

1	IN THE MATTER OF:	)
2		) U.S. EPA Regions 4, 5, 2
3	Velsicol Chemical Corp.	)
4	True Specialty Corp.	) Region 4 Docket No. CERCLA-04-2005-3770
5	10400 W. Higgins Rd.	) Region 5 Docket No. V-W-05-C-814
6	Suite 600	) Region 2 Docket No. CERCLA-02-2005-2016
7	Rosemont, IL 60018-3713	)
8		) CONSENT AGREEMENT
9	Respondents.	)

### CONSENT AGREEMENT

This Consent Agreement (“Agreement”) is entered into pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (“CERCLA”), 42 U.S.C. § 9601, et seq., the authority of the Attorney General of the United States to compromise and settle claims of the United States, and the authority of the Attorneys General of the States of Michigan, New Jersey, Tennessee, and Illinois (“States”) to compromise and settle claims of the States. This Agreement is made and entered into by and between the United States on behalf of the Environmental Protection Agency, the Department of the Interior, the National Oceanic and Atmospheric Administration, and the Nuclear Regulatory Commission, the States of Michigan, New Jersey, Tennessee, and Illinois, Velsicol Chemical Corporation, True Specialty Corporation, and the Successor Liquidation Trust by and through LePetomane II, Inc., not individually but solely as Successor Liquidation Trustee in In re Fruit of the Loom, Inc. (the “Trust”). Settling Respondents True Specialty Corporation and Velsicol Chemical Corporation (collectively “Velsicol”) consent to and will not contest the authority of the United States and the States to enter into this Agreement or to implement or enforce its terms.

On August 9, 2002, the United States Bankruptcy Court for the District of Delaware

1 approved a Settlement Agreement (“Bankruptcy Settlement Agreement”) in In re Fruit of the  
2 Loom, Inc., No. 99-4497 (Bankr. D. Del.), between the United States on behalf of the  
3 Environmental Protection Agency, the Department of the Interior, the National Oceanic and  
4 Atmospheric Administration, and the Nuclear Regulatory Commission, and the States of  
5 Michigan, New Jersey, Tennessee, and Illinois (the “Governmental Parties”), Debtors Fruit of the  
6 Loom, Inc. and NWI Land Management, Inc., and Respondents Velsicol Chemical Corporation  
7 and True Specialty Corporation (“Velsicol”).

8 Under the Bankruptcy Settlement Agreement, the Custodial Trust was created, inter alia,  
9 to own certain contaminated properties referred to as the Seven Properties. The Trust was  
10 created, inter alia, as a mechanism to recover certain insurance funds and other monies that  
11 would be transferred to the Custodial Trust for funding of response action, response costs, and  
12 natural resource damages for the Seven Facilities, as provided in the Bankruptcy Settlement  
13 Agreement.

14 Paragraph 14(c)(i) of the Bankruptcy Settlement Agreement provided for a covenant not  
15 to sue Velsicol by the Governmental Parties (other than for the purpose of insurance recovery) as  
16 provided therein. Paragraph 15 of the Bankruptcy Settlement Agreement provided for an  
17 additional payment by Velsicol in the event that the Trust had not received funding by December  
18 31, 2004 as provided in the Agreement. Paragraph 15 also provided that Velsicol could request  
19 that the Governmental Parties enter into an ability to pay settlement with respect to the required  
20 additional payment under Paragraph 15.

21 On August 28, 2002, EPA Region 4 and Velsicol entered into an Agreement and

1 Settlement for Recovery of Response Costs, EPA Docket No. 00-51-C (the "EPA Region 4  
2 Agreement"). Section IV of the EPA Region 4 Agreement (Reimbursement of Response Costs)  
3 provided for the payment of \$650,000 from the Velsicol Environmental Trust Fund to EPA  
4 Region 4, which payment was received on or about August 4, 2004. Paragraph 15 of the EPA  
5 Region 4 Agreement also required Velsicol to make additional payments totaling \$1,377,935.27  
6 on January 2, 2005, plus accrued interest. Notwithstanding the above, the EPA Region 4  
7 Agreement provided that Velsicol could request that EPA enter into an ability to pay settlement  
8 with respect to such payments.

9 Velsicol has requested that the Governmental Parties enter into this Agreement in order to  
10 resolve, based on ability to pay, any further liability that Velsicol might have under Paragraph 15  
11 of the Bankruptcy Settlement Agreement and Paragraph 15 of the EPA Region 4 Agreement,  
12 subject to the requirements and conditions of this Agreement.

13 WHEREFORE, the Parties hereto stipulate and agree as follows:

14 1. Velsicol shall pay \$1,454,000 to the Trust. Velsicol shall make, or cause to be  
15 made, this payment by no later than the completion of the closing of the sale of the stock of True  
16 Specialty Corporation, provided, however, that this payment shall be made in no event later than  
17 July 1, 2005. There shall be no other contingencies for the making of the \$1,454,000 payment.  
18 In the event that this payment is not received in full by July 1, 2005, the provisions of Paragraph  
19 15 of the Bankruptcy Settlement Agreement and Paragraph 15 of the EPA Region 4 Agreement  
20 shall be fully effective and this Agreement shall be null and void. Payment to the Trust shall be  
21 made by electronic wire transfer in accordance with instructions to be provided by the Trust.

1           2.       The Trust shall distribute the \$1,454,000 to its Trust Accounts as follows:  
2       \$421,660 to the Ventron/Velsicol/Berry's Creek Facility Account; \$421,660 to the Hardeman  
3       Facility Account, \$305,340 to the St. Louis Facility Account; \$101,780 to the Breckenridge  
4       Facility Account; \$72,700 to the Hollywood Dump Facility Account; \$43,620 to the Residue Hill  
5       Facility Account; \$14,540 to the Marshall Facility Account; and \$72,700 to the Administrative  
6       Account. The Trust shall then use the funding in each Trust Account as provided in the  
7       Bankruptcy Settlement Agreement for such respective Trust Account.

8           3.       Upon receipt by the Trust of the payment required by Paragraph 1 of this  
9       Agreement by no later than July 1, 2005, the Governmental Parties unconditionally agree that any  
10      liability of Velsicol under Paragraph 15 of the Bankruptcy Settlement Agreement, which  
11      paragraph requires Velsicol to make supplemental payments to the Trust Accounts to the extent  
12      that they do not receive \$30 million from certain funding, and Paragraph 15 of the EPA Region 4  
13      Agreement, which requires Velsicol to make additional payments totaling \$1,377,935.27, plus  
14      accrued interest, is waived and the Governmental Parties agree not to assert any claim or seek  
15      any recovery against Velsicol or its successors under those paragraphs. Upon receipt by the Trust  
16      of the payment required by Paragraph 1 of this Agreement by no later than July 1, 2005, all  
17      Parties agree that all provisions of Paragraph 15 of the Bankruptcy Settlement Agreement and  
18      Paragraph 15 of the EPA Region 4 Agreement are unconditionally waived. These waivers of  
19      rights shall not be construed to waive and/or otherwise modify or affect any other provision of  
20      the Bankruptcy Settlement Agreement. In the event that the payment required by Paragraph 1 of  
21      this Agreement is not received in full by July 1, 2005, all of the provisions of Paragraph 15 of the

1 Bankruptcy Settlement Agreement and Paragraph 15 of the EPA Region 4 Agreement shall be  
2 fully effective and this Agreement shall be null and void.

3 4. Upon making the payment required by Paragraph 1 of this Agreement, Velsicol  
4 agrees that it and its successors shall not be entitled to and unconditionally waive any right to any  
5 recoveries at any time under the provisions of Paragraph 15, regardless of the amount of any  
6 recoveries from the Illinois Insurance Litigation proceeds or the Velsicol Preferred Shares. This  
7 waiver of any right to recoveries shall not be construed to waive and/or otherwise modify or  
8 affect any other provision of the Bankruptcy Settlement Agreement, including but not limited to  
9 Paragraph 6 thereof.

10 5. Except as specifically set forth in this Consent Agreement, all provisions of the  
11 Bankruptcy Settlement Agreement, including but not limited to Paragraphs 5-8 of the Bankruptcy  
12 Settlement Agreement, and the EPA Region 4 Agreement are not affected by this Agreement and  
13 shall continue in full force and effect.

14 6. Except as otherwise defined herein, all terms of this Agreement shall have the  
15 same meaning as provided in the Bankruptcy Settlement Agreement.

16 7. This Agreement applies to, is binding upon, and shall inure to the benefit of all  
17 legal successors and assigns of Velsicol and the Trust.

18 8. By signing this Agreement, Settling Respondents certify that, to the best of their  
19 knowledge and belief, they have conducted a thorough, comprehensive, good faith search for  
20 documents or information, and have fully and accurately disclosed to the United States and the  
21 State of New Jersey all documents or information currently in their possession, or in the

1 possession of their officers, directors, employees, contractors or agents, which is material to  
2 Settling Respondents' financial circumstances, and have submitted to the United States and the  
3 State of New Jersey financial information that fairly, accurately, and materially sets forth their  
4 financial circumstances for the purpose of evaluating their ability to pay.

5 9. The Assistant Attorney General of the Environment and Natural Resources  
6 Division approves this Agreement pursuant to the inherent authority of the Attorney General to  
7 settle claims of the United States as delegated and as subject to a public comment period  
8 described in Paragraph 10 of this Agreement. The Attorney Generals of the States approve this  
9 Agreement pursuant to the inherent authority of the Attorney Generals to settle claims of the  
10 States.

11 10. This Agreement shall be subject to a public comment period, after which the  
12 United States, after consultation with the States, may modify or withdraw its consent to this  
13 Agreement if comments received disclose facts or considerations which indicate that this  
14 Agreement is inappropriate, improper or inadequate. Settling Respondents consent to this  
15 Agreement upon approval by the United States. In the event that the United States withdraws its  
16 consent to this Agreement, this Agreement shall be null and void and have no effect and the  
17 parties shall not be bound hereunder and all provisions of the Bankruptcy Settlement Agreement  
18 and the EPA Region 4 Agreement shall remain in full force and effect.

19 11. This Agreement may be signed in counterparts.

20 12. This Agreement may be modified only by a written agreement of the parties,  
21 except that the United States may agree in writing to extend the July 1, 2005 deadline until a date

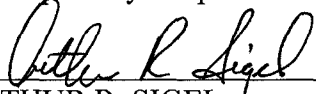
no later than October 1, 2005, after consultation with the other Governmental Parties.

IN THE MATTER OF: Velsicol Chemical Corporation  
Docket No.

The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

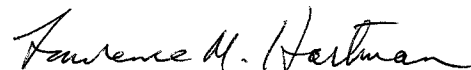
For Respondents Velsicol Chemical Corporation and True Specialty Corporation:

True Specialty Corporation

  
ARTHUR R. SIGEL

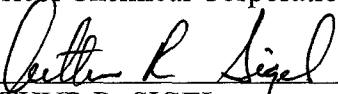
President and  
Chief Executive Officer

April 5, 2005  
Date

  
LAWRENCE M. HARTMAN  
Executive Vice President,  
Chief Financial Officer, and  
Treasurer


APRIL 5, 2005  
Date

Velsicol Chemical Corporation

  
ARTHUR R. SIGEL

President and  
Chief Executive Officer

April 5, 2005  
Date

  
LAWRENCE M. HARTMAN  
Executive Vice President,  
Chief Financial Officer, and  
Treasurer

APRIL 5, 2005  
Date

1 IN THE MATTER OF: Velsicol Chemical Corp.

2 Docket No.

3 The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

4 For the United States of America

5 Kelly A. Johnson

6 KELLY A. JOHNSON

7 Acting Assistant Attorney General

8 Environment and Natural Resources

9 Division

10 U.S. Department of Justice

11 Washington, D.C.

4/13/05

Date

12 Alan S. Tenenbaum

13 ALAN S. TENENBAUM

14 Senior Attorney

15 Environmental Enforcement Section

16 Environment and Natural Resources

17 Division

18 U.S. Department of Justice

19 Washington, D.C.

5/16/05

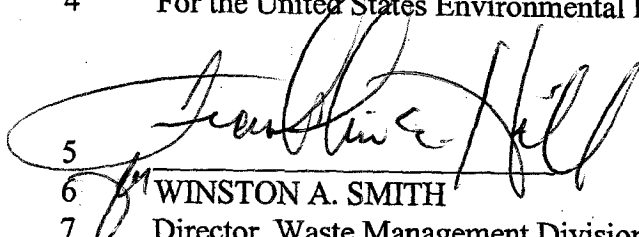
Date



1 IN THE MATTER OF: Velsicol Chemical Corp.  
2 Docket No.

3 The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

4 For the United States Environmental Protection Agency Region 4

5   
6 WINSTON A. SMITH  
7 Director, Waste Management Division  
8 United States Environmental Protection Agency  
9 Region 4

4/25/05  
Date

1 IN THE MATTER OF: Velsicol Chemical Corp.

2 Docket No. *V-30 05-C-014*

3 The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

4 For the United States Environmental Protection Agency Region 5

5 *Richard C. Karl*  
6 RICHARD C. KARL  
7 Director, Superfund Division  
8 United States Environmental Protection Agency  
9 Region 5

*4-27-05*  
Date

1 IN THE MATTER OF: Velsicol Chemical Corp.

2 Docket No. CERCLA-02-2005-2016

3 The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

4 For the United States Environmental Protection Agency Region 2

5 William M. McCabe

6 WILLIAM MCCABE

7 Acting Director, Emergency and Remedial

8 Response Division

9 United States Environmental Protection Agency

10 Region 2

May 4, 2005  
Date


1 IN THE MATTER OF: Velsicol Chemical Corp.  
2 Docket No.

3 The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

4 For the State of Illinois

5 PEOPLE OF THE STATE OF ILLINOIS, ex rel.  
6 LISA MADIGAN, Attorney General  
7 of the State of Illinois,

8 MATTHEW J. DUNN, Chief  
9 Environmental Enforcement/Asbestos  
10 Litigation Division

11   
12 THOMAS DAVIS, Chief  
13 Environmental Bureau  
14 Assistant Attorney General

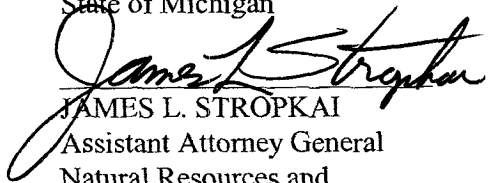
4/08/05  
Date

1 IN THE MATTER OF: Velsicol Chemical Corp.  
2 Docket No.

3 The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

4 For the State of Michigan

5 MICHAEL A. COX  
6 Attorney General  
7 State of Michigan

8   
9 JAMES L. STROPKAI  
10 Assistant Attorney General  
11 Natural Resources and  
12 Environmental Quality Division

4/22/05  
Date

1 IN THE MATTER OF: Velsicol Chemical Corp.

2 Docket No.

3  
4 The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

5 For the State of New Jersey

6 Peter C. Harvey

7 Attorney General of New Jersey

8 Joan Olawski-Stiener  
9 JOAN OLAWSKI-STIENER

10 Deputy Attorney General

11 Attorney for New Jersey

12 Department of Environmental

13 Protection

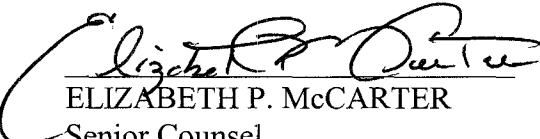
May 20, 2005  
Date

1     IN THE MATTER OF: Velsicol Chemical Corp.  
2     Docket No.

3     The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

4     For the State of Tennessee

5     Paul G. Summers  
6     Attorney General of Tennessee

7       
8     ELIZABETH P. McCARTER  
9     Senior Counsel  
10    Environmental Division  
11    Office of the Attorney General

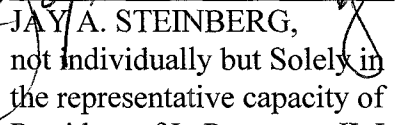
4-7-05  
Date

IN THE MATTER OF: Velsicol Chemical Corp.  
Docket No.

The foregoing Consent Agreement is Hereby Stipulated, Agreed, and Approved for Entry.

For the Successor Liquidation Trust by and through LePetomane II, Inc., not individually but solely as Successor Liquidation Trustee in In re Fruit of the Loom, Inc.

The Successor Liquidation Trust, by and through LePetomane II, Inc., not individually but solely in the representative capacity of Successor Liquidation Trustee

  
JAY A. STEINBERG,  
not individually but Solely in  
the representative capacity of  
President of LePetomane II, Inc.,  
not Individually but solely in the  
representative capacity of  
Successor Liquidation Trustee  
330 N. Wabash Ave.  
34<sup>th</sup> Floor  
Chicago, IL 60611

*Not Individually  
but Solely  
as President*

Date