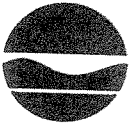


New York State Department of Environmental Conservation
Division of Environmental Enforcement, Room 627
50 Wolf Road, Albany, New York 12233-5500
(518) 457-2286

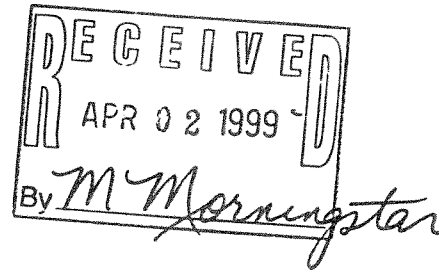


John P. Cahill
Commissioner

April 1, 1999

Via U.P.S. Overnight Mail

Mary P. Morningstar, Esq.
Assistant General Counsel Environmental Law
Lockheed Martin Corporation
1725 Jefferson Davis Highway
Suite 300
Arlington, Virginia 22202



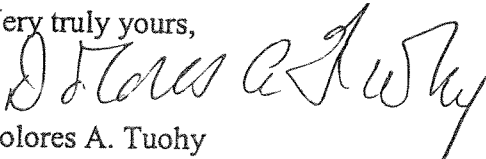
RE: GE West Lot Site (#633036)

Dear Mary:

Enclosed is a copy of the fully executed GE West Lot Order on Consent. Note that I have not made a copy for you of Appendix "B," the Record of Decision, as I wish to maintain the integrity of this bound document for the Department's permanent files. I know that you have a copy of an original Appendix "B" in the duplicate original which was sent to you.

Thank you for your cooperation in the Consent Order negotiations.

Very truly yours,


Dolores A. Tuohy
Associate Attorney

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the
Development and Implementation
of a Remedial Program for an
Inactive Hazardous Waste Disposal
Site, Under Article 27, Title 13,
and Article 71, Title 27 of the
Environmental Conservation Law
of the State of New York by:

ORDER
ON
CONSENT

Index # A6-0001-98-08

Lockheed Martin Corporation

Respondent.

Site Code #633036

WHEREAS,

1. The New York State Department of Environmental Conservation (the "Department") is responsible for enforcement of Article 27, Title 13 of the Environmental Conservation Law of the State of New York ("ECL"), entitled "Inactive Hazardous Waste Disposal Sites." This Order is issued pursuant to the Department's authority under, inter alia, ECL Article 27, Title 13 and ECL 3-0301.

2. A. Respondent Lockheed Martin Corporation ("Lockheed Martin") is a corporation duly organized under the laws of the State of Maryland, and conducts business in the State of New York. Lockheed Martin is a successor in interest to Martin Marietta Corporation ("Martin Marietta") and to General Electric Corporation's ("GE") Aerospace business.

B. In the early 1950's, GE constructed a manufacturing facility on approximately 55 acres of property located on French Road in Utica, New York. GE maintained production at the French Road facility until April 1993 when the French Road property was acquired by Martin Marietta Corporation.

C. In 1990, GE initiated an investigation at the French Road property to evaluate potential impacts to soil and groundwater. Analyses of soil and groundwater samples from the French Road property have detected contamination with volatile organic compounds ("VOCs").

D. The Department has identified an approximate two-acre portion of the French Road property, known as "West Lot," as an inactive hazardous waste disposal site (the "Site"), as that term is defined as ECL 27-1301.2, and has determined that the Site presents a

significant threat to public health or the environment. The Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State as Site No. 633036. The Department has classified the Site as Classification "2" pursuant to ECL 27-1305.4.b. A Site location map designated Appendix "A" is attached to this Order.

E. Martin Marietta executed a Remedial Investigation/Feasibility Study ("RI/FS") Order on Consent (Index # A6-0311-93-11, effective December 15, 1993) (the "RI/FS Order") with the Department obligating Martin Marietta to conduct an RI/FS at the Site.

F. In accordance with the provisions of the RI/FS Order, Interim Remedial Measures ("IRMs") were conducted at the Site in late 1993 through 1994. The IRMs consisted of the excavation of approximately 2,200 cubic yards of soil from the former burn pit located at the Site. The excavated soils were placed in an aboveground engineered treatment cell for remediation of VOCs using soil vapor extraction. Treatment of those soils concluded in 1996. The soils are currently staged within the cell, awaiting disposal. Certain portions of the soils within the cell are contaminated with polychlorinated biphenyls (PCBs).

G. In March 1995, Martin Marietta merged with Lockheed Corporation. As a result of that merger, Lockheed Martin was formed as a holding company and Martin Marietta became a wholly-owned subsidiary of Lockheed Martin. Effective January 29, 1996, Martin Marietta merged into its parent corporation, Lockheed Martin. Lockheed Martin is the successor by merger to Martin Marietta and has assumed Martin Marietta's obligations under the RI/FS Order on Consent. Lockheed Martin is entering into this Order on its own behalf as prior owner of the French Road property and as successor in interest to the prior owners, GE and Martin Marietta.

H. Lockheed Martin does not own or operate the Site. Access to the Site is provided to Lockheed Martin under and is subject to the terms of an Access Easement between Lockheed Martin and Pinnacle Park Inc., effective March 18, 1996, and a Supplement to Access Easement, effective March 18, 1996, each of which has been duly recorded in the Oneida County Clerk's Office. The Site is owned by the Oneida County Industrial Development Agency.

I. Lockheed Martin satisfactorily completed an RI/FS, the last submittals of which were the Feasibility Study Report, dated July 14, 1997, and the Feasibility Study Report Supplement, dated January 1998. Following a period of public comment, the Department selected a final remedial alternative for the Site in a Record of Decision ("ROD") dated March 1998. The removal of PCB and VOC contaminated soils and waste which exceed the Department's cleanup goals (Technical and Administrative Guidance Document ("TAGM") 4046) from the IRM treatment cell and from the vicinity of the former burn pit is an element of the final remedial alternative selected in the ROD. The ROD, attached to this Order as Appendix "B," is incorporated as an enforceable part of this Order.

3. A. Pursuant to ECL 27-1313.3.a, whenever the Commissioner of Environmental Conservation (the "Commissioner") "finds that hazardous wastes at an inactive hazardous waste

disposal site constitute a significant threat to the environment, he may order the owner of such site and/or any person responsible for the disposal of hazardous wastes at such site (i) to develop an inactive hazardous waste disposal site remedial program, subject to the approval of the department, at such site, and (ii) to implement such program within reasonable time limits specified in the order."

B. Any person under order pursuant to ECL 27-1313.3.a has a duty imposed by ECL Article 27, Title 13 to carry out the remedial program committed to under order. ECL 71-2705 provides that any person who fails to perform any duty imposed by ECL Article 27, Title 13 shall be liable for civil, administrative and/or criminal sanctions.

C. The Department also has the power, inter alia, to provide for the prevention and abatement of all water, land, and air pollution. See, e.g., ECL 3-0301.1.i.

4. The Department and Lockheed Martin agree that the goals of this Order are (i) for Lockheed Martin to develop and implement, in accordance with the ROD, an inactive hazardous waste disposal site remedial program ("Remedial Program") for the Site that shall include design, implementation, operation, maintenance and monitoring of the selected remedial alternative; (ii) for Lockheed Martin to reimburse the Department's reasonable administrative costs described in Paragraph IX; and (iii) to supersede the Order referenced in Paragraph 2.E executed by Martin Marietta with the Department relating to conduct of an RI/FS, including IRMs, at the Site (for which Lockheed Martin has assumed the obligations as successor-by-merger to Martin Marietta).

5. Lockheed Martin, having waived its right to a hearing herein as provided by law, and having consented to the issuance and entry of this Order, without any adjudication of law or fact, agrees to be bound by its terms. Lockheed Martin's consent to and compliance with this Order does not constitute, and shall not be construed as, an admission of liability for any purpose or an admission by Lockheed Martin of law or fact or the applicability of any law to conditions at the Site. Lockheed Martin consents to and agrees not to contest the authority or jurisdiction of the Department to issue or enforce this Order, and agrees not to contest the validity of this Order or its terms. With the exception of the obligation to comply with this Order, and the waiver contained in this Paragraph 5, Lockheed Martin expressly reserves any legal and equitable rights and defenses.

NOW, having considered this matter and being duly advised, IT IS ORDERED THAT:

I. Remedial Design Work Plan

A. Within 30 days of the effective date of this Order, Lockheed Martin shall submit to the Department for review and approval a Remedial Design Work Plan ("RDWP"), which shall outline pre-remedial design activities, including pump tests, pilot testing for alternative treatment technology and activities related to soil removal from the IRM treatment cell and the

vicinity of the former burn pit. The RDWP shall be prepared in accordance with U.S. Environmental Protection Agency ("USEPA") guidance documentation, including "Guidance on Oversight of Remedial Designs and Remedial Actions performed by Potentially Responsible Parties," (USEPA, April 1990), "Superfund Remedial Design and Remedial Action Guidance," (USEPA, June 1986), and other relevant USEPA and Department guidance documents. The RDWP shall include an update, in the form of an addendum, to the existing Sampling and Analysis Plan ("SAP"), Quality Assurance Project Plan ("QAPP") and an update, in the form of an addendum, to the existing Health and Safety Plan ("HASP") for the protection of persons at and in the vicinity of the Site during implementation and construction of the RDWP and the remedial design described in Paragraph II and after completion of construction. The updated HASP shall be prepared in accordance with 29 CFR 1910 by a certified health and safety professional. The RDWP shall include a time schedule to implement the RDWP and shall be signed and sealed by a professional engineer who shall certify that the RDWP was prepared in accordance with this Order.

The RDWP shall identify the remedial goals for the Site, as stated in the ROD, and the means by which each element of the selected remedial alternative will be implemented to achieve those goals, including, but not limited to:

- a. the construction, operation and maintenance, and monitoring of any structures;
- b. the collection, destruction, treatment, and/or disposal of hazardous wastes and substances and their constituents and degradation products, and of any soil or other materials containing any of same;
- c. the collection, destruction, treatment, and/or disposal of groundwater, leachate, and air containing hazardous wastes and/or substances and/or their constituents and degradation products;
- d. physical security and posting of the remedial systems and equipment;
- e. quality control and quality assurance procedures and protocols to be applied during implementation of the remedial design described in Paragraph II;
- f. monitoring which integrates needs during implementation of the Department-selected remedial alternative; and
- g. criteria to be considered for system shutdown and/or replacement technology(ies).

The RDWP shall, inter alia, address the element of the selected remedial alternative in the ROD requiring the removal of PCB and VOC contaminated soils and waste, which exceed the

Department's cleanup goals (TAGM 4046), from the IRM treatment cell and in the vicinity of the former burn pit; describe proposed soil removal work; and summarize all analytical data used to characterize soils for disposal. The RDWP shall also identify any additional data required to support the remedial design. The roles and responsibilities of each remedial design/ remedial action team member shall be identified and discussed.

Among the objectives of the RDWP activities are the following:

- (1) determine the type, number, location and spacing of the groundwater collection and treatment system components;
- (2) determine the pumping rate necessary to achieve hydraulic control, and thereby determine the resulting flow to the groundwater collection and treatment system;
- (3) collect a comprehensive round of groundwater samples from both on-site and off-site groundwater monitoring wells and analyze the samples for Site-specific compounds to verify the groundwater characteristics upon which to base the groundwater collection and treatment system design; and
- (4) install a minimum of three bedrock monitoring wells (one downgradient of the source area, one along the plume axis close to the source area, and one upgradient of the source area) and analyze samples from each well for Site-specific compounds to characterize the water quality of the bedrock aquifer.

B. Lockheed Martin shall commence the soil removal work in accordance with the implementation schedule set forth in the Department-approved RDWP. Within 30 days of completing the soil removal work in accordance with the Department-approved RDWP, Lockheed Martin shall submit to the Department for review and approval a final soil removal report (the "Soil Removal Report") signed and sealed by a professional engineer, describing all activities performed in carrying out the Department-approved soil removal work under the RDWP and containing a certification that all activities were performed in full accordance with the Department-approved RDWP.

C. Within 180 days of receipt of the Department's approval of the RDWP, Lockheed Martin shall complete pre-design investigations and submit to the Department a Summary of Findings Report (the "SF Report") for review and approval. The SF Report shall summarize the field investigation data, provide a copy of summarized data or calculations for review, and provide a discussion of the basis of the remedial design for all elements of the selected remedial alternative, with the exception of the soil removal activities. The SF Report shall not duplicate the information submitted to the Department in the Soil Removal Report. The SF Report shall include a time schedule for the preparation and submittal of the Remedial Design and a certification by the individual or firm with primary responsibility for the day-to-day

performance of the field investigation that all activities that comprised the investigation were performed in full accordance with the Department-approved RDWP.

II. Remedial Design

A. In accordance with the schedule contained in the Department-approved SF Report, Lockheed Martin shall submit to the Department a remedial design to implement the remedial alternative for the Site selected by the Department in the ROD (the "Remedial Design"), with the exception of the soil removal element that is addressed in Paragraph I.B. above. The Remedial Design shall be signed and sealed by a professional engineer who shall certify that the Remedial Design was prepared in accordance with this Order.

B. The Remedial Design shall include the following:

(1) Narrative description of the Remedial Design, including a description of the remedial goals for the Site, as stated in the ROD, and the means by which each element of the selected remedial alternative will be implemented to achieve those goals;

(2) Basis of design and performance criteria for the extraction system and pumps, piping/conveyance system and groundwater treatment. The basis of design shall include the following:

a. objectives of the remedial program;

b. design criteria to be used;

c. method by which each design component meets the objectives of the ROD; and

d. pertinent data to be used in the remedial design.

(3) Engineering drawings that include existing site plan, excavation plan, pumping well details, final grading plan and groundwater treatment;

(4) Technical specifications;

(5) Supporting calculations, including hydraulic calculations and treatment design;

(6) Remedial Action Contingency Plan identifying potential site-related hazards and associated mitigation measures which may be required during the remedial action. This could include excavation controls, dust controls, traffic controls, noise controls and other construction-related issues;

- (7) Construction Quality Assurance Project Plan ("CQAPP") describing the quality assurance monitoring to be performed during implementation of the remedial action;
- (8) A time schedule to implement the Remedial Design;
- (9) Construction cost estimate;
- (10) "Biddable quality" documents for the Remedial Design including, but not limited to, documents and specifications signed and sealed by a professional engineer. These documents shall satisfy all applicable local, state, and federal laws, rules and regulations;
- (11) The parameters, conditions, procedures, and protocols to determine the effectiveness of the Remedial Design, including schedules for influent/effluent sampling and analysis, collection of groundwater monitoring well elevation data, and periodic sampling of groundwater monitoring wells;
- (12) Except as otherwise set forth in Paragraph XIV, the provisions for any permit conditions which Lockheed Martin will need to comply with to implement the Remedial Design;
- (13) A description of preliminary operation, maintenance, and monitoring activities to be undertaken, detailing the operation and maintenance ("O&M") procedures during system startup and describing the long-term O&M strategy; and
- (14) An update, in the form of an addendum, to the existing Citizen Participation Plan. All modifications to the Citizen Participation Plan shall be in accordance with the Department's publication, "Citizen Participation in New York's Hazardous Waste Remediation Program: A Guidebook," dated June 1998, and any subsequent revisions thereto, and 6 NYCRR Part 375.

III. Remedial Construction

- A. Pursuant to the schedule in the Department-approved Remedial Design, Lockheed Martin shall commence construction of the Department-approved Remedial Design ("Remedial Construction").
- B. Lockheed Martin shall implement the Remedial Design in accordance with the Department-approved Remedial Design.
- C. During implementation of construction activities identified in the Remedial Design, Lockheed Martin or its Department-approved consultant shall have on-Site a full time representative who is qualified to supervise the work done.

D. Within 60 days after completion of the construction activities identified in the Department-approved Remedial Design, Lockheed Martin shall submit to the Department "as built" drawings and a final engineering report (each including all changes made to the Remedial Design during construction); and a certification that the Remedial Design was implemented and that all construction activities were completed in accordance with the Department-approved Remedial Design and were personally witnessed by him or her or by a person under his or her direct supervision. The "as built" drawings, final engineering report, and certification referenced above shall be hereinafter referred to as the Remedial Construction Certification Report. The Remedial Construction Certification Report shall be signed and sealed by a professional engineer.

E. In accordance with the schedule submitted in the Department-approved Remedial Design, a detailed post-remedial O&M plan ("O&M Plan") shall be submitted. The O&M Plan shall:

- (1) describe the long term operations and maintenance, and monitoring activities to be undertaken including reporting requirements;
- (2) include details on the following, but not be limited to:
 - a. a preventative maintenance schedule in accordance with manufacturers specifications for all systems operating at the Site;
 - b. a schedule for collection and analysis of system influent and effluent samples;
 - c. a schedule for collection of groundwater monitoring well and peizometer elevation data;
 - d. a schedule for collection and analysis of groundwater samples;
 - e. closure termination criteria for the Site-wide groundwater collection and treatment system; and
 - f. a contingency plan to be implemented if any element of the Remedial Design fails to achieve any of its performance criteria.
- (3) be signed and sealed by a professional engineer.

F. Upon the Department's approval of the O&M Plan, Lockheed Martin shall implement the O&M Plan in accordance with the requirements of the Department-approved O&M Plan.

G. After receipt of the Remedial Construction Certification Report, the Department shall notify Lockheed Martin in writing whether the Department is satisfied that all construction activities have been completed in accordance with the Department-approved Remedial Design. The date of the Department's letter notifying Lockheed Martin that all construction activities have been completed in compliance with the Department-approved Remedial Design shall be the "Date of Completion of Remedial Construction." Before its acceptance and approval of the Remedial Construction Certification Report, the Department may require Lockheed Martin to modify the Remedial Design and Remedial Construction if the Department determines that such modification is necessary due to:

(1) environmental conditions on-Site or off-Site which are related to the presence of hazardous wastes at the Site and were unknown to the Department as of July 14, 1997, the date of Lockheed Martin's last submittal of Remedial Investigation data, or

(2) information received, in whole or in part, for the first time after July 14, 1997,

where such unknown environmental conditions or such information indicates that the Remedial Program is not protective of human health or the environment.

H. If the Department concludes that any element of the Department-approved Remedial Program fails to achieve its remediation goals or otherwise fails to protect human health or the environment, Lockheed Martin shall take whatever action the Department determines to be reasonable and necessary to achieve those objectives or to ensure that the Remedial Program otherwise protects human health and the environment.

I. In the event Lockheed Martin is required to modify the Remedial Design and Construction in accordance with the terms of this Order, it shall perform the work in accordance with a reasonable time schedule which the Department, after consultation with Lockheed Martin, shall prescribe. The Department's review of Lockheed Martin's submittals shall be subject to the provisions of Subparagraph's V.A. and B. of this Order.

IV. Progress Reports

Lockheed Martin shall submit to the parties identified in Subparagraph XIII.B in the numbers specified therein copies of written monthly progress reports that:

A. describe the actions which have been taken toward achieving compliance with this Order during the previous month;

B. include all results of sampling and tests and all other data received or generated by Lockheed Martin or its contractors or agents in the previous month, including quality assurance/quality control information, whether conducted pursuant to this Order or conducted independently by Lockheed Martin;

C. identify all work plans, reports, and other deliverables required by this Order that were completed and submitted during the previous month;

D. describe all actions, including, but not limited to, data collection and implementation of work plans, that are scheduled for the next month and provide other information relating to the progress at the Site;

E. include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of Lockheed Martin's obligations under the Order, and efforts made to mitigate those delays or anticipated delays;

F. include a description of any modifications to any work plans that Lockheed Martin has proposed to the Department or that the Department has approved; and

G. describe all activities undertaken in support of the Citizen Participation Plan during the previous month and those to be undertaken in the next month.

Lockheed Martin shall submit these progress reports to the Department by the 15th day of every month following the effective date of this Order, unless such day falls upon a weekend or holiday, in which case the report shall be submitted the following business day.

Lockheed Martin may request, in writing, to submit progress reports to the Department on a different schedule (e.g., quarterly). Upon the Department's written approval, Lockheed Martin shall submit progress reports in accordance with the Department-approved schedule.

Lockheed Martin shall allow the Department to attend, and shall provide the Department at least 7 days advance notice of, any of the following related to Remedial Construction: prebid meetings, job progress meetings, substantial completion meeting and inspection, and final inspection and meeting.

V. Review of Submittals

A. 1. The Department shall review each of the submittals Lockheed Martin makes pursuant to this Order to determine whether it was prepared, and whether the work done to generate the data and other information in the submittal are, in accordance with this Order and generally accepted technical and scientific principles. The Department shall notify Lockheed Martin in writing of its approval or disapproval of the submittal, except for the HASP submittal discussed in Subparagraph I.A. The Department shall make efforts to notify Lockheed Martin within 30 days of receipt of the submittal. In the event the Department does not approve or disapprove in writing a submittal discussed in Paragraph IV (progress reports) within 45 days of its receipt by the Department, the progress report submittal shall be deemed

approved by the Department. All Department-approved submittals shall be incorporated into and become an enforceable part of this Order.

2. a. If the Department disapproves a submittal, it shall so notify Lockheed Martin in writing and shall specify the reasons for its disapproval. If within 10 days of receiving written notice of the Department's disapproval, Lockheed Martin so requests, the Department's staff will meet with Lockheed Martin to discuss the disapproval and measures necessary to obtain the Department's approval. Within 30 days after such meeting or, if no meeting is requested, within 30 days after receiving written notice that Lockheed Martin's submittal has been disapproved, or within such period of time approved by the Department, Lockheed Martin shall make a revised submittal to the Department that addresses and resolves all of the Department's stated reasons for disapproving the first submittal.

b. After receipt of the revised submittal, the Department shall notify Lockheed Martin in writing of its approval or disapproval of the revised submittal and shall specify the reasons for its disapproval. The Department shall make efforts to make the determination of approval or disapproval within 30 days of receipt of the revised submittal. If the Department approves the revised submittal, it shall be incorporated into and become an enforceable part of this Order. If the Department disapproves the revised submittal, other than the submittal described in Paragraph IV, Lockheed Martin shall be in violation of this Order unless, within 30 days after receipt of the Department's notice of disapproval, Lockheed Martin invokes the dispute resolution procedure set forth in Paragraph VII.

B. Prior to the Date of Completion of Remedial Construction, the Department may require Lockheed Martin to modify and/or amplify and expand a submittal if the Department determines, as a result of reviewing data generated by an activity required under this Order or as a result of reviewing any other data or facts, that further work is necessary ("additional work") and sets forth the basis of that determination in writing. Upon receipt of the Department's written notice that additional work is required, Lockheed Martin shall proceed with the additional work in accordance with a Department-approved schedule unless, within 30 days after receipt of the Department's written notice, Lockheed Martin objects to the Department in writing and invokes the dispute resolution procedure set forth in Paragraph VII of this Order.

VI. Compliance

A. Lockheed Martin's failure to comply with any term of this Order constitutes a violation of this Order and the ECL.

B. Lockheed Martin shall not suffer any penalty under this Order or be subject to any proceeding or action if it cannot comply with any requirement hereof because of war; strike, as defined in 29 U.S.C. § 142(2); riot; Act of God; or an unforeseeable occurrence which the exercise of ordinary human prudence could not have prevented. Lockheed Martin shall, within 10 days of when it obtains knowledge of any such condition, notify the Department in writing.

Lockheed Martin shall include in such notice the measures taken and to be taken by Lockheed Martin to prevent or minimize any delays and shall request an appropriate extension or modification of this Order. Failure to give such notice within such 10-day period constitutes a waiver of any claim that a delay is not subject to penalties. Lockheed Martin shall have the burden of proving that an event is a defense to compliance with this Order pursuant to this Subparagraph.

VII. Dispute Resolution

A. If the Department disapproves a revised submittal (Subparagraph V.A(2)(b)) or demands additional work (Subparagraphs III.G, III.H, and V.B), Lockheed Martin shall be in violation of this Order unless, within 30 days of receipt of the Department's notice of disapproval of a submittal, or within 30 days of the Department's demand for additional work, Lockheed Martin serves on the Department a written request for an appointment of an Administrative Law Judge ("ALJ") and a written statement of the issues in dispute, the relevant facts upon which the dispute is based, and factual data, analysis or opinion supporting its position, and all supporting documentation on which Lockheed Martin relies (hereinafter called the "Statement of Position"). The Department shall serve its Statement of Position, including supporting documentation, upon Lockheed Martin no later than 15 days after receipt of Lockheed Martin's Statement of Position. Lockheed Martin shall have 7 days after receipt of the Department's Statement of Position within which to serve upon the Department a reply to the Department's Statement of Position, and in the event Lockheed Martin serves such a reply, the Department shall have 7 days after receipt of Lockheed Martin's reply to the Department's Statement of Position within which to serve upon Lockheed Martin the Department's reply to Lockheed Martin's reply to the Department's Statement of Position.

B. The Department shall provide Lockheed Martin an opportunity to meet with the Director to discuss the Department's objections to the revised submittal and/or the Department's demands for additional work. Lockheed Martin shall be available to meet within 30 days of the submission of the last Statement of Position or reply served pursuant to Subparagraph VII.A .

C. An administrative record of any dispute under this Paragraph shall be maintained by the Department. The record shall include the submittals, the Department's responses and/or demands, the Statement of Position and reply of each party served pursuant to Subparagraph VII.A, and any other relevant information. The record shall be available for review by all parties and the public.

D. Upon review of the administrative record as developed pursuant to this Paragraph and taking into consideration the discussion of the parties at the meeting with the ALJ, the ALJ shall issue a final decision and order resolving the dispute.

E. Lockheed Martin shall revise the submittal in accordance with the Department's specific comments, or revised demands, if any, as may be modified by the ALJ and except for

those which have been withdrawn by the ALJ, and shall submit a revised submittal. Upon receipt of such notification regarding demands for additional work, Lockheed Martin shall commence the additional work in accordance with the revised demands. The period of time for revision or commencement of additional work shall be set forth in the ALJ's final decision and order resolving the dispute.

F. After receipt of the revised submittal, the Department shall notify Lockheed Martin, in writing, of its approval or disapproval of the revised submittal. If the revised submittal fails to address the Department's specific comments, as modified, and the Department disapproves the revised submittal for this reason, Lockheed Martin shall be in violation of this Order and the ECL.

G. In review by the ALJ of any dispute pursued under this Paragraph VII, Lockheed Martin shall have the burden of proving that the Department's position should not prevail.

H. With respect to the final decision and order of the ALJ, Lockheed Martin shall have those rights granted pursuant to Article 78 of the Civil Practice Law and Rules of New York ("CPLR"), provided that the petition is filed within thirty (30) days of Lockheed Martin's receipt of the ALJ's final decision and order. The invocation of formal dispute resolution procedures under Paragraph VII shall suspend and toll only those obligations under this Order which are in dispute or necessarily dependent on resolution of the matter(s) in dispute. Lockheed Martin's filing of a petition for review under Article 78 of the CPLR shall not stay or excuse performance of work or timely transmission of submittals with respect to the disputed issues, except by agreement of the Department or by order of the court upon Lockheed Martin's application.

I. No statement by Lockheed Martin, whether oral or written, made as a part of the dispute resolution process provided in this Paragraph shall constitute an admission or evidence of an admission in any subsequent proceeding brought by any party.

J. Lockheed Martin shall have the right to challenge under Article 78 of the CPLR the Department's disapproval of a submittal revised in accordance with the Department's modified comments provided that a Petition is filed within 30 days of receipt of the Department's written notice of disapproval of a revised submittal.

K. Nothing in this Order shall be construed to allow the consideration or resolution of any dispute regarding the ROD or any of its provisions other than disputes arising out of the implementation of the ROD or any of its provisions.

VIII. Entry upon Site

Access to the Site is provided to Lockheed Martin under and is subject to the terms of an

Access Easement granted to Lockheed Martin by Pinnacle Park Inc., effective March 18, 1996, and a Supplement to Access Easement, effective March 18, 1996, each of which has been duly recorded in the Oneida County Clerk's Office. Access to property located adjacent to the Site that is owned by the New York State Department of Transportation ("NYSDOT") at 2436 Chenango Road, Utica, is provided to Lockheed Martin under and subject to NYSDOT Highway Work Permit No. 02940610. To the extent permitted under the Access Easement and the NYSDOT Highway Work Permit, Lockheed Martin shall provide entry to the Site and the adjacent property owned by NYSDOT to any duly designated employee, consultant, contractor, or agent of the Department or any State agency for purposes of inspection, sampling, and testing and to ensure Lockheed Martin's compliance with this Order. Lockheed Martin shall permit the Department full access to all records relating to matters addressed by this Order.

IX. Payment of State Costs

Within 60 days after receipt of an itemized invoice from the Department, Lockheed Martin shall pay to the Department a sum of money which shall represent reimbursement for the State's reasonable expenses including, but not limited to, direct labor, fringe benefits, indirect costs, travel, analytical costs, and contractor costs incurred by the State of New York in connection with the negotiation of this Order and with the development and implementation of the RI/FS, including IRMs, and the Remedial Program by Lockheed Martin at the Site prior to the effective date of this Order, as well as for reviewing and revising submittals made pursuant to this Order, overseeing activities conducted pursuant to this Order, collecting and analyzing samples, and administrative costs associated with this Order. Lockheed Martin shall receive a credit for any RI/FS or IRM costs previously reimbursed by Lockheed Martin to the Department. Such payment shall be made by check payable to the Department of Environmental Conservation and shall be sent to:

Bureau of Program Management
Division of Environmental Remediation
New York State Department of Environmental Conservation
50 Wolf Road
Albany, NY 12233-7010.

Personal service costs shall be documented by reports of Direct Personal Service, which shall identify the employee name, title, biweekly salary, and time spent (in hours) on the project during the billing period, as identified by an assigned time and activity code. Approved agency fringe benefit and indirect cost rates shall be applied. Non-personal service costs shall be summarized by category of expense (e.g., supplies, materials, travel, contractual) and shall be documented by expenditure reports. The Department shall send Lockheed Martin periodic invoices for these costs no later than 18 months after the end of the Department's fiscal year, that is, March 31, in which the costs were incurred. Failure by the Department to submit such invoices within the time frame set forth above shall not constitute a waiver of Lockheed Martin's obligation to reimburse the Department for such costs.

B. If Lockheed Martin objects to an invoice, Lockheed Martin shall within 10 days of receipt of the Department's invoice request to meet the Director of the Division of Environmental Remediation or his designee (the "DER Representative") in order to discuss Lockheed Martin's objections. At this meeting, Lockheed Martin shall be given an opportunity to present its objections to the Department's invoices, and the DER Representative shall have the authority to modify and/or withdraw such invoices. Lockheed Martin shall pay the invoice in accordance with the DER Representative's specific comments, as modified, except for those invoices which have been withdrawn by the DER Representative, and the Department shall submit a revised invoice. After receipt of the revised invoice, Lockheed Martin shall pay the revised invoice. If Lockheed Martin fails to pay the revised invoice, Lockheed Martin shall be in violation of this Order and the ECL.

C. The invocation of dispute resolution procedures set forth in Subparagraph IX.B. shall not itself extend, postpone or affect in any way any of Lockheed Martin's obligations under this Order.

X. Department Reservation of Rights and Release

A. Except as provided in Subparagraph X.B, nothing contained in this Order shall be construed as barring, diminishing, adjudicating, or in any way affecting any of the Department's civil, criminal, or administrative rights or authorities including, but not limited to nor exemplified by, the right to recover natural resources damages against any party including Lockheed Martin.

B. If, after review, the Department accepts and approves the engineer's certification that construction of the Remedial Program was completed in accordance with the approved Remedial Design, then, unless a contingency plan must be implemented pursuant to Subparagraph III.E.(2)f, and except for the provisions of Subparagraph III.H and of Paragraph XI of this Order, and except for the future O&M of the Site, reimbursement of Department expenditures at the Site, and any natural resource damage claims, such acceptance shall constitute a release for each and every claim, demand, remedy or action whatsoever against Lockheed Martin, its successors and assigns, which the Department has or may have pursuant to Article 27, Title 13 of the ECL relative to or arising from the disposal of hazardous wastes at the Site; provided, however, that the Department specifically reserves all of its rights concerning, and any such release and satisfaction shall not extend to, any investigation or remediation the Department deems necessary due to:

(1) environmental conditions on-Site or off-Site which are related to the disposal of hazardous wastes at the Site and were unknown to the Department on July 14, 1997; or

(2) information received, in whole or in part, for the first time after July 14, 1997,

and such unknown environmental conditions or information indicates that the Remedial Program is not protective of human health or the environment.

The Department shall notify Lockheed Martin of such environmental conditions or information and

its basis for determining that the Remedial Program is not protective of human health and the environment.

This release shall inure only to the benefit of Lockheed Martin and its successors and assigns. It is expressly understood that this release shall not inure in any manner to GE or its successors or assigns (other than Lockheed Martin).

Nothing herein shall be construed as barring, diminishing, adjudicating or in any way affecting any legal or equitable rights or claims, actions, suits, causes of action or demands whatsoever that the Department may have against anyone other than Lockheed Martin, its directors, officers, employees, agents, successors and assigns.

C. Nothing contained in this Order shall be construed to prohibit the Commissioner or his duly authorized representative from exercising any summary abatement powers.

XI. Indemnification

Lockheed Martin shall indemnify and hold the Department, the State of New York, and their representatives and employees harmless for all claims, suits, actions, damages, and costs of every name and description ("Liabilities") arising out of or resulting from the fulfillment or attempted fulfillment of this Order and from Liabilities arising out of or resulting from the fulfillment or attempted fulfillment of the RI/FS Order by Lockheed Martin, Martin Marietta, and/or their successors and assigns, provided that this indemnification shall not extend to Liabilities resulting from any grossly negligent or intentionally tortious acts or omissions of the Department, the State of New York, and their representatives and employees during the course of any activities conducted pursuant to this Order or the RI/FS Order.

XII. Public Notice

Lockheed Martin shall file a Declaration of Covenants and Restrictions with the Clerk of the County wherein the Site is located to give all parties who may acquire any interest in the Site notice of this Order.

XIII. Communications

A. All written communications required by this Order shall be transmitted by United States Postal Service, by private courier service, or hand delivered. Communication from

Lockheed Martin or ARCADIS Geraghty & Miller shall be sent to:

1. Darrell M. Sweredoski, P.E.
Regional Hazardous Waste Remediation Engineer
Division of Environmental Remediation
New York State Department of Environmental Conservation
Region 6
317 Washington Street
Watertown, New York 13601
2. G. Anders Carlson, Ph.D.
Director, Bureau of Environmental Exposure Investigation
New York State Department of Health
2 University Place
Albany, New York 12203
3. Sandra L. LeBarron
Region 6 Director
New York State Department of Environmental Conservation
317 Washington Street
Watertown, New York 13601
4. Dolores A. Tuohy, Esq.
Associate Attorney
New York State Department of Environmental Conservation
Division of Environmental Enforcement
50 Wolf Road, Room 627
Albany, New York 12233-5500

B. Copies of work plans and reports shall be submitted as follows:

1. 4 copies (1 unbound) to Darrell M. Sweredoski, P.E., Regional Hazardous Waste Remediation Engineer.
2. 1 copy to G. Anders Carlson, Ph.D., Director, Bureau of Environmental Exposure Investigation.
3. 1 copy to Sandra L. LeBarron, Director, NYSDEC Region 6.
4. 1 copy to Dolores A. Tuohy, Esq., Division of Environmental Enforcement.

C. Communications from the Department to Lockheed Martin shall be sent to:

1. Mr. Gene Matsushita
Director/Environmental Remediation Programs
Lockheed Martin Corporation
Corporate Environmental Safety & Health
100 South Charles Street
Baltimore, Maryland 21201
2. Mr. Dino Iseppi
Lockheed Martin Corporation
2 Forbes Road
Mail Stop 210
Lexington, Massachusetts 02173
3. Mary P. Morningstar, Esq.
Assistant General Counsel Environmental Law
Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817
4. Virginia C. Robbins, Esq.
Bond, Schoeneck & King, LLP
One Lincoln Center
Syracuse, New York 13202

D. Communications from the Department to ARCADIS Geraghty & Miller shall be sent to:

Marc Sanford
Senior Scientist
ARCADIS Geraghty & Miller
215 Washington Avenue Extension
Albany, New York 12205

E. Within 30 days of the Department's approval of the Remedial Construction Certification Report, Lockheed Martin shall submit to Darrell M. Sweredoski, P.E., a computer readable magnetic media copy of the approved report, drawings or submittals on a 3.5 inch computer diskette in WordPerfect 6.1 or a compatible format.

F. The Department and Lockheed Martin reserve the right to designate additional or different addressees for communication or written notice to the other.

XIV. Permits

Pursuant to 6 NYCRR §375-1.7, Lockheed Martin shall be exempt from any otherwise applicable requirement to obtain a permit issuable by the Department for any activity undertaken in connection with the Remedial Program implemented under this Order, provided that the activity is conducted on-Site, as defined in 6 NYCRR §375-1.7(b)(1), and the activity satisfies all substantive technical requirements applicable to like activity conducted pursuant to a permit, as determined by the Department.

XV. Miscellaneous

A. All activities and submittals required by this Order shall address both on-Site and off-Site contamination resulting from the disposal of hazardous wastes at the Site.

B. Lockheed Martin shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel, and third party data validators acceptable to the Department to perform the technical, engineering, and analytical obligations required by this Order. The experience, capabilities, and qualifications of the firms or individuals selected by Lockheed Martin shall be submitted to the Department for review and approval prior to the commencement of work by such firms or individuals unless previously approved by the Department for activities at this Site. The Department shall issue written approval or disapproval within 30 days of receipt of Lockheed Martin's submittal. The Department's approval of these firms or individuals shall be obtained before the start of any activities for which Lockheed Martin and such firms or individuals will be responsible. The responsibility for the performance of the professionals retained by Lockheed Martin shall rest solely with Lockheed Martin. Lockheed Martin reserves the right to request a change in the professional consultants, contractors, laboratories, quality assurance/quality control personnel and third-party data validators at any time during the performance of the various technical, engineering and analytical obligations required by this Order. Any such change request must be submitted by Lockheed Martin to the Department in accordance with the review and approval procedures specified in this Subparagraph.

C. The Department shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Lockheed Martin, and the Department also shall have the right to take its own samples. Lockheed Martin and the Department shall make available to the other the results of all sampling and/or tests or other data generated by the other with respect to implementation of this Order.

D. Nothing in this Order shall be construed to require disclosure of any document protected by the attorney-client privilege or the privileges for attorney-work product and material prepared in anticipation of litigation. Notwithstanding this provision, Lockheed Martin hereby acknowledges that there shall be no such attorney-work product, material prepared in anticipation of litigation or attorney-client privilege for sampling and analytical data generated with respect to the Site. In the event Lockheed Martin asserts that any information is privileged, Lockheed Martin

shall describe the information and the nature of the privilege asserted with sufficient clarity and particularity to place the Department on notice as to the basis of the claim.

E. Lockheed Martin shall notify the Department at least 10 days in advance of any field activities to be conducted pursuant to this Order.

F. Except as noted in Paragraph XIV, Lockheed Martin shall obtain all permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations necessary to perform Lockheed Martin's obligations under this Order.

G. Lockheed Martin and its successors and assigns shall be bound by this Order. Any change in ownership or corporate status of Lockheed Martin including, but not limited to, any transfer of assets or real or personal property shall in no way alter Lockheed Martin's responsibilities under this Order. Lockheed Martin shall oblige its officers, directors, employees, servants, and agents to comply with the relevant provisions of this Order in the performance of their designated duties on behalf of Lockheed Martin.

H. Lockheed Martin shall provide a copy of this Order to each contractor hired to perform work required by this Order and to each person representing Lockheed Martin with respect to the Site and shall condition all contracts entered into in order to carry out the obligations identified in this Order upon performance in conformity with the terms of this Order. Lockheed Martin shall nonetheless be responsible for ensuring that Lockheed Martin's contractors and subcontractors perform the work in satisfaction of the requirements of this Order.

I. All references to "professional engineer" in this Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law. If such individual is a member of a firm, that firm must be authorized to offer professional engineering services in the State of New York in accordance with Article 145 of the New York State Education Law.

J. All references to "days" in this Order are to calendar days unless otherwise specified.

K. Lockheed Martin may request the Department in writing to extend time frames for submittals due or work required to be performed under this Order if cold weather conditions will unreasonably interfere with required activities.

L. The paragraph headings set forth in this Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Order.

M. 1. The terms of this Order shall constitute the complete and entire Order between Lockheed Martin and the Department concerning the Remedial Program for the Site. No term, condition, understanding, or agreement purporting to modify or vary any term of this Order shall be

binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the Department regarding any report, proposal, plan, specification, schedule, or any other submittal shall be construed as relieving Lockheed Martin of Lockheed Martin's obligation to obtain such formal approvals as may be required by this Order.


2. If Lockheed Martin desires that any provision of this Order be changed, Lockheed Martin shall make timely written application, signed by Lockheed Martin, to the Commissioner setting forth reasonable grounds for the relief sought. Copies of such written application shall be delivered or mailed to Dolores A. Tuohy, Esq., and to Darrell M. Sweredoski, P.E.

N. The effective date of this Order shall be the date it is signed by the Commissioner or his designee.

DATED: Albany, New York
March 30, 1999

JOHN P. CAHILL
Commissioner
New York State Department
of Environmental Conservation

By:


Michael J. O'Toole, Jr.

CONSENT BY RESPONDENT LOCKHEED MARTIN

Respondent Lockheed Martin Corporation hereby consents to the issuing and entering of this Order, waives its right to a hearing herein as provided by law, and agrees to be bound by this Order.

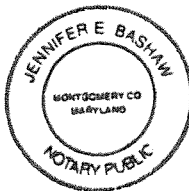
By: James Hopper MPM
(TYPE NAME OF SIGNER)

Title: Vice President for Environment
Safety + Health

Date: 3/26/99

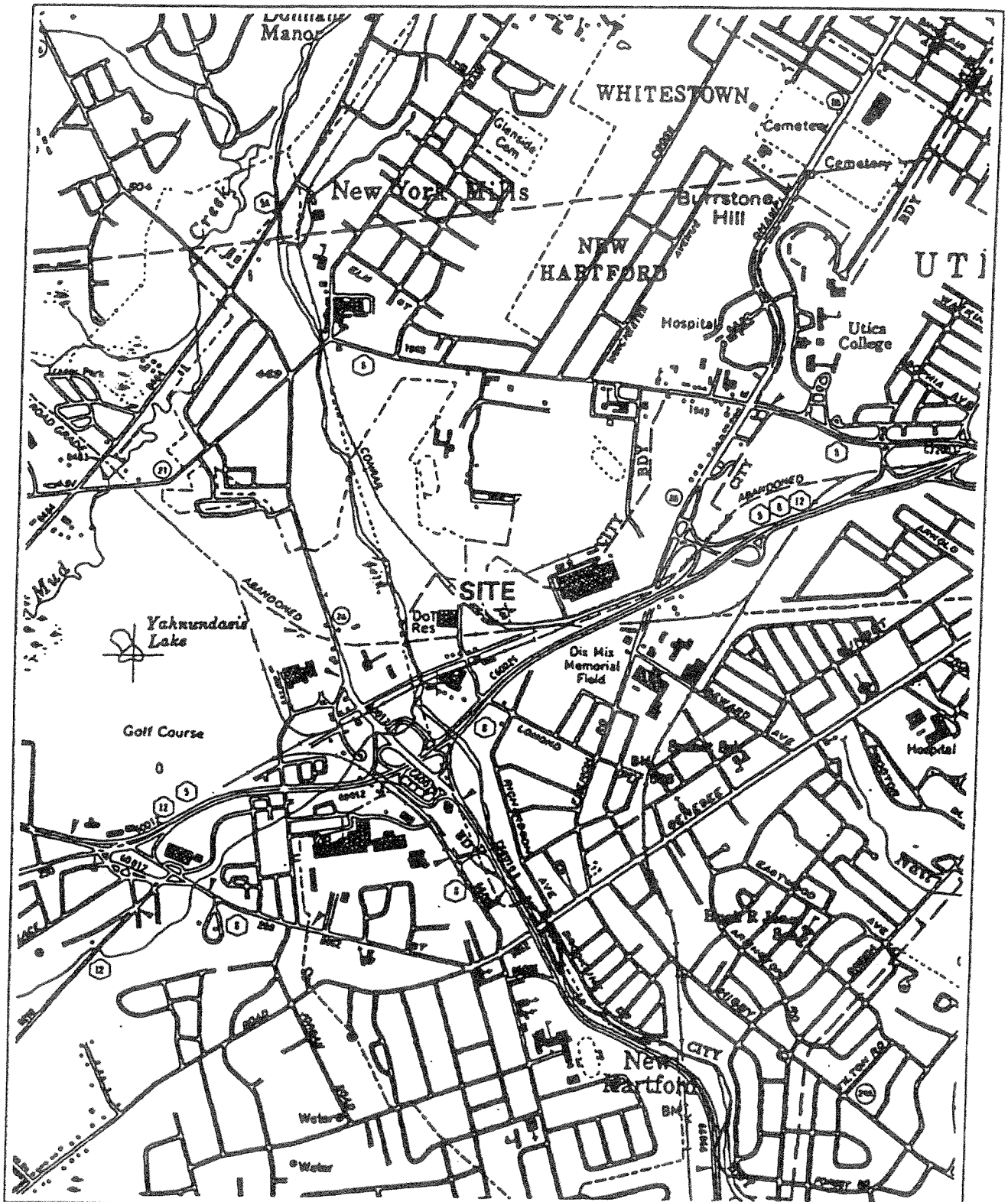
STATE OF MARYLAND)
)s.s.:
COUNTY OF MONTGOMERY)

On this 26th day of March, 1999, before me personally came James H. O'Brien, to me known, who being duly sworn, did depose and say that he resides in Denver, CO; that he is Vice President, Corporate Environment, Safety & Health of Lockheed Martin Corporation described in and which executed the foregoing instrument; and that he signed his name thereto by like order.



Jennifer E. Bashaw, Notary Public
Montgomery County
State of Maryland
My Commission Expires Dec. 1, 2000

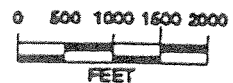
Jennifer E. Bashaw
Notary Public



Site Location Map

633036 G.E. Aerospace West Lot Site

NYS DOT Planimetric Quadrangle(s):



Scale 1:24,000