

**FUNDING AGREEMENT
BETWEEN**

ALUMINUM COMPANY OF AMERICA

AND

**THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION,
THE TEXAS GENERAL LAND OFFICE,
THE TEXAS PARKS & WILDLIFE DEPARTMENT AND
THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OF THE U.S. DEPARTMENT OF COMMERCE**

This Agreement, by and between Aluminum Company of America ("Alcoa") and the Texas Natural Resource Conservation Commission ("TNRCC"), the Texas General Land Office ("TGLO"), the Texas Parks & Wildlife Department ("TPWD") and the National Oceanic and Atmospheric Administration of the U.S. Department Of Commerce ("NOAX") (collectively, "Trustees"), is entered into as of the 16th day of February, 1996, to permit Alcoa to provide certain funds to these Trustees for the purposes of conducting consultations, the scope and purpose of which are described below, between the Trustees and Alcoa concerning alleged damage to natural resources at the ALCOA (Point Comfort)/Lavaca Bay Site ("Consultations").

The parties to this Agreement agree that the Consultations are to provide a timely forum for the joint identification of actions appropriate to achieve restoration of natural resources that may have been injured, lost or destroyed as a result of releases of hazardous substances from the Site and to address restoration or natural resource damage assessment data needs, concerns and/or issues in concert with the development and implementation of the RI/FS for the Site, to the extent practicable and appropriate.

The parties to this Agreement have estimated the funds necessary for the Trustees, individually, to engage in such Consultations for a period of two years from the date of this Agreement. Such estimated sum is \$50,000.00 for each of the Trustees to this Agreement. Payment shall be made, within fifteen (15) days of the date of this Agreement, to these Trustees as follows:

- A. To the Texas Natural Resource Conservation Commission, by a check in the amount of \$50,000.00 payable to the "Texas Treasury, Safekeeping Trust Company" referencing the "Point Comfort/Lavaca Bay Site," with the additional notation "For deposit to the 'Natural Resource Damage Restoration Trust Fund/TNRCC'" and sent to:

Texas Treasury, Safekeeping Trust Company
200 E. 10th St.
Austin, TX 78701-2436

Document ID Number: 1657
AR: Lavaca Bay
Title: Funding Agreement

A copy of this check should be sent to

Richard Seiler, MC142
P.O. Box 13087,
Austin, TX 78711-3087

- B. To the Texas General Land Office, by a check in the amount of \$50,000.00 payable to the "Texas Treasury, Safekeeping Trust Company" referencing the "Point Comfort/Lavaca Bay Site," with the additional notation "For deposit to the 'Natural Resource Damage Restoration Trust Fund/TGLO'" and sent to:

Texas Treasury, Safekeeping Trust Company
200 E. 10th St.
Austin, TX 78701-2436

A copy of this check should be sent to

Diane Hyatt, Texas General Land Office
Suite 1125
1700 North Congress Avenue
Austin, TX 78701-1495

- C. To the Texas Parks and Wildlife Department, by a check in the amount of \$50,000.00 payable to the "Texas Parks and Wildlife Department" referencing the "Point Comfort/Lavaca Bay Site" and sent to:

Texas Parks and Wildlife Department
Kay Hiscoe, Cashier & Revenue Control
4200 Smith School Road
Austin, Texas 78744

and

- D. To the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce by a check in the amount of \$50,000.00 payable to "NOAA, Department of Commerce," referencing the "Point Comfort/Lavaca Bay Site" and sent to:

NOAA Finance Services Division
Bills and Collection Unit, Caller Service 7025
20020 Century Boulevard
Germantown, NM 20874

A copy of this check should be sent to:

NOAA Office of General Counsel
9721 Executive Center Dr. N.
Suite 137
St. Petersburg, FL 33702
Attn: Stephanie Fluke

The sole purpose of this Agreement is to provide funds to the Trustees for their uses for the Consultations. Neither the entry into this Agreement by the Trustees, or any of them, nor the receipt or use of any of the Funds provided for hereunder is, nor may it be deemed as, a release by the Trustees, or any of them, of Alcoa for its liability, if any, for damages or injuries to natural resources at the Site or for reimbursement of the costs of performing a natural resource damage assessment with respect to the Site. Neither Alcoa's participation in the Consultations nor in this Agreement is nor may it be deemed as an admission of any liability for releases of hazardous substances, pollutants or contaminants at the Site nor for damages or injuries to natural resources or for the costs of performing a natural resource damage assessment.

Use of the Funds shall be at the sole discretion of the Trustees. The parties to this Agreement contemplate that this Agreement may be extended or renewed for additional terms. However, any decision to extend or renew this agreement, with or without modification, shall be at the discretion of each of the parties hereto. The parties further contemplate that approximately two years from the date of the Agreement and prior to an extension or renewal, if any, of this Agreement, each Trustee will provide to Alcoa a reasonably detailed accounting of the use of the Funds for the purpose of permitting Alcoa to evaluate whether it desires to continue funding further Consultations with the Trustees. Alcoa agrees that, in the event that the Funds provided are insufficient to permit the Trustees to conduct the Consultations for the full two year period, Alcoa will consider, in good faith, whether to provide additional funds to permit continuation of the Trustees' participation in the Consultations through the balance of the two year period. In the event that such a request is made, the Trustee(s) requesting funds will provide a reasonably detailed accounting of the use of the expended Funds for the use by Alcoa in considering the request(s).

In the event there remains an unused balance in any of the Funds after expiration of this Agreement, or any extension or renewal, and after all Trustees' Consultation expenses, incurred during this Agreement, or any extension or renewal, are paid, any Trustee holding such unused balance shall return such balance to Alcoa in as reasonably an expeditious time as practical.

ALUMINUM COMPANY OF AMERICA

By: _____

FOR THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

FOR THE TEXAS GENERAL LAND OFFICE

FOR THE TEXAS PARKS AND WILDLIFE DEPARTMENT

FOR THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OF THE U.S.
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