATE: \_\_\_\_\_

**The City of Rock Hill**

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
Printed Name and Title