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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

U.S. BANKRUPTCY COURT  
DAYTON, OHIO

In re:

SPECO CORPORATION

Debtor and Debtor-  
in-Possession

Judge Clark

Case No. 95-34619  
EIN 13-3369800  
Chapter 11

RECEIVED  
OHIO EPA

DEC 09 1998

DIVISION OF  
HAZARDOUS WASTE MGT

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**Agreed Order Resolving State of Ohio's Motion and Request for Payment of  
Administrative Expenses Toward Financial Assurance for Environmental  
Remediation and for Civil Penalties Incurred by Debtor Speco Corporation**

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On September 15, 1997, the State of Ohio filed its Motion and Request for Administrative Expenses toward Financial Assurance for Environmental Remediation and for Civil Penalties incurred by Debtor SPECO Corporation ("the State's Motion"). In order to settle and resolve the claims set forth in the State's Motion ("the State's Claims"), and the State and Debtor SPECO Corporation having consented to the entry of this Agreed Order,

THEREFORE, without hearing or any admission of any fact or issue of law, and upon the consent of the parties hereto, it is hereby ORDERED, ADJUDGED and DECREED as follows:

## I. DEFINITIONS

1. As used herein:

(a) **"Agreed Order"** shall mean this Agreed Order and all attached Exhibits. In the event of conflict between the Agreed Order and any Exhibit, the Agreed Order shall control.

(b) **"Closure Plan"** shall mean the plan submitted by Debtor and approved by the Director to satisfy the obligations of Ohio Admin. Code §§ 3745-66-11 through 3745-66-16. The Closure Plans for the Hazardous Waste Drum Storage Area and the Underground Storage Tank are available as a public document at Ohio EPA.

(c) **"Debtor"** shall mean SPECO Corporation.

(d) **"Director"** shall mean the Ohio Director of Environmental Protection.

(e) **"Effective Date"** shall mean the date the U.S. Bankruptcy Court for the Southern District of Ohio, Western Division, enters this Agreed Order.

(f) **"Facility"** shall mean the real property, structures and fixtures where Debtor conducted its manufacturing operations and stored hazardous wastes, which is located at 2941 Baker Road, Springfield, Ohio 45504 (Clark County, Ohio). The Facility is more fully described in "Exhibit A," attached hereto and incorporated herein by reference.

(g) **"Ohio EPA"** shall mean the Ohio Environmental Protection Agency.

(h) **"Post-Closure Plan"** shall mean the plan submitted by Debtor and approved by the Director to satisfy the obligations of Ohio Admin. Code §§ 3745-66-17 through 3745-66-20. The Post-Closure Plan for the Hazardous Waste Drum Storage Area is available as a public document at Ohio EPA.

(i) "State's Claims" shall mean the State's claims for payment of administrative expenses for financial assurance for closure and post-closure, the State's claim for civil penalties for violation of the requirement to establish financial assurance and the State's claims for the performance of closure of the Hazardous Waste Drum Storage Area and the Underground Storage Tank and the performance of post-closure of the Hazardous Waste Drum Storage Area.

## II. JURISDICTION AND VENUE

2. This Court has jurisdiction over the parties and the claims made by the State of Ohio in this proceeding. Venue is proper in this Court.

## III. PERSONS BOUND

3. The provisions of this Agreed Order shall apply to and be binding upon the parties to this proceeding, their agents, officers, employees, assigns, successors in interest and any person acting in concert or participation with them who receives actual notice of this Agreed Order, whether by personal service or otherwise. Debtor is ordered and enjoined to provide a copy of this Agreed Order to each contractor it employs to perform any work required by this Agreed Order. Debtor shall also provide a copy of this Agreed Order to any successor in interest to the Facility, or any portion thereof.

## IV. SATISFACTION OF CLAIMS

4. Except as otherwise provided in this Agreed Order, compliance with the terms of

this Agreed Order shall constitute full satisfaction and discharge of the State's Claims against Debtor and any civil liability of Debtor to the State of Ohio arising from the State's Claims. The State of Ohio reserves its right to assert any and all claims against any subsequent owner or operator of the Facility for conditions existing at the Facility, including the potential requirement to assume approved closure or post-closure activities under this Agreed Order until the closure and/or post-closure performance standards are met.

#### V. RESERVATION OF RIGHTS

5. Nothing in this Agreed Order shall limit the authority of the State of Ohio to:
  - (a) seek relief for claims or conditions not alleged in the State's Motion;
  - (b) seek relief for newly discovered claims or changed conditions that occur after the Effective Date of this Agreed Order; and
  - (c) seek relief for claims or conditions relating to areas at the Facility other than the Hazardous Waste Drum Storage Area and Underground Storage Tank, including the area where plating sludge was disposed of in a wooded area at the rear of the Facility (also known as the "woods area", see Exhibit B).
6. Nothing in this Agreed Order shall limit the authority of the State of Ohio to enforce this Agreed Order, through a contempt action, or otherwise, for any violation of this Agreed Order.
7. Nothing in this Agreed Order shall prevent the State of Ohio from taking any action against any person to eliminate or mitigate conditions at the Facility which may present an

imminent threat to public health or welfare, or to the environment.

## **VI. REQUIRED ACTIONS**

### **A. Hazardous Waste Drum Storage Area**

8. Within thirty (30) days after the sale of the Facility by the Chapter 11 Manager or by August 1, 1999, whichever is earlier, Debtor shall implement the Closure Plan for the Hazardous Waste Drum Storage Area, dated June 11, 1998, as approved by the Director on September 11, 1998 or as subsequently amended and approved in response to a request from the owner or operator of the Facility pursuant to Ohio Admin. Code § 3745-66-12. Debtor shall implement the Closure Plan for the Hazardous Waste Drum Storage Area in the manner and pursuant to the time frames set forth in the approved or amended and approved Closure Plan.

### **B. Post-Closure Plan**

9. Upon completion of closure of the Hazardous Waste Drum Storage Area, Debtor shall implement the Post-Closure Plan for the Hazardous Waste Drum Storage Area, as approved by the Director on September 11, 1998 or as subsequently amended and approved in response to a request from the owner or operator of the Facility pursuant to Ohio Admin. Code § 3745-66-18. Debtor shall implement the Post-Closure Plan for the Hazardous Waste Drum Storage Area in the manner and pursuant to the time frames set forth in the approved or amended and approved Post-Closure Plan.

### **C. Post-Closure Notices**

10. Debtor shall comply with the Post-Closure notices required by Ohio Admin. Code § 3745-66-19 within the time frames set forth in Ohio Admin. Code § 3745-66-19.

### **D. Former Plating Area**

11. Debtor shall implement the actions described on pages 11-12 of the "Report on the Plating Area Evaluation", dated May 11, 1998, prepared by Sharp & Associates, Inc., and submitted to Ohio EPA on May 11, 1998, in the manner set forth in the May 11, 1998 Report. Within thirty (30) days after the sale of the Facility by the Chapter 11 Manager or by August 1, 1999, whichever is earlier, Debtor shall file the Declaration of Covenant and Land Use Restriction ("Declaration"), as approved by Ohio EPA, of record with the Recorder's Office of Clark County, Ohio. At that time, Debtor shall revise the deed to the property to include a reference to the Declaration and its location in the Recorder's Office of Clark County. Within forty-five (45) days after the sale of the Facility by the Chapter 11 Manager or by August 16, 1999, whichever is earlier, Debtor shall submit to Ohio EPA at the addresses set forth in Section VII of this Agreed Order, a copy of the revised deed and the Declaration, as filed with the Recorder's Office of Clark County.

### **E. Contracts for Closure and Post-Closure**

12. Within thirty (30) days after the sale of the Facility by the Chapter 11 Manager or by August 1, 1999, whichever is earlier, Debtor shall submit for approval by Ohio EPA the

proposed contracts for the execution of all activities required to be implemented after the Effective Date of the Agreed Order, as set forth in Paragraphs 8 and 9 of the Agreed Order, by qualified contractors. The contracts shall set forth the terms and amount of payment to be made to each contractor, and shall include all standards for the performance of those activities required by the Closure Plan for the Hazardous Waste Drum Storage Area and Post-Closure Plan for the Hazardous Waste Drum Storage Area.

13. Within fourteen (14) days after notice of approval by Ohio EPA of Debtor's proposed contracts, Debtor shall enter into the contracts.

#### **F. Certifications**

14. Within sixty (60) days after completion of closure of the Hazardous Waste Drum Storage Area and the Underground Storage Tank, Debtor shall submit certification of closure to Ohio EPA, pursuant to Ohio Admin. Code § 3745-66-15.

15. Within sixty (60) days after completion of post-closure of the Hazardous Waste Drum Storage Area, Debtor shall submit certification of post-closure to Ohio EPA, pursuant to Ohio Admin. Code § 3745-66-20.

#### **G. Trust Fund**

16. Within thirty (30) days after the sale of the Facility by the Chapter 11 Manager or by August 1, 1999, whichever is earlier, Debtor (or the subsequent owner or operator of the Facility) shall deposit into the trust fund established by Debtor pursuant to Ohio Admin. Code §§

3745-66-43 and 3745-66-45 (Account No. 45-0376-00-9, National City Bank (Trust Group)) an amount equal to the total amount of payment to be made to the contractors for the work to be performed under Section VI of this Agreed Order for the closure period and for a period of five years of post-closure care. The subsequent owner or operator of the Facility may, at its option, and as an alternative to the aforementioned deposit to the trust fund, provide financial assurance in a form specified by Ohio Admin. Code §§ 3745-66-43 and 3745-66-45, if such alternative financial assurance is approved by the Director. The subsequent owner or operator of the Facility may be required to post financial assurance beyond the five-year post closure period until the post-closure performance standards are met.

## VII. SUBMITTAL OF DOCUMENTS

17. All documents required to be submitted to Ohio EPA pursuant to this Agreed Order shall be submitted to the following addresses, or to such alternative addresses as Ohio EPA may hereafter designate to Debtor in writing:

Director  
Ohio Environmental Protection Agency  
Attn: Compliance Assurance Section  
Division of Hazardous Waste Management  
1800 WaterMark Drive  
Columbus, Ohio 43216-1049

and

Ohio EPA  
Attn: DHWM Supervisor  
Southwest District Office  
40 South Main Street  
Dayton, Ohio 45402



## **VIII. COMPLIANCE WITH APPLICABLE LAWS, PERMITS AND APPROVALS**

18. All activities undertaken by Debtor pursuant to this Agreed Order shall be in accordance with the requirements of all applicable federal, state or local laws, regulations and permits. The Agreed Order is not a permit issued pursuant to any federal, state or local law or regulation. Debtor shall include in all contracts or subcontracts for work required under this Agreed Order a provision requiring contractors and subcontractors, including their agents and employees, to perform all activities required by such contracts or subcontracts in compliance with all applicable federal, state or local laws and regulations. In any case where a federal, state or local law or regulation prevents or prohibits the performance of any work required by this Agreed Order, Debtor shall notify Ohio EPA in writing regarding such law or regulation.

## **IX. RETENTION OF JURISDICTION**

19. This Court shall retain jurisdiction of this proceeding for purposes of enforcing this Agreed Order.

## **X. COSTS**

20. Debtor shall pay the court costs, if any, of this proceeding.

**XL AUTHORITY TO ENTER INTO THE AGREED ORDER**

21. Each signatory for a corporation represents and warrants that he/she has been duly authorized to sign this document and to bind the corporation to all terms and conditions thereof.

**IT IS SO ORDERED.**

\_\_\_\_\_  
Judge

**Approved and Agreed To:**

**BETTY D. MONTGOMERY  
ATTORNEY GENERAL OF OHIO**

By:

*Luann L. Hoover*

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**SPECO CORPORATION**

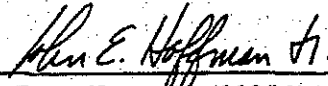
By:

*Mark Heistand by R.B. Bemer per  
faxed signature on 11-3-98*

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Chapter 11 Manager for  
Reorganized Debtor

By:



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Attorneys for the Post-  
Confirmation Debtor

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**XL AUTHORITY TO ENTER INTO THE AGREED ORDER**

21. Each signatory for a corporation represents and warrants that he/she has been duly authorized to sign this document and to bind the corporation to all terms and conditions thereof.

**IT IS SO ORDERED.**

\_\_\_\_\_  
Judge

**Approved and Agreed To:**

**BETTY D. MONTGOMERY  
ATTORNEY GENERAL OF OHIO**

By:

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