

29

Environmental Restrictive Covenant

THIS COVENANT is made this 15 day of September, 2013 by Gary-Chicago Airport Authority concerning the Former Conservation Chemical Company of Illinois Facility located at 6500 Industrial Highway, Gary, Indiana (together with its successors and assignees, collectively "Owner").

WHEREAS: Owner owns certain real estate in the County of Lake, Indiana, which is more particularly described and depicted in the attached Exhibit "A" and made a part hereof ("Real Estate"), which Real Estate was acquired by deed on April 2, 2001, and recorded on April 3, 2001, as Deed Record 2001-026358, in the Office of the Recorder of Lake County, Indiana. The Real Estate, to which the restrictions outlined in this Covenant apply, is depicted on several diagrams attached hereto as Exhibit "B."

WHEREAS: A Comfort Letter was prepared and issued by the Indiana Department of Environmental Management ("the Department") pursuant to the Indiana Brownfields Program's recommendation at the request of Gary/Chicago International Airport Authority to address redevelopment potential of the Former Conservation Chemical Company of Illinois Facility project ("the Site"), site number BFD#4070901, a brownfield site impacted by a release of hazardous waste, petroleum free product, waste oil, regulated substances, or hazardous substances (collectively, "contaminants of concern").

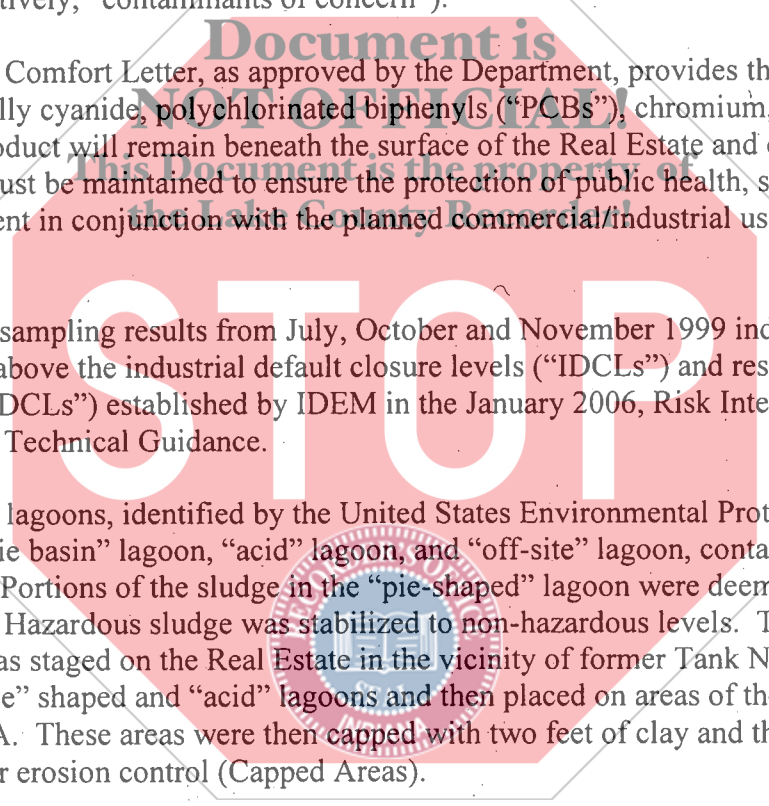
WHEREAS: The Comfort Letter, as approved by the Department, provides that contaminants of concern, specifically cyanide, polychlorinated biphenyls ("PCBs"), chromium, waste oil, and petroleum free product will remain beneath the surface of the Real Estate and outlines land use restrictions that must be maintained to ensure the protection of public health, safety or welfare, and the environment in conjunction with the planned commercial/industrial use of the Real Estate.

WHEREAS: Soil sampling results from July, October and November 1999 indicate that levels of contaminants are above the industrial default closure levels ("IDCLs") and residential default closure levels ("RDCLs") established by IDEM in the January 2006, Risk Integrated System of Closure ("RISC") Technical Guidance.

Sludge from three lagoons, identified by the United States Environmental Protection Agency ("EPA") as the "pie basin" lagoon, "acid" lagoon, and "off-site" lagoon, contain chromium impacted sludge. Portions of the sludge in the "pie-shaped" lagoon were deemed hazardous by the EPA in 1999. Hazardous sludge was stabilized to non-hazardous levels. The stabilized sludge material was staged on the Real Estate in the vicinity of former Tank No. 56 and on portions of the "pie" shaped and "acid" lagoons and then placed on areas of the Site deemed acceptable by EPA. These areas were then capped with two feet of clay and three inches of top soil and seeded for erosion control (Capped Areas).

Impacted surface and subsurface soils were excavated from the eastern one-third of the Real Estate and in the vicinity of the former wooden cooling tower. Samples in the vicinity were analyzed for PCBs, total cyanide, Toxic Characteristic Leaching Test (TCL) metals,

20130329



STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
MAR 18 2013
MICHAEL BERGMAN
RECORDER

NON-TAXABLE

MAR 18 2013

PEGGY HOLINGA KATONA
LAKE COUNTY AUDITOR

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TCLP volatile organic compounds ("VOCs"), and TCLP semi-volatile organic compounds ("SVOCs").

Groundwater underlying the Real Estate is impacted by the presence of free phase oil product.

Contaminant concentration levels/detected parameters remaining on the Real Estate and known to exceed RISC RDCLs and/or IDCLs are set forth in Table 1, attached hereto. See Exhibit "B" for diagrams depicting the locations of historical operations, including former lagoon areas, the sample locations, and the Capped Areas.

WHEREAS: The following documents, which were reviewed for issuance of the Comfort Letter, and other documents related to Brownfield Site # 4070901 are incorporated herein by reference and may be examined by searching IDEM's Virtual File Cabinet on the Web at <http://www.in.gov/idem/resources/records> using the Real Estate address:

- "Phase I Environmental Site Assessment" July 24, 2007 prepared by Quality Environmental Professionals, Inc. (2007 Phase I)
- "Record of Decision for Proposed Master Plan Development Including Runway Safety Area Enhancement/Extension of Runway 12-30, and Other Improvements at Gary/Chicago International Airport, Gary, Indiana" Department of Transportation, Federal Aviation Administration, Great Lakes Region, Chicago, Illinois, March 2005 (ROD)
- "Final Report" June 2002, (Final Report) Krikau, Pyles, Rysiewicz and Associates, Inc. (Final Report)

WHEREAS: IDEM has not approved closure of the Site under RISC. However, the land use restrictions contained in this Covenant will ensure that the planned commercial/industrial use of the Real Estate will be protective of human health and the environment.

NOW THEREFORE, Owner, hereby, in consideration for the promises contained herein and other good and valuable consideration imposes restrictions on the Real Estate and covenants and agrees that:

I. GENERAL PROVISIONS

1. Property Conveyance- Continuance of Provisions. Any conveyance of title, easement, or other interest in the Real Estate shall be subject to compliance with restrictions described in paragraph 8, below.
2. Restrictions to Run with the Land. The restrictions and other requirements described in this Covenant shall run with the land and be binding upon, and inure to the benefit of the Owner of the Real Estate and the Owner's successors, assignees, heirs and lessees or their authorized agents, employees, contractors, representatives, agents, lessees, licensees, invitees, guests, or persons acting under their direction or control and shall continue as a

- servitude running in perpetuity with the Real Estate. No transfer, mortgage, lease, license, easement, or other conveyance of any interest in all or any part of the Real Estate by any person shall limit the restrictions set forth herein. This Covenant is imposed upon the entire Real Estate unless expressly stated as applicable only to a specific portion thereof.
3. Binding upon Future Owners. By taking title to the Real Estate, any subsequent owner agrees to comply with these restrictions and the terms of this Covenant.
 4. Recordation. Unless this Covenant is terminated under paragraph 11, the Owner shall re-record this Covenant including any subsequent modifications and amendments forty-nine (49) years from the date of first recording, or any subsequent recordings, to ensure its continued applicability under the Marketable Title for Real Property Act found in IC 32-20.
 5. Access for Department. The Owner shall grant to the Department and its designated representatives the right to enter upon the Real Estate at reasonable times for the purpose of determining whether the land use restrictions described in paragraph 8 are being maintained (and operated as applicable) in a manner that ensures the protection of public health, safety, or welfare and the environment; this includes the right to take samples, monitor compliance with the corrective action plan, and inspect records.
 6. Written Notice of the Presence of Hazardous Substances. Owner agrees to include in any instrument conveying any interest in any portion of the Real Estate, including but not limited to deeds, leases and subleases (excluding mortgages, liens, similar financing interests, and other non-possessory encumbrances) the following notice provision:
NOTICE: THE INTEREST CONVEYED HEREBY IS SUBJECT TO AN ENVIRONMENTAL RESTRICTIVE COVENANT, DATED September 15 2002, RECORDED IN THE OFFICE OF THE RECORDER OF LAKE COUNTY ON March 18, 2003, INSTRUMENT NUMBER (or other identifying reference) 2013-020329 IN FAVOR OF AND ENFORCEABLE BY THE INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT.
 7. Notice to Department of the Conveyance of Property. Owner agrees to provide notice to the Department no later than thirty (30) days after any conveyance of any ownership interest in the Real Estate (excluding mortgages, liens, similar financing interests, and other non-possessory encumbrances). Owner must provide Department with a certified copy of the instrument conveying any interest in any portion of the Real Estate and, if it has been recorded, its recording reference. Such notice shall also include the name and business address of the transferee.

II. RESTRICTIONS AND OBLIGATIONS

8. The Owner shall:

- a) Prohibit any activity on the Real Estate that may interfere with any response activities, long-term monitoring, or measures necessary to assure the effectiveness and integrity of any response action, or component thereof, selected and/or undertaken at the Real Estate.
- b) Not use the Real Estate for residential purposes, including, but not limited to, daily care facilities (e.g., daycare centers, schools and senior citizen facilities).
- c) Not use the Real Estate for agricultural purposes.
- d) Neither engage in nor allow the installation or use of any water wells on the Real Estate. There shall be no consumptive, extractive or other use of the groundwater underlying the Real Estate that could cause exposure of humans or animals to the groundwater or disrupt the movement of groundwater underlying the Real Estate, other than for site investigation and/or remediation purposes, without prior Department approval.
- e) Neither engage in nor allow the excavation of any surface or subsurface soils, including the Capped Areas, on the Site without prior approval from the EPA and the Department.
- f) Maintain, and replace as necessary, the oil-absorbing booms on the airport property located in the ditch between the Real Estate and the airport property.
- g) Maintain and operate the EPA-installed oil recovery remediation system until such a time as a new, more effective system is installed and operational;
- h) Notify the Department if there is a change in the land use and/or any zoning changes that affect the commercial/industrial use of the Real Estate.

III. ENFORCEMENT

9. Enforcement. Pursuant to IND. CODE § 13-14-2-6(5), the Department may proceed in court, by appropriate action to enforce this Covenant. Owner agrees that the restrictions are enforceable, and agrees not to challenge the appropriate court's jurisdiction.

IV. TERM, MODIFICATION AND TERMINATION

10. Term. The restrictions shall apply until the Department determines that the contaminants of concern no longer present an unacceptable risk to the public health, safety, or welfare, or to the environment.
11. Modification and Termination. This Covenant shall not be amended, modified, or terminated except by written instrument executed between the Department and the owner of the Real Estate at the time of the proposed amendment, modification, or termination. Within five (5) days of executing an amendment, modification, or termination of the Covenant, such amendment, modification, or termination shall be recorded with the Office of the Recorder of Lake County and within five (5) days after recording, a true

copy of the recorded amendment, modification, or termination shall be presented to the Department.

V. MISCELLANEOUS

12. Waiver. No failure on the part of the Department at any time to require performance by any person of any term of this Covenant shall be taken or held to be a waiver of such term or in any way affect the Department's right to enforce such term, and no waiver on the part of the Department of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof.
13. Conflict of and Compliance with Laws. If any provision of this Covenant is also the subject of any law or regulation established by any federal, state, or local government, the strictest standard or requirement shall apply. Compliance with this Covenant does not relieve the Owner from complying with any other applicable laws.
14. Change in Law or Regulation. In the event that the Risk Integrated System of Closure ("RISC") is adopted by rule in Indiana, or in the event of any other change in applicable law or regulations, this Covenant shall be interpreted so as to ensure the continuing validity and enforceability of the restrictions listed in paragraph 8, above. In no event shall this Covenant be rendered unenforceable if Indiana's laws, regulations, RISC guidelines, or policies for environmental restrictive covenants or institutional or engineering controls change as to form or content. All statutory references include any successor provisions.
15. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other pursuant to this Covenant shall be in writing and shall either be served personally or sent by first class mail, postage prepaid, addressed as follows:

To Owner:
Scott Wheeler
Gary/Chicago International
Airport Authority
6001 Industrial Highway
Gary, Indiana 46406

To Department:
Indiana Brownfields Program
IGCN-Suite 1275
100 North Senate Avenue
Indianapolis, Indiana 46204
ATTN: Kyle Hendrix

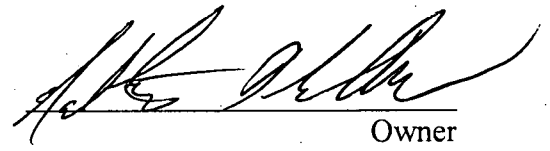
Any party may change its address or the individual to whose attention a notice is to be sent by giving written notice in compliance with this paragraph.

16. Severability. If any portion of this Covenant or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.
17. Liability. An Owner's rights and obligations under this instrument terminate upon transfer of the Owner's interest in the Real Estate, except that liability for acts or omissions occurring prior to transfer shall survive transfer.
18. Authority to Execute and Record. The undersigned persons executing this Covenant on behalf of the Owner represent and certify that they are duly authorized and have been fully empowered to execute, record, and deliver this Covenant.

Owner hereby attests to the accuracy of the statements in this document and all attachments.



IN WITNESS WHEREOF, the said Owner of the Real Estate described above has caused this Environmental Restrictive Covenant to be executed on this 15 day of September, 2012.

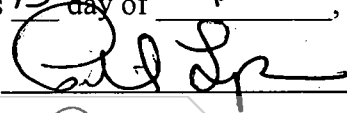

Owner

STATE OF Indiana)
) SS:
COUNTY OF Lake)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Nathaniel Williams the _____ of the Owner, _____, who acknowledged the execution of the foregoing instrument for and on behalf of said entity.

Witness my hand and Notarial Seal this 15 day of September, 2012.





Patrick Lyp, Notary Public

Residing in Porter County, Indiana

My Commission Expires: 5/31/2015

This instrument prepared by: Patrick Lyp, 56 S. Washington Street, Valparaiso, IN

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law.



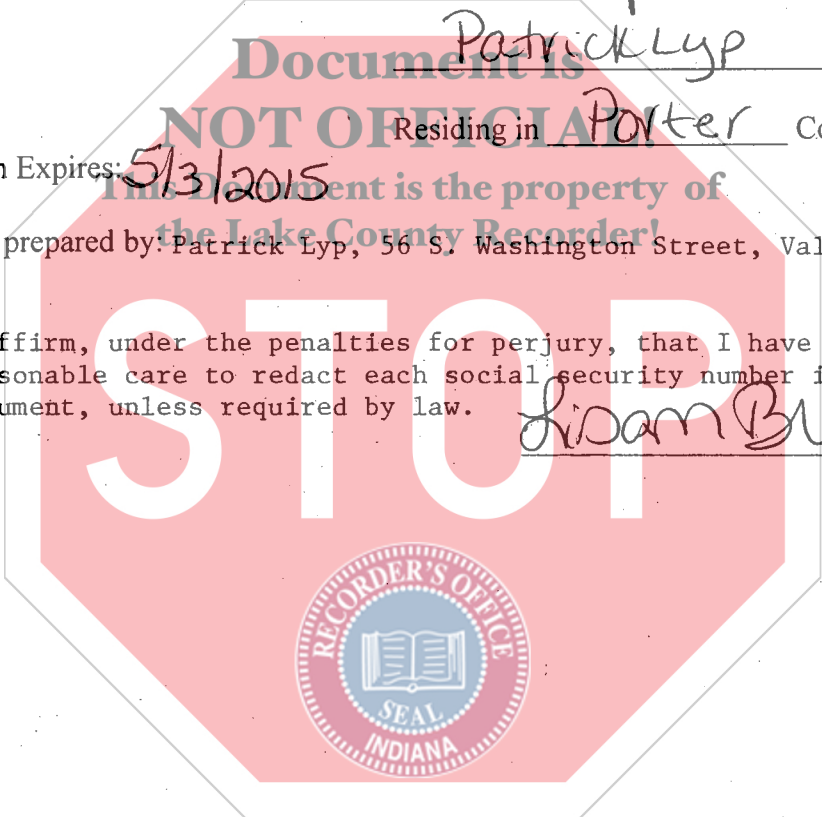


EXHIBIT A

Certified Copy of the Quit Claim Deed

And

Map of the Real Estate



2001 02053

COMMISSIONERS QUIT CLAIM DEED

THIS INDENTURE WITNESSETH THAT, the Board of Commissioners of Lake County, State of Indiana, RELEASE, QUIT-CLAIM, AND CONVEY to

GARY - CHICAGO AIRPORT AUTHORITY
6001 INDUSTRIAL HIGHWAY
GARY, IN 46404

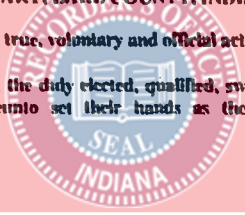
for and in consideration of the sum of FIVE HUNDRED TWENTY FIVE AND 0/100 DOLLARS (\$525) the receipt of which is hereby acknowledged, the following described real estate in Lake County, State of Indiana:

PROPERTY ID: 25-40-0151-0008
Common Address: 6500 INDUSTRIAL HIGHWAY
GARY, IN 46406

Legal Description: BEGINNING AT A POINT IN THE WEST LINE OF THE NE 1/4 OF SAID SECTION 35, WHICH IS 404.33 FEET SOUTH OF THE NORTHWEST CORNER OF THE NE 1/4 OF SAID SECTION 35; THENCE SOUTH ALONG THE WEST LINE OF THE NE 1/4 OF SAID SECTION 35; 412.26 FEET MORE OR LESS, TO A POINT, IN THE NORTHWESTERLY PROPERTY LINE OF PROPERTY CONVEYED BY THE GARY LAND COMPANY, TO THE CHICAGO, LAKE SHORE EASTERN R.R. COMPANY, NOW ELGIN, JOLIET AND EASTERN R.R. COMPANY, BY DEED DATED APRIL 16, 1910 AND RECORDED WITH RECORDER OF DEEDS OF LAKE COUNTY, INDIANA, IN BOOK 179, PAGE 350, AS DOCUMENT #32585, SAID LINE NOW BEING THE NORTHERLY RIGHT OF WAY LINE OF THE ELGIN, JOLIET AND EASTERN R.R. COMPANY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY RIGHT OF WAY LINE OF THE ELGIN, JOLIET AND EASTERN R.R. COMPANY, 660.40 FEET, MORE OR LESS, TO A POINT OF CURVE ON SAID R.R. RIGHT OF WAY; THENCE NORTH 40 DEGREES 20 FEET 45 INCHES WEST A DISTANCE OF 508.24 FEET TO A POINT ON A LINE WHICH IS 500 FEET FROM THE TANGENTIAL PORTION OF THE NORTHWESTERLY RIGHT OF WAY LINE OF SAID ELGIN, JOLIET AND EASTERN RAILROAD COMPANY, MEASURED IN RIGHT ANGLES THERETO, AND 1543.27 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY RIGHT OF WAY OF THE INDUSTRIAL HIGHWAY; THENCE SOUTH 44 DEGREES 59 FEET WEST 53.12 FEET MORE OR LESS TO THE SOUTH LINE OF SAID SECTION 26; THENCE CONTINUE ALONG THE LAST DESCRIBED LINE PRODUCED 61.44 FEET, MORE OR LESS TO A POINT WHICH IS 46 FEET EAST OF THE WEST LINE OF SAID NE 1/4 OF SAID SECTION 35, SAID 46 FEET BEING MEASURED AT RIGHT ANGLES TO SAID QUARTER SECTION LINE; THENCE SOUTH ALONG A LINE PARALLEL TO AND 46 FEET DISTANT FROM SAID QUARTER SECTION LINE 259.78 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG A LINE MAKING AN ANGLE OF 24 DEGREES 43 FEET TO THE RIGHT A DISTANCE OF 110 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN THE CITY OF GARY, LAKE COUNTY, INDIANA.

This deed is hereby confirmed as the true, voluntary and official act of the Lake County Commissioners.

IN WITNESS WHEREOF, the duly elected, qualified, sworn and acting Board of Commissioners of Lake County, Indiana, have hereunto set their official act, on this 3rd day of April, 2001.



APR - 3 2001

M. F. BENJAMIN
LAKE COUNTY AUDITOR

419

The Board of Commissioners Of:
LAKE COUNTY, INDIANA, BY:

Frances DePuy
Frances DePuy, President

Rudolph Clay
Rudolph Clay, Commissioner

Gerry Schuch
Gerry Schuch, Commissioner

STATE OF INDIANA, LAKE COUNTY, SS

Before me, the undersigned, duly elected, qualified, sworn and acting Auditor in and for said County and State, empowered by law to acknowledge the deeds of the Lake County Commissioners, under I.C. 36-2-2-11, 36-2-9-7, 32-1-3-18, 32-1-2-23, and City of Gary v. Belovich, 1987, 504 N.E.2d 286, do now attest that on this 2nd day of April, 2001, personally came the Lake County Commissioners, all of whom are personally known to me, and acknowledged the execution of the above and foregoing instrument as their true, voluntary and official act.

WITNESS MY HAND AND OFFICIAL SEAL

Peter Benjamin
Peter Benjamin, Auditor of Lake County

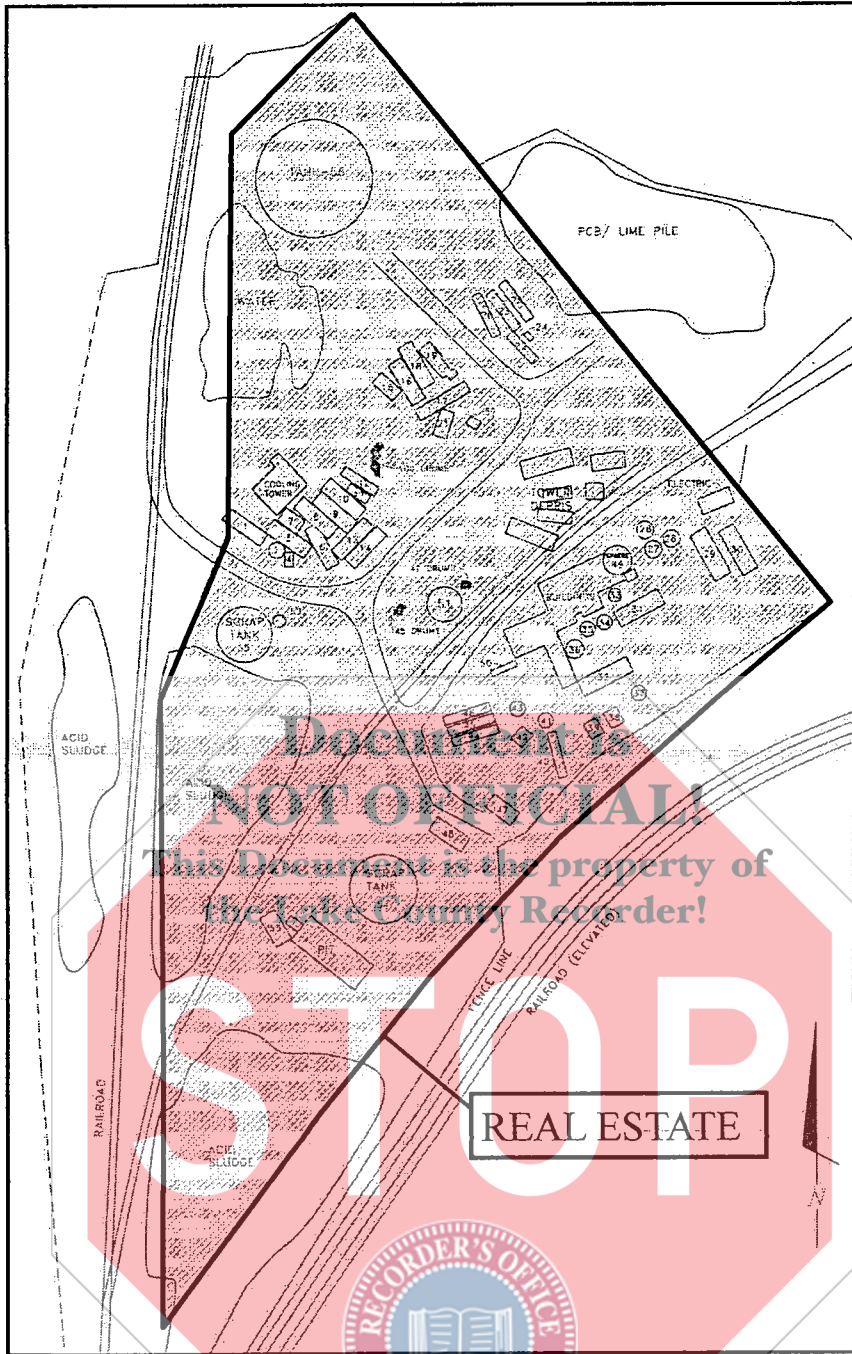
This instrument is prepared by: Lee J. Christakis, Attorney
7670 Broadway, Suite G
Merrillville, IN 46410

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REAL ESTATE



Real Estate Map
Former Conservation Chemical
Company of Illinois Facility
6500 Industrial Highway
Gary, Lake County
BFD #4070901

Created By Kyle Hendrix
 Indiana Brownfields Program
 December 18, 2007

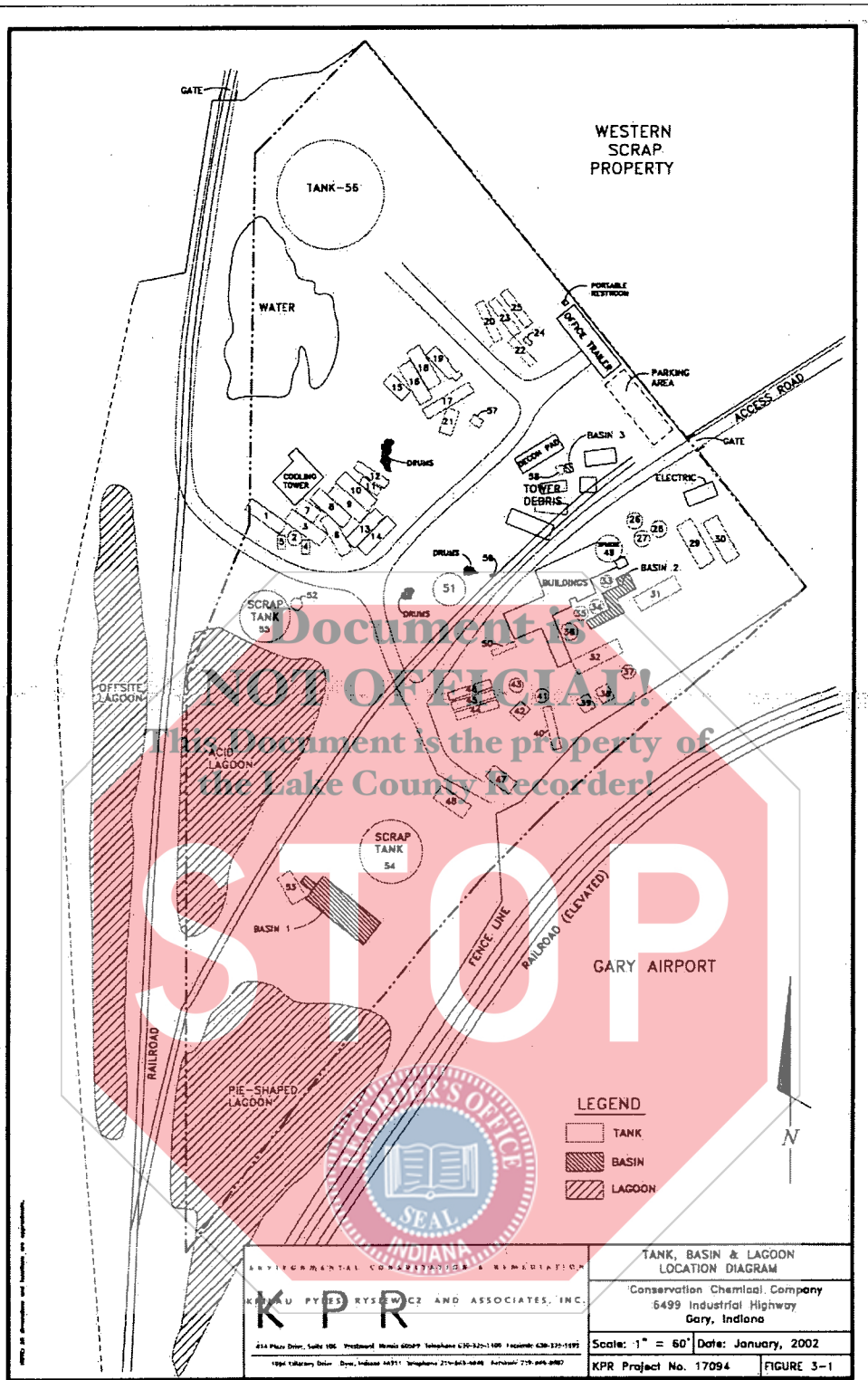
EXHIBIT B

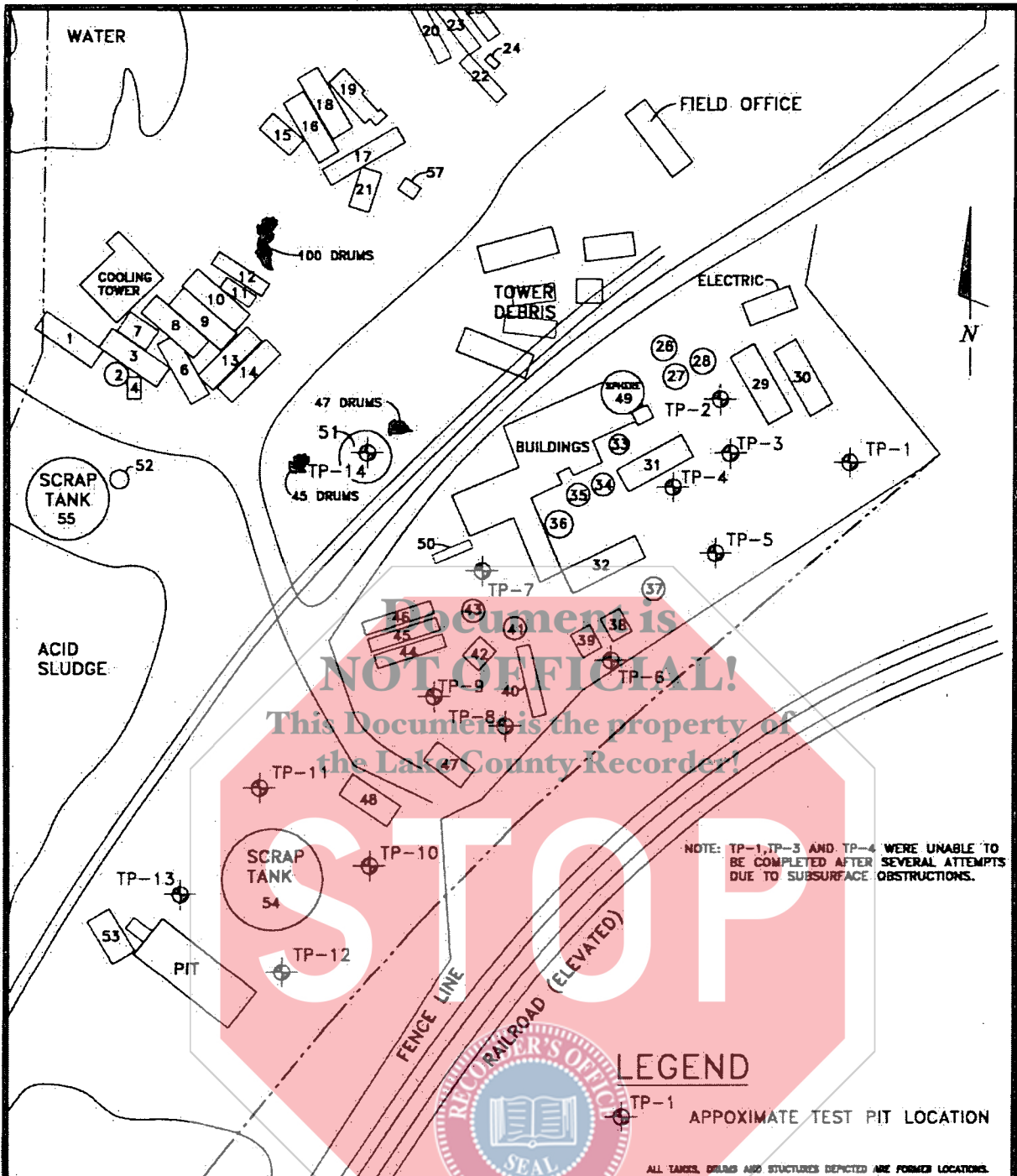
Historical Site Operations

And

Sample Locations Maps



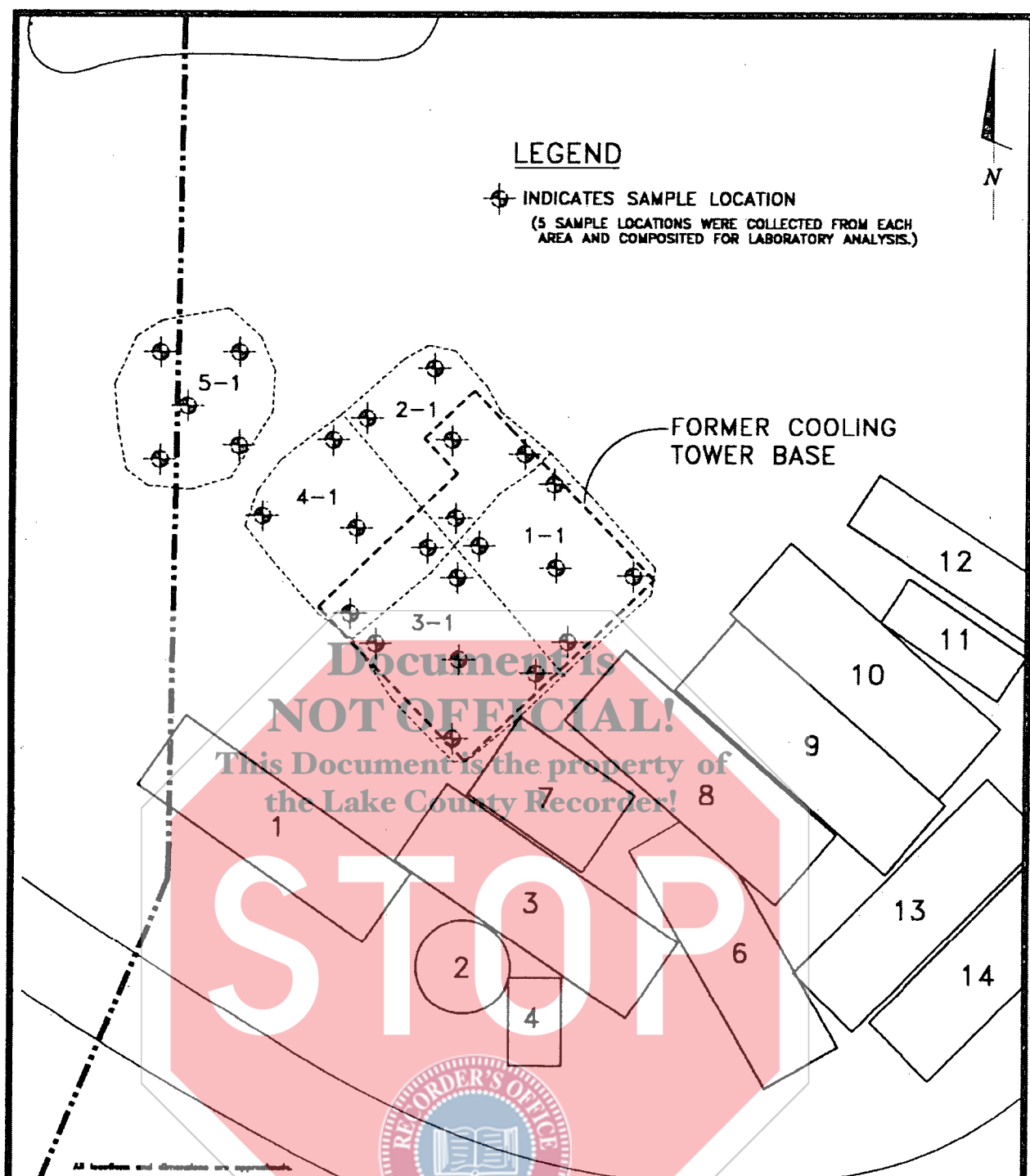




ENVIRONMENTAL CONSULTATION & REMEDIATION	TEST PIT LOCATION DIAGRAM	
K P R KRYZAU PYLES RYSIEWICZ AND ASSOCIATES, INC.	Conservation Chemical Company 6499 Industrial Highway Gary, Indiana	
414 Plaza Drive, Suite 106 Westmont, Illinois 60559 Telephone 630-325-1300 Facsimile 630-325-1593	Scale: 1" = 60'	Date: January, 2002
1056 Killarney Drive, Dyer, Indiana 46311 Telephone 219-865-6848 Facsimile 219-865-8587	KPR Project No. 17094	FIGURE 3-2

LEGEND

⊕ INDICATES SAMPLE LOCATION
 (5 SAMPLE LOCATIONS WERE COLLECTED FROM EACH AREA AND COMPOSITED FOR LABORATORY ANALYSIS.)



All bearings and distances are approximate.

ENVIRONMENTAL CONSULTATION & REMEDIATION

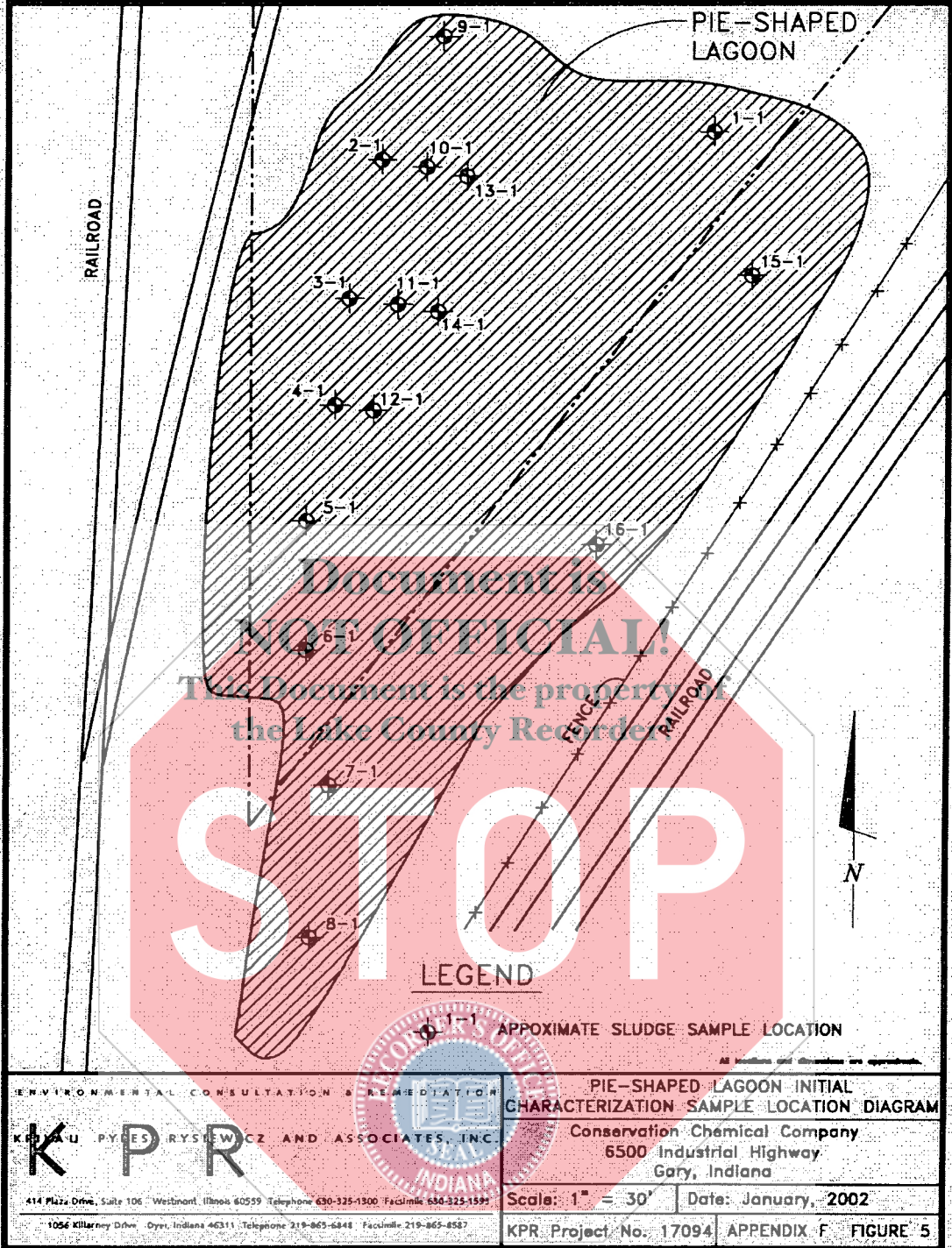
K P R
 KIMAU PYLES RYSEWICZ AND ASSOCIATES, INC.

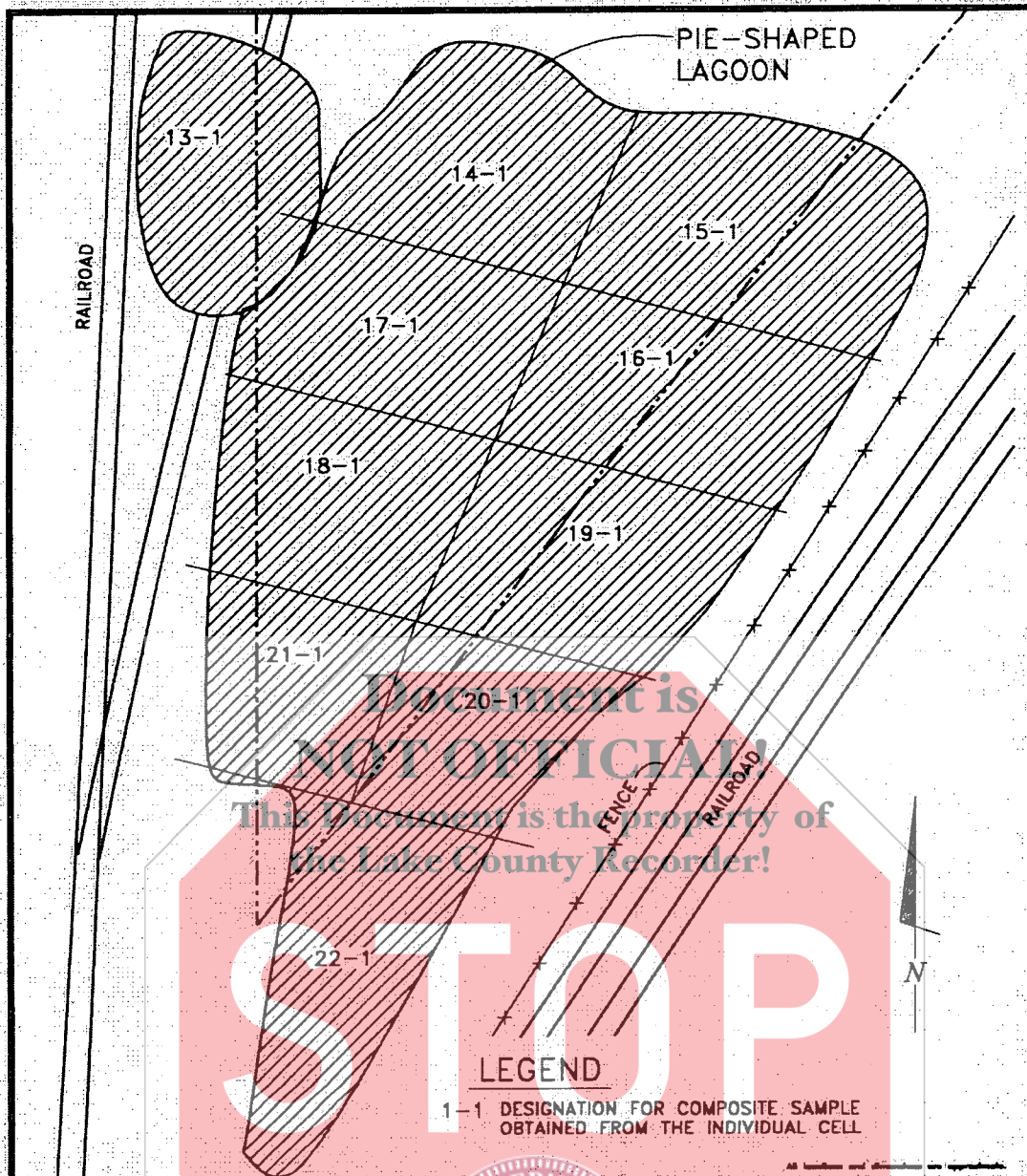
414 Plaza Drive, Suite 106 Westmont Illinois 60559 Telephone 630-325-1300 Facsimile 630-325-1593
 1056 Killarney Drive Dyer, Indiana 46311 Telephone 219-865-6848 Facsimile 219-865-8587

**WOODEN COOLING TOWER
 SAMPLE LOCATION DIAGRAM**

Conservation Chemical Company
 6499 Industrial Highway
 Gary, Indiana

Scale: 1" = 10'	Date: January, 2002
KPR Project No. 17094	FIGURE 3-3





ENVIRONMENTAL CONSULTATION & REMEDIATION

K P R

KRZYSZTOF PYLES RYSIEWCZ AND ASSOCIATES, INC.

414 Plaza Drive, Suite 106 Westmont, Illinois 60559 Telephone 630-325-1300 Facsimile 630-325-1393

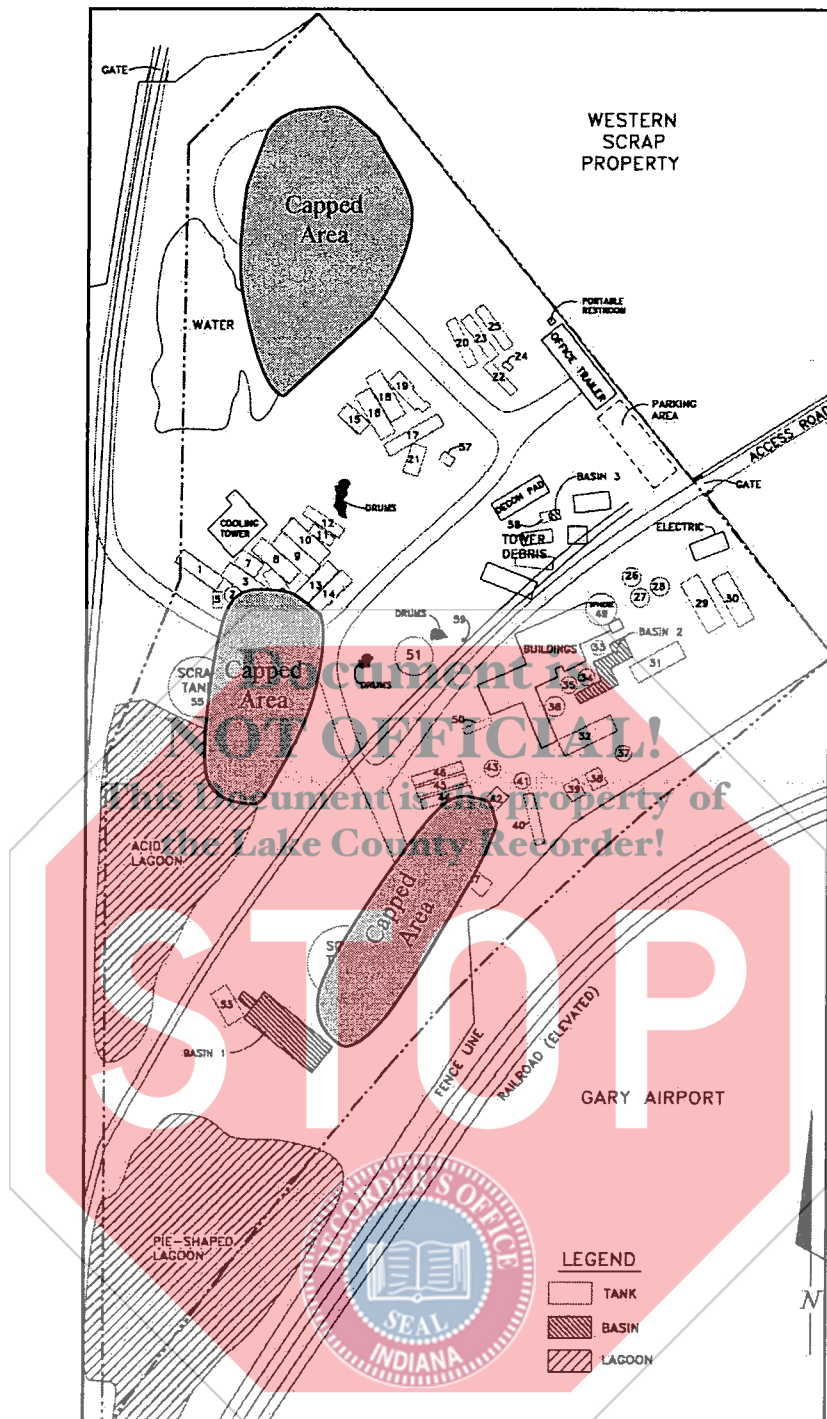
1056 Killarney Drive Dyer, Indiana 46311 Telephone 219-865-6848 Facsimile 219-865-8587

PIE-SHAPED LAGOON CLOSURE
SAMPLE LOCATION DIAGRAM

Conservation Chemical Company
6499 Industrial Highway
Gary, Indiana

Scale: 1" = 30' Date: January, 2002

KPR Project No. 17094 APPENDIX F FIGURE 6



Approximate Locations of
Capped Areas

TABLE 1

**July, October and November 1999
Soil Sampling Results**



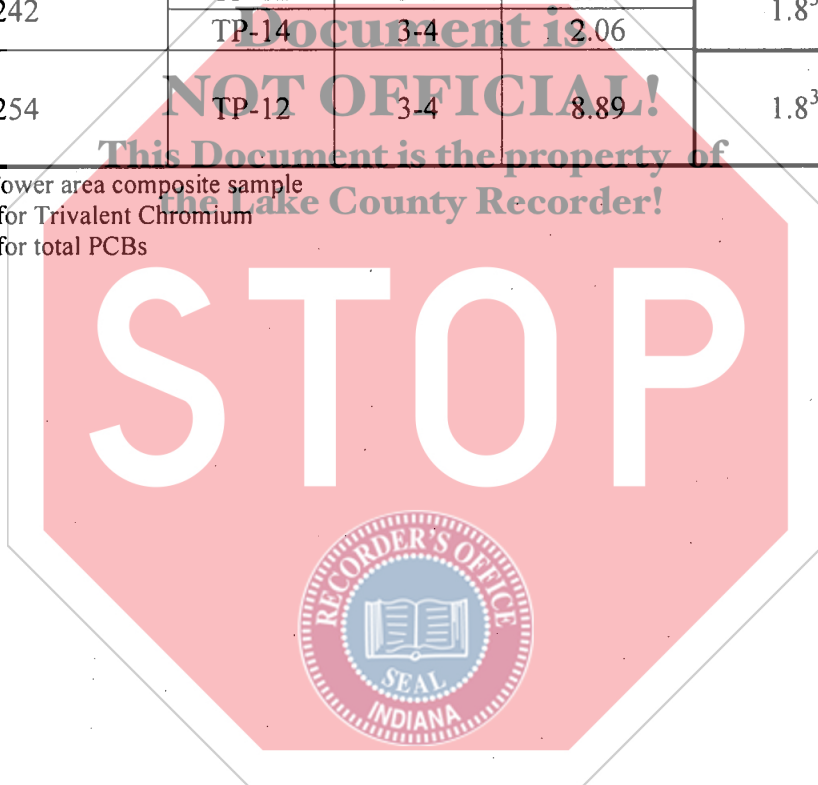
Table 1
Soil Sampling
Analytical Results
July, October and November 1999
(parts per million)

Contaminant	Location	Depth (feet)	Sample result	RISC RDCL	RISC IDCL
Cyanide	TP-9	7	84	0.94	9.6
	TP-14	3-4	203		
	TP-14	7	816		
Total Chromium	CT-S-2-2 ¹	-	12,000	10,000 ²	10,000 ²
	1-1	lagoon	14,000		
	2-1	lagoon	17,000		
	3-1	lagoon	10,000		
	4-1	lagoon	10,000		
Hexavalent chromium	14-4	lagoon	123	39	120
	14-4D	lagoon	118		
PCB-1242	TP-12	3-4	19.4	1.8 ³	5.3 ³
	TP-14	3-4	2.06		
PCB-1254	TP-12	3-4	8.89	1.8 ³	5.3 ³

¹ Former Cooling Tower area composite sample

² RDCL and IDCL for Trivalent Chromium

³ RDCL and IDCL for total PCBs



**COPY OF
COMFORT LETTER**





INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live.

Mitchell E. Daniels, Jr.
Governor

100 North Senate Avenue
Indianapolis, Indiana 46204

Thomas W. Easterly
Commissioner

(317) 232-8603
(800) 451-6027
www.IN.gov/idem

February 29, 2008

Mr. J. Scott Phipps PE, PLS
Gary/Chicago International
Airport Authority
6001 Industrial Highway
Gary, Indiana 46406

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the Lake County Recorder
Re: Comfort Letter
Former Conservation Chemical
Company of Illinois Facility
6500 Industrial Highway
Gary, Lake County
BFD #4070901

Dear Mr. Phipps:

In response to the request to the Indiana Brownfields Program (Program) by the Gary/Chicago International Airport Authority (GCIAA) for assistance concerning the Former Conservation Chemical Company of Illinois (CCCI) Facility (Site), the Indiana Department of Environmental Management (IDEM) has agreed to provide this Comfort Letter to clarify IDEM's position on the potential liability of the GCIAA and the necessity of an environmental response action at the Site. Though not a legal release from liability, this letter will help to establish whether environmental conditions at the Site might be a barrier to redevelopment or transfer.

The 4.1-acre CCCI Site was used as a conversion facility for industrial waste and to manufacture iron salt coagulants. The Site is currently vacant, with concrete pads from former above ground storage tanks (ASTs) and a groundwater pump and treatment system consisting of a steel frame maintenance shed, a 5,000-gallon AST used to store recovered waste oil, a 1,000-gallon AST located within the system shed, an oil-water separator and an extraction well pump. This system was installed in April 2003 and operated by the U.S. Environmental Protection

Agency Region 5 (EPA) until October 2007, at which time EPA decommissioned and ceased operating the system. A gravel parking lot is located adjacent to the maintenance building. The property is currently owned by the GCIAA which plans to use the Site as part of a safety upgrade and a runway expansion.

PAST USES AND OWNERS

Historical records indicate the Site was originally developed in the late 1800's for industrial use. From around 1907 to 1934, the Site was owned at various times by the Gary Land Company, the United States Steel Corporation, and the United States Department of Defense. Historical records available for this time frame were vague and did not yield any information with regards to the type of operations that occurred. No information was available for the time period between 1934 and 1952. From 1952 to 1959, the Johnson Oil Supply Company Refinery and Service Station operated the Berry Asphalt Company, an asphalt manufacturer and oil company. Asphalt operations ceased in 1962. Johnson Oil Refinery operated a petroleum refining facility under the name of Berry Oil Company Petroleum Refinery until 1966. CCCI purchased the Site in 1967 and operated an industrial waste recycling facility, storing and treating spent acids, oils, solvents and scrap metals into acceptable forms for disposal or reuse. In addition, CCCI produced ferric chloride. CCCI conducted these operations from 1967 to 1975 and from 1980 to 1985. From 1975 to 1980, CCCI operated a hazardous waste terminal and treatment facility. CCCI ceased operations and abandoned the Site in December 1985. The Site has remained vacant since that time. The Lake County Sheriff took ownership of the Site through the failure of CCCI to pay property taxes and simultaneously issued a Quit Claim Deed to the GCIAA on April 3, 2001.

ENVIRONMENTAL CONDITIONS AT THE SITE

As part of your request for assistance in determining the existing environmental impacts and potential liability at the subject property, Program Staff reviewed the following documents:

- *"Phase I Environmental Site Assessment"* Quality Environmental Professionals, Inc., July 24, 2007 (Phase I Report)
- *"Record of Decision for Proposed Master Plan Development Including Runway Safety Area Enhancement/Extension of Runway 12-30, and Other Improvements at Gary/Chicago International Airport, Gary, Indiana"* Department of Transportation, Federal Aviation Administration, Great Lakes Region, Chicago, Illinois, March 2005 (ROD)
- *"Final Report"* Krikau, Pyles, Rysiewicz and Associates, Inc., June 2002 (Final Report)

Environmental Assessment, Remediation and Removal History

Assessment, removal and remediation activities performed at the Site confirmed historical operations impacted soil, groundwater and surface water on the Site. The soil was impacted with acids, polychlorinated biphenyls (PCBs), chemical spills associated with ferric chloride manufacturing activities, and leakage or spills from tanks and drums storing hazardous

material or waste oils from refinery operations. Groundwater sampling indicated the presence of hazardous acid compounds, base neutral compounds, volatile organic compounds (VOCs), solvents, metals, PCBs and petroleum constituents. Offsite monitoring wells indicated groundwater was impacted with chlorinated organics, cyanide, phenols, and heavy metals. Additionally, surface water samples and surface sediment samples were collected with each exhibiting high chemical concentrations of metals and VOCs.

Past operations at the Site utilized three lagoons identified in the Final Report as the "pie basin" lagoon, "acid" lagoon, and "off-site" lagoon. The entire "off-site" lagoon and portions of the other two lagoons were located off of the Site. These lagoons were filled with chromium impacted sludge from CCCI operations.

Below are the significant remedial actions completed by EPA on the Site from 1987 to early 2000:

- Removed and disposed 45 to 60 ASTs and miscellaneous tanks in various stages of deterioration associated with the refinery and chemical operations.
- Removed cyanide solids and liquids, PCB-impacted solids and liquids, acid solids and liquids, caustic solids and liquids, waste oils, lead and chromium impacted solids and liquids, ferric chloride, chlorinated hydrocarbons and hazardous sludge stored in the ASTs and tanks.
- Removed and disposed impacted soils immediately surrounding ASTs.
- Cleaned two concrete-lined, and one unlined, metal pits containing acid liquids, acid solids, PCB-impacted oils, PCB/lime neutralized solids, fuel oils and waste oils. All three pits were backfilled with imported aggregate material and leveled to grade.
- Stabilized chromium impacted sludge from the "pie basin" lagoon, "acid" lagoon, and "off-site" lagoon to non-hazardous levels. This stabilized sludge from the "off-site" lagoon and portions of the "acid" and "pie-shaped" lagoons that were not located on the Site, but were part of CCCI operations, were removed and placed on areas of the Site deemed acceptable by EPA. These areas were then capped with two feet of clay and three inches of top soil and seeded for erosion control (Capped Areas).
- Removed and disposed of over 300 drums containing cyanide and acid solids.
- Identified and abated asbestos containing material in the form of pipe/equipment insulation, building materials and tank coatings.
- Excavated buried drums for disposal in an approved landfill.

- Installed a drainage pipe for free product recovery in a ditch at the north end of the runway located on the Gary/Chicago Airport property to control off-Site petroleum migration.
- Installed and operated an oil recovery remediation system that pumped and treated free-phase petroleum product, caustic solids, waste oils, ferric chloride, chlorinated hydrocarbons, and hazardous sludge from the groundwater aquifer (April 2003). EPA ceased operations and decommissioned the oil recovery remediation system due to budgetary issues in October 2007.
- From 1987 until 2007, an estimated 1.4 million gallons, 3,600 tons and 134 cubic yards of hazardous waste in the form of liquids and solids and non-hazardous waste debris from the Site were treated and/or disposed.

Site Conditions Based on Last Sampling Event

In July, October and November 1999, EPA completed an investigation of the Site. The scope of this investigation determined the amount of impacted surface and subsurface soil. Soil was removed in two areas. The first area was over the eastern one-third of the Site. Samples in this area were analyzed for PCBs, total cyanide, Toxic Characteristic Leaching Procedure (TCLP) metals, TCLP VOCs, and TCLP semi-volatile organic compounds (SVOCs). EPA determined that the sample results indicated hazardous concentrations of trichloroethene at TP-12 and TP-14, and lead at TP-5. Lead in TP-5 was re-sampled and determined not to be at a hazardous level. EPA excavated and disposed of the impacted soil in an approved landfill from the areas of test pit TP-12 and TP-14.

The second area was in the vicinity of the former wooden cooling tower on the Site. Samples in this area were analyzed for total chromium, TCLP chromium and hexavalent chromium. EPA determined that the results indicated the existing levels of hexavalent and total chromium were not hazardous and did not pose an immediate risk. Therefore, no soil was excavated in this area.

The sludge from the "pie-shaped", "acid", and "off-site" lagoons was tested for hexavalent chromium, total chromium, TCLP chromium and PCBs. Lime kiln dust was used to stabilize the sludge. Hazardous sludge identified in the "pie-shaped" lagoon was stabilized with fly ash and ferric chloride to levels deemed non-hazardous by EPA. Stabilized chromium-impacted sludge from these three lagoons was disposed in an area on the Site deemed acceptable by EPA and capped with two feet of clay and three inches of top soil and seeded for erosion control.

The Program compared the 1999 sampling results from both of these areas to the January 2006 version of the IDEM Risk Integrated System of Closure (RISC) Residential Default Closure Levels (RDCLs) and Industrial Default Closure Levels (IDCLs). Cyanide, PCB-1242, PCB-1254, total chromium and hexavalent chromium exceed their respective RDCLs and/or IDCLs as indicated in Table 1. All other samples were below their respective RDCLs.

Table 1
Soil Sampling
Analytical Results
July, October and November 1999
(parts per million)

Contaminant	Location	Depth (feet)	Sample result	RISC RDCL	RISC IDCL
Cyanide	TP-9	7	84	0.94	9.6
	TP-14	3-4	203		
	TP-14	7	816		
Total Chromium	CT-S-2-2 ¹	-	12,000	10,000 ²	10,000 ²
	1-1	lagoon	14,000		
	2-1	lagoon	17,000		
	3-1	lagoon	10,000		
	4-1	lagoon	10,000		
Hexavalent chromium	14-4	lagoon	123	39	120
	14-4D	lagoon	118		
PCB-1242	TP-12	3-4	19.4	1.8 ³	5.3 ³
	TP-14	3-4	2.06		
PCB-1254	TP-12	3-4	8.89	1.8 ³	5.3 ³

¹ Former Cooling Tower area composite sample

² RDCL and IDCL for Trivalent Chromium

³ RDCL and IDCL for total PCBs

Past investigations have found that on-Site and off-Site soil and groundwater have been impacted with chlorinated organics, cyanide, phenols and heavy metals by past operations on the Site. From April 2003 until September 2007, during which time EPA operated the oil recovery remediation system, free-phase liquid oil product was found on the groundwater aquifer.

In summary:

- (1) Historical uses of the Site have impacted the soil and groundwater at the Site. The most recent known levels of contaminants exceed RISC RDCLs and IDCLs in soil and free-phase liquid oil product has been found on the groundwater.
- (2) Impacted sludge material is stored and capped on the Site.
- (3) Buried abandoned piping, potentially containing product, exists on the Site.
- (4) The EPA ceased operation of the oil recovery remediation system in October 2007.
- (5) GCIAA acquired title by transfer from another political subdivision.

Liability and Enforcement Discretion

IDEM's "Brownfields Program Comfort and Site Status Letters" Nonrule Policy Document, W-0051 (April 18, 2003) (Comfort and Site Status Letter Policy), provides that IDEM may issue a letter under the policy to a stakeholder involved in redevelopment of a brownfield if the stakeholder satisfies certain eligibility criteria reviewed below. IDEM concludes, in part based on information provided by the GCIAA, that:

- (1) no federal grant requires an enforcement action at the brownfield;
- (2) no condition on the brownfield constitutes an imminent and substantial threat to human health or the environment **as long as the oil absorbing booms on the airport property are properly maintained, including replacement as necessary, and the EPA-installed oil recovery remediation system is operating;**
- (3) neither the GCIAA nor an agent or employee of the GCIAA caused, contributed to, or knowingly exacerbated the release or threat of release of any hazardous substance or petroleum at the brownfield, and;
- (4) the GCIAA is eligible for an applicable exemption to liability, specifically, the GCIAA qualifies as a political subdivision that is exempt from liability under IC 13-25-4-8(e)(8), IC 13-11-2-150(c)(8), or IC 13-11-2-151(b)(8), having acquired title to the Site from Lake County.

Environmental Steps

The March 2005 ROD provides the final Federal Aviation Administration (FAA) determinations and approvals for those actions the federal government will require GCIAA to implement to comply with current FAA development standards. In addition, the ROD identifies the *Proposed Actions* needed to address the GCIAA improvements of both the airfield and terminal area facilities. These actions are primarily designed to enhance airport safety and enhance facilities for airport users. A secondary element of the *Proposed Actions* is the opportunity to "allow enhancements of the human environment in and around the Airport." A Final Environmental Impact Statement (FEIS) developed as part of the ROD identifies the range of known contamination, likely areas of additional contamination, and subsequent steps that the GCIAA will be required by the FAA to take in implementing the *Proposed Action*.

IDEM agrees that the subsequent steps outlined in the FEIS are necessary for the GCIAA to effectively address the hazardous substance and petroleum contamination found at the Site. For the GCIAA to satisfy the ROD, as a condition of the effectiveness of this Comfort Letter, the following actions are deemed necessary by IDEM to make the Site safe for its intended use:

- (1) Maintain, and replace as necessary, the oil-absorbing booms on the airport property located in the ditch between the Site and airport property;
- (2) Maintain and operate the EPA-installed oil recovery remediation system until such a time as a new, more effective system is installed and operational;
- (3) Determine the effectiveness of the existing EPA oil recovery remediation system;

- (4) Define the nature and extent of contamination in surface soils, subsurface soils and groundwater;
- (5) Prepare a Remediation Action Plan (RAP) for all soil and groundwater cleanup activities and submit the RAP to the EPA and IDEM for approval;
- (6) Implement the EPA- and IDEM-approved RAP;
- (7) Implement and maintain all land use restrictions described below in this letter or otherwise determined to be appropriate following implementation of the RAP; and,
- (8) Communicate new information about any new (or previously unidentified) contamination to IDEM upon becoming aware of such.

Institutional Controls

As a condition of the effectiveness of this Comfort Letter, IDEM is requiring the GCIAA to record this letter and an environmental restrictive covenant (ERC) on the deed for the Site. The ERC, which is attached hereto, must include, but is not limited to, the following restrictions:

- neither engage in nor allow installation of any water wells on the Site or allow the use of any existing water wells on the Site, except for investigative, monitoring or remedial purposes
- neither engage in nor allow the excavation of any surface or subsurface soils, including the Capped Areas, on the Site without prior approval from the EPA and IDEM
- neither engage in nor allow the use of the Site for residential purposes
- neither engage in nor allow the use of the Site for agricultural purposes

The above restrictions must stay in place until such time that the soil and groundwater contamination on the Site and adjoining properties has been mitigated and IDEM determines the restrictions can be removed. Should new information or confirmation sampling conducted in conjunction with construction or remedial work at the Site in the future conclude that the Site is appropriate for unrestricted use or a particular restriction is no longer necessary to protect human health and the environment, IDEM will, upon request, consider recommending removal of the relevant land use restriction pursuant to the terms and conditions of the ERC. Conversely, it is also possible that additional restrictions may be necessary in the future due to new information or changed circumstances at the Site, making additional measures necessary to satisfy conditions of this letter.


This letter is based on the nature and extent of contamination known to IDEM as of the date of this letter. If IDEM later discovers that the aforementioned investigations or other information submitted to or otherwise reviewed by IDEM was inaccurate or incomplete, or acts or omissions by the GCIAA exacerbate the contamination at the Site, the determinations made in this letter may change, the letter may be revoked, and/or IDEM may pursue any responsible party.

In order for this letter to be given effect by IDEM, the GCIAA must record this letter and the ERC in the Lake County Recorder's Office. Please return certified copies of the filed documents to:

Kevin Davis, Technical Review Coordinator
Indiana Brownfields Program
100 North Senate Avenue
Room N1275
Indianapolis, IN, 46204
ATTN: Kyle Hendrix

IDEM encourages the commercial/industrial redevelopment of this Site. Please be advised that any work performed at the subject property must be done in accordance with all applicable environmental laws. Furthermore, redevelopment of this Site in a manner consistent with the land use restrictions outlined above will lessen the possibility that environmental conditions at the property could deteriorate in the future. IDEM and the Indiana Brownfields Program are pleased to assist GCIAA with the reuse of this Site. Should you have any questions or comments, please contact Kyle Hendrix of the Indiana Brownfields Program at (800) 451-6027, ext. 2-4402 or (317) 232-4402.

Sincerely,

Document is NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

Peggy Dersey
Deputy Assistant Commissioner
Office of Land Quality

Attachments

cc: File
Jan Pels, U.S. EPA Region 5
Nivas Vijay, Qepi
Meredith Gramelspacher, Indiana Brownfields Program
Kyle Hendrix, Indiana Brownfields Program

