

**AGREEMENT BETWEEN THE
MINNESOTA POLLUTION CONTROL AGENCY,
THE INTERLAKE CORPORATION, HONEYWELL INTERNATIONAL INC. AND
DOMTAR INC. CONCERNING SELECTION OF THE REMEDY
FOR THE SEDIMENTS OPERABLE UNIT OF THE
ST. LOUIS RIVER/INTERLAKE/DULUTH TAR SUPERFUND SITE**

AMENDMENT NO. 2

1.0 RECITALS

1.1 The Minnesota Pollution Control Agency (MPCA), The Interlake Corporation (Interlake), Honeywell International Inc. (Honeywell) and Domtar Inc. (Domtar) (collectively, the “Companies”) entered the agreement captioned above (the Agreement) effective February 22, 2000, to establish the terms and conditions under which the MPCA agreed to re-open the Remedial Investigation/Feasibility Study (RI/FS) process for the Sediments Operable Unit (SedOU) of the St. Louis River/Interlake/Duluth Tar Superfund Site (Site), and to proceed to the selection and implementation of a remedy for the SedOU. In 2001, The Interlake Corporation was renamed XIK Corp.

1.2 Effective December 30, 2003, MPCA and the Companies entered into Amendment No. 1 to the Agreement. Amendment No. 1 resulted from the efforts of the MPCA, the Department of Natural Resources, and the Companies, with the advice of the Peer Review Team (PRT) and comments from a wide group of stakeholders, to develop a concept for a hybrid remedy alternative that employs dredging, capping and containment. Amendment No. 1 provided for the inclusion of the hybrid remedy as one of the alternatives to be evaluated in the

reopened Feasibility Study, and provided for a more efficient process for the review of the final Feasibility Study and selection of the remedy for the SedOU.

1.3 The Feasibility Study for the SedOU, including evaluation of the hybrid remedy alternative, was submitted to the MPCA and was approved with comments and modifications by the MPCA on January 14, 2004 (Approved Feasibility Study). Subsequent to the approval of the Feasibility Study, additional information developed by the Companies indicated that the volume of dredged material to be contained on-site or disposed off-site would be greater and that the available on-site containment space would be smaller than previously estimated. The development of this and other new information by the Companies has led the Parties to develop a revised description of the hybrid remedy alternative in which the containment facility for dredged material is located in Slip 6 instead of Slip 7 and in which the areas to be dredged in the two slips have been changed appropriately.

1.4 The Parties desire to enter into this Amendment No. 2 to the Agreement to revise the description of the hybrid remedy alternative in the Agreement and to provide for the submission and review of an Addendum to the Feasibility Study which will evaluate the revised hybrid remedy alternative and allow the MPCA to consider that alternative in selecting a remedy for the SedOU.

2.0 Definitions

2.1 Part 2.9 of the Agreement, as amended, is further amended to read as follows:

2.9 “Revised Dredge/Cap Hybrid Alternative” means the conceptual remedy alternative that includes dredging, capping, and containment of contaminated sediments and is

described in Exhibit 1 to Amendment No. 2. The approximate configuration of the Revised Dredge/Cap Hybrid Alternative is depicted in Figure 1 to Amendment No. 2.

3.0 Re-opened Feasibility Study Process

3.1 Part 10.4 of the Agreement, as amended, is further amended to read as follows:

10.4 The Companies shall prepare a re-opened Feasibility Study which shall address only the following alternatives: (1) the “no action” alternative (Alternative 1); (2) the In Situ Cap Alternative; (3) dredging, upland dewatering and off-site disposal (Alternative 10); and (4) the Revised Dredge/Cap Hybrid Alternative. The re-opened Feasibility Study shall be prepared in accordance with the requirements of Exhibit A to the March 22, 1994, Request for Response Action, except that it shall not contain a recommendation for selection of a remedy.

3.2 Part 10 of the Agreement is amended by adding a new Part 10.7 to read:

10.7 Notwithstanding any other provision of the Agreement, the Companies shall evaluate the Revised Dredge/Cap Hybrid Alternative for purposes of the re-opened Feasibility Study by preparing and submitting an Addendum to the Approved Feasibility Study . The Addendum shall be submitted to the MPCA for review and approval by the Commissioner not later than March 30, 2004. The Addendum shall describe the changes made in the Revised Dredge/Cap Hybrid Alternative and the Dredge/Off-Site Disposal Alternative, and update accordingly the comparative analysis of the four alternatives described in Part 10.4 as amended. Upon approval of the Addendum, the Commissioner shall notify the Companies in writing of the approval. The Companies shall provide a copy of the Addendum, to the PRT when it is submitted to MPCA. The MPCA shall provide a copy of its approval of the Addendum to the PRT when that approval is issued to the Companies. All comments by the PRT on the reopened

Feasibility Study, including draft comments, which are received by MPCA before issuance of the draft Proposed Plan under part 11.1, shall be reviewed and considered by the MPCA in the preparation of the draft Proposed Plan. Comments of the PRT on the reopened Feasibility Study received by MPCA after issuance of the draft Proposed Plan under Part 11.1, but within the period provided for in Part 11.2 or 11.3, shall be reviewed and considered by the MPCA in preparing the Proposed Plan which is issued for public comment under Part 11.4. Any comments of the PRT on the reopened Feasibility Study received by the MPCA after the issuance of the Proposed Plan under Part 11.4 but before the end of the public comment period on the Proposed Plan shall be reviewed and considered by the MPCA in preparing the Record of Decision.

4.0 Proposed Plan

The first two sentences of Part 11.1 of the Agreement are amended to read as follows:

11.1 After review and consideration of the comments of the PRT on the Approved Feasibility Study, and after approval of the Addendum, the MPCA shall identify a preferred remedy from the alternatives presented in the re-opened Feasibility Study and shall prepare a draft Proposed Plan. In preparing its draft Proposed Plan, the MPCA shall in good faith examine and consider the report or other work product of the PRT as provided in Part 10.7.

5.0 Effect of Amendments

Except as amended by this Amendment No. 2, all provisions of the Agreement, as previously amended by Amendment No. 1, remain in full force and effect.

6.0 Effective Date

This Amendment No. 2 is effective upon the date it is signed on behalf of the MPCA.


BY THEIR SIGNATURES BELOW, THE UNDERSIGNED REPRESENT THAT THEY HAVE AUTHORITY TO BIND THE PARTIES THEY REPRESENT

IT IS SO AGREED:

XIK Corp. (formerly named The Interlake Honeywell International Inc. Corporation)

By _____	By _____
Title _____	Title _____
Date _____	Date _____

Domtar, Inc.

By _____	By  _____
Title _____	Sheryl A. Corrigan
Date _____	Commissioner
	Date <u>4/27/04</u>

AG: #1210011-v1

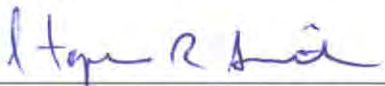
6.0 Effective Date

This Amendment No. 2 is effective upon the date it is signed on behalf of the MPCA.

BY THEIR SIGNATURES BELOW, THE UNDERSIGNED REPRESENT THAT THEY HAVE AUTHORITY TO BIND THE PARTIES THEY REPRESENT

IT IS SO AGREED:

XIK Corp. (formerly named The Interlake Honeywell International Inc. Corporation)

By 
Title President
Date 4-21-04

By _____
Title _____
Date _____

Domtar, Inc.

By _____
Title _____
Date _____

MINNESOTA POLLUTION
CONTROL AGENCY

By _____
Sheryl A. Corrigan
Commissioner
Date _____

AG: #1210011-v1

6.0 Effective Date

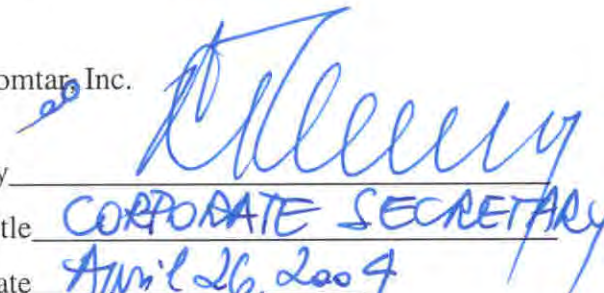
This Amendment No. 2 is effective upon the date it is signed on behalf of the MPCA.

BY THEIR SIGNATURES BELOW, THE UNDERSIGNED REPRESENT THAT THEY HAVE AUTHORITY TO BIND THE PARTIES THEY REPRESENT

IT IS SO AGREED:

XIK Corp. (formerly named The Interlake Honeywell International Inc. Corporation)

By _____ Title _____
Date _____

Domtar Inc. 
By _____ Title CORPORATE SECRETARY Date April 26, 2004
MINNESOTA POLLUTION CONTROL AGENCY
By _____ Sheryl A. Corrigan
Commissioner
Date _____

6.0 Effective Date

This Amendment No. 2 is effective upon the date it is signed on behalf of the MPCA.

BY THEIR SIGNATURES BELOW, THE UNDERSIGNED REPRESENT THAT THEY HAVE AUTHORITY TO BIND THE PARTIES THEY REPRESENT

IT IS SO AGREED:

XIK Corp. (formerly named The Interlake Honeywell International Inc. Corporation)

By _____
Title _____
Date _____

By David L. Wickersham
David L. Wickersham
Director, Remediation & Evaluation Services
Date APRIL 26, 2004

Domtar, Inc.

MINNESOTA POLLUTION
CONTROL AGENCY

By _____
Title _____
Date _____

By _____
Sheryl A. Corrigan
Commissioner
Date _____

AG: #1210011-v1

EXHIBIT 1

Revised SLRIDT Dredge/Cap Hybrid Alternative

Concept: The remedial action consists of a combination of environmental dredging, in-situ capping, and dredged sediment containment as follows:

Dredging

- Dredge the western and southern portions of Stryker Bay (see Figure 1) to a defined dredge prism elevation that removes contaminated sediments above the MPCA cleanup goals. Post-dredge cover material will be placed to isolate any dredge residual and restore bathymetry and substrate to DNR requirements, and assure recreational navigation depths.
- Evaluate and utilize appropriate air emission control measures, including covering the Confined Aquatic Disposal Facility (CAD) receiving the dredged material, if air monitoring indicates unacceptable health risks due to air emissions from the CAD. In the event that the MPCA in consultation with the MDH determine that air emissions continue to present an unacceptable health risk, the MPCA will provide temporary relocations of affected residents.
- Dredging will be completed within approximately one year's time (24hours/day, 5 days/week).
- Dredge/excavate the two contaminated areas of wetland along the western shoreline of Slip 7 identified in Figure 1.
- Dredge contaminated sediments located within the federal navigation channel near the 48 inch outfall area.
- Dredge all contaminated areas of the site that lie in Wisconsin waters.

Capping

- Cap and surcharge as necessary undredged portions of Stryker Bay (see Figure 1) to achieve a post-remediation cap thickness required by the MPCA ensuring adequate protectiveness of human and ecological receptors, and to restore bathymetry and substrate, reduce potential air impacts, improve ecological edge conditions, and diversify habitat.
- Cap all remaining undredged areas of contaminated sediment at the site to achieve a post-remediation cap thickness required by the MPCA ensuring adequate protectiveness of human and ecological receptors.
- Cap the area of contaminated wetland along the western shoreline of Slip 7 identified in Figure 1.
- All capped areas that are susceptible to erosion by currents, waves, prop wash, or ice will be armored to prevent erosion.
- The upper layer of the caps will be composed of a substrate material that meets DNR requirements for aquatic and wetland habitat development.

- Transitional habitats will be established along shallow cap slope areas of Slip 7 and the CAD containment dike slope south of Slip 6.

Containment

- All dredged material will be placed in a CAD constructed in Slip 6.
- The CAD will be covered with a cap that, at a minimum, meets all requirements of the remedial cap described above.
- Additional substrate material will be added to the CAD over time to achieve DNR required habitat depths as the capped contaminated material settles.

Monitoring and Maintenance

- Cap and CAD monitoring will be conducted by collecting sediment and biota samples to measure compliance with MPCA remedial requirements.
- The caps will be monitored and repaired as necessary until the contaminated sediments no longer pose a risk to human health or the environment.
- A federally mandated review of the selected remedial actions will be conducted every 5 years.

Land Acquisition and Easements

- Acquire the Hallett property at a price mutually agreeable to the respective parties and/or facilitate the establishment of an easement along the eastern shore of Stryker Bay to provide a riparian buffer zone. The zone should be approximately 200 feet in width, subject to terrain and industrial operations needs, and also should include all of the land within the Wisconsin border. The possibility of extending the easement further north along Stryker Bay with other property owners will be pursued.
- Acquire at a price mutually agreeable to the respective parties Slip 6, Slip 7, Dock 7, and the 54th Avenue peninsula property.
- Facilitate the establishment of an easement to provide a riparian buffer zone along the eastern side of Dock 7, the land and wetlands between Slips 6 and 7 (54th Ave. peninsula) as depicted in Figure 1, or transfer ownership of this area to the state or a local government entity. Final configuration of easements and/or ecological enhancements will be documented in the ROD. Additional substrate and habitat development may also be required by the Minnesota DNR.
- Acquire at a price mutually agreeable to the respective parties and/or facilitate the establishment of an easement of the wetland area along the western shore of Slip 7/Keene Creek Bay to provide a riparian buffer zone.

