

FINDING OF SUITABILITY FOR TRANSFER

NAVAL INDUSTRIAL RESERVE ORDNANCE PLANT (NIROP) FRIDLEY, MINNESOTA



Prepared by:

**Department of the Navy
Southern Division
Naval Facilities Engineering Command
North Charleston, South Carolina**

April 2004

**FINDING OF SUITABILITY FOR TRANSFER
NAVAL INDUSTRIAL RESERVE ORDNANCE PLANT
FRIDLEY, MINNESOTA**

ENVIRONMENTAL REVIEW

ES00 Review: 4/5/04 D. Pangrafill
 Receipt Date: 4/5/04
 Date Review Completed: 4/5/04
 Reviewer's Signature: [Signature]

I have reviewed subject FOST for Environmental completeness and technical sufficiency.
 I recommend do not recommend forwarding for the COM's signature (See attached comments.)

ES1 Review: Laurens Pitts
 Receipt Date: 3/31/04
 Date Review Completed: 3/31/04
 Reviewer's Signature: [Signature]

I have reviewed subject FOST for Environmental Planning completeness and technical sufficiency.
 I recommend do not recommend forwarding for the COM's signature (See attached comments.)

ES11 Review: David Criswell
 Receipt Date: ~~3/31/04~~ 3/31/04
 Date Review Completed: 4/16/04
 Reviewer's Signature: [Signature]

I have reviewed subject FOST for completeness and technical sufficiency.
 I recommend do not recommend forwarding for the COM's signature (See attached comments.)

ES32 Review: Dan Owens
 Receipt Date: 4/1/04
 Date Review Completed: 4/5/04
 Reviewer's Signature: [Signature]

I have reviewed subject FOST for completeness and technical sufficiency.
 I recommend do not recommend forwarding for the COM's signature (See attached comments.)

LEGAL REVIEW

Reviewer's Name: Steve Beverly
 Reviewer's Title: Environmental Counsel
 Code: 09C-sab
 Receipt Date: 3/31/04
 Date Review Completed: 3/31/04
 Reviewer's Signature: [Signature]

I have reviewed subject FOS for legal sufficiency.
 I recommend do not forwarding for the CO's signature.
 See attached comments.

Note: This is a non-BRAC disposal action being administered by the General Services Administration. Thus, SOUTHDIV Real Estate was not included on this review chop.

**FINDING OF SUITABILITY TO TRANSFER
NAVAL INDUSTRIAL RESERVE ORDNANCE PLANT
FRIDLEY, MINNESOTA**

1.0 Purpose

The purpose of this Finding of Suitability to Transfer (FOST) is to document the determination made by the undersigned authority, as the responsible Department of Defense (DoD) component official, that the real Property and associated improvements comprising the Naval Industrial Reserve Ordnance Plant (NIROP or Property), Fridley, Minnesota, are environmentally suitable for deed transfer to United Defense, L.P., (UDLP) the current facility operator, through a negotiated sale administered by the General Services Administration (GSA). This FOST replaces in its entirety, an earlier more generic FOST executed back on 13 January 1998 in connection with the contemplated disposal of this same facility.

2.0 Description of Property to be Transferred

As further detailed in attached **Exhibit A**, the NIROP encompasses 80.35 acres of land, of which, approximately 36 acres are covered by the facility's Main Industrial Building. That building extends onto adjacent industrial Property owned by UDLP. The facility was built in 1940 and the Navy acquired the portion of the physical plant it currently occupies in 1947. Several small buildings, including Building 52/53 (groundwater extraction system enclosure); Building 13 (guard house); Building 51 (storage building); Building 50 (warehouse); Building 37 (armament building); Building 34 (liquid propane tanks control room); Building 58 (munitions bunker), and Building 59 (soil vapor extraction system enclosure) are located adjacent to the Main Industrial Building. The NIROP is situated north of the Minneapolis/St. Paul metropolitan area within the boundaries of the City of Fridley, Minnesota.

3.0 Past and Proposed Future Use of the Facility

Since the initiation of industrial operations in 1940, the NIROP has been used primarily for the production of gun mounts and guided missiles launching systems for the Department of Defense (DoD). It is anticipated that UDLP will continue to use the Property for similar industrial manufacturing / commercial purposes.

4.0 Environmental Condition of the Property

a. Hazardous Substance Contamination

The NIROP is a National Priorities List (NPL) site. For environmental investigation and remediation purposes the NIROP was divided into three Operable Units

(OUs). OU #1 encompasses groundwater contamination. OU #2 encompasses unsaturated source contamination outside the Main Industrial Building. OU #3 encompasses source contamination beneath the Main Industrial Building and saturated source contamination underneath and outside that building. The Remedial Investigations ("RI's") for OU #1, OU #2 and OU#3 have been completed and all available information concerning the past storage, release or disposal of hazardous substances on the NIROP as collected through record searches, aerial photographs, personnel interviews and on-site sampling and visual inspections conducted is contained in the facility-wide Environmental Baseline Survey for Transfer - October 1997 (EBST) prepared by the Navy in contemplation of the disposal of this particular facility. A copy of the EBST has been provided to GSA and UDLP representatives.

As documented in the EBST, trichloroethene (TCE) was the only hazardous substance found to have been released or disposed of in excess of its reportable quantity under 40 CFR Part 302. However, several other volatile organic compounds, semi-volatile organic compounds, metals, and PCBs have also been detected in soils and groundwater at the facility. Groundwater remediation (currently a pump and treat system) to address both the TCE and these other contaminants in groundwater will continue until cleanup goals have been achieved. With respect to surface and subsurface soil contamination at the NIROP, the Navy intends to impose certain land use controls (LUCs) via the deed of conveyance on certain portions of the NIROP (i.e., Designated Restricted Areas A-3, A-4 and former plating shop) shown in the three surveys comprising **Exhibit B** to this FOST. Application of these LUCs will preclude unacceptable future risks to human health and the environment and the Navy has obtained regulatory concurrence with this remedial approach. Interim LUCs will also be imposed via the deed of conveyance to preclude exposure to contaminated groundwater beneath the facility until applicable cleanup goals have been achieved.

b. Petroleum USTs / Contamination

A total of twelve (12) underground storage tanks (USTs) were formerly in use at the NIROP. All twelve have since been removed. As documented in the EBST, seven (7) of those tanks had leaks associated with them. Cleanup actions were undertaken and all seven sites have received closure certifications from MPCA.

c. DoD Condition of Property Classification

The EBST documents that in 1997, approximately 44.35 acres of the NIROP qualified for DoD Property Condition Classification Category 3/Yellow (*areas where necessary removal or remedial actions are underway but have not yet been completed*) with the remainder qualifying for Category 4/Red (*areas where*

required remediation has not yet been planned or implemented or where the condition of the Property does not otherwise satisfy applicable regulatory requirements). Because of the initiation of subsequent remedial efforts, the entire NIROP now qualifies for classification under Category 3/Yellow. Cleanup work continues for the entire facility under the Navy's Installation Restoration (IR) Program and the terms of a Federal Facility Agreement (FFA) which the Navy executed back in March of 1991 with U.S. Environmental Protection Agency (EPA) and the Minnesota Pollution Control Agency (MPCA). There are currently no environmental conditions on the NIROP which would preclude its transfer and reuse as an industrial facility assuming the application of those LUCs described later on in this document

d. Other Environmental Matters

1. Ordnance

There is no evidence of ordnance treatment and/or disposal activities having ever been conducted at the NIROP.

2. Asbestos

In 1990-1991 timeframe an asbestos survey was conducted on NIROP Property. In 1995, an additional survey was conducted on UDLP Property. The plant prioritized each surveyed area identified in both reports based on potential for exposure and condition of the asbestos-containing material (ACM) and developed an abatement plan. Abatement projects since the implementation (October 1996) of the Plant Abatement Plan have consisted of the removal of piping insulation, floor tiles, and ceiling tiles. Approximately 7,385 pounds of ACM were removed in 1996, approximately 104,000 pounds were removed in 1997, and approximately 5,800 pounds were removed in 1998. Although ACM remains at the NIROP facility, it is believed that pursuant to DoD policy, all accessible, damaged and friable ACM has been repaired or removed. UDLP should be advised of the need to properly manage all remaining ACM to prevent future risks to human health or the environment.

3. Polychlorinated Biphenyls (PCBs)

PCB-containing items at the NIROP include oil-filled electrical equipment and hydraulic systems. There are no regulated PCB items (items containing more than 50 parts per million (ppm) PCBs) at the plant. The major electrical distribution system components at the plant consist of transformers, capacitors, circuit breakers, and switchgears. Currently there are no oil-filled transformers at the facility; there are twelve dry transformers located within nine substations. Formerly there were three PCB-

contaminated transformers located in substation No. 5, however, these units were removed from service and disposed of in 1989. Also, there were three PCB-contaminated transformers formerly located in substation No. 4. These units were disposed of in 1979. There were no reported uncontrolled releases of transformer oil to the environment. All regulated PCB capacitors known to be present at the plant (104 units) were removed from service in 1988.

Historically, there were four reported releases of PCB dielectric fluid from capacitor units. All releases were of 0.5 kg or less of PCB oil and all releases were contained within the cabinet or secondary containment structure. In 1987/1988, Navy owned equipment (SIP Jig bore, grinders, lathes, drills, etc.) containing hydraulic systems were sampled and the oil analyzed for PCBs. Only one unit contained PCBs (15 ppm), and this unit is not regulated. All known equipment containing hydraulic systems has been tested for PCBs. Historically, PCB and PCB-contaminated equipment were stored for removal in concrete tanks, which were covered with concrete lids and temporarily sealed. Storage was discontinued in 1989 when the remaining PCB capacitors and PCB-contaminated transformers were disposed of. There were no reported spill or leaks associated with the temporary storage area. During the OU #3 Remedial Investigation, PCBs were detected in the subsurface soils beneath the main NIROP building but at concentrations below Minnesota's Soil Reference Values for either residential or industrial exposure.

4. Radon

A radon survey has not been conducted at the NIROP. The Minnesota Department of Health (MDH), based on information provided by EPA, classifies Anoka County as a medium radon potential area. This classification was based on radon data which indicated that between 10 to 20 percent of tested homes had radon levels above the EPA's guideline of 4 pico curies per liter (MDH, 1997). Structures such as family housing units, hospitals, schools, and child care centers, typically included in radon surveys, are not present at the facility and there is currently no regulatory requirement for radon testing and abatement in industrial buildings.

5. Lead-Based Paint

Because the NIROP was built before 1978 when the Federal ban on use of lead-based paint was instituted, it must be assumed that lead-based paint is present on the interior and exterior surfaces of each structure located on the

Property. By way of the EBST and transfer deed, UDLP will be provided with notice of the potential presence of such paint within, or on the exterior surfaces of all existing facilities at the NIROP so that appropriate LBP hazard prevention measures may be implemented as needed to preclude potentially harmful worker / facility invitee LBP exposures.

5.0 Requirements Applicable to Property Transfer

a. National Environmental Policy Act (NEPA) Compliance

On 12 January 1998, a Categorical Exclusion (CATEX) determination was made and executed by the appropriate Navy official in satisfaction of NEPA requirements pertaining to the transfer of this facility to GSA for disposal. GSA will ensure compliance with all NEPA requirements applicable to its subsequent deed transfer of the NIROP to UDLP.

b. Hazardous Substance Notice:

In compliance with CERCLA Section 120(h)(3)(A)(i) and 40 CFR Part 373, a listing of those specific hazardous substances which it is known, based upon a complete search of agency records, were stored for one year or more, released or disposed of in excess of their respective reportable quantities under 40 CFR Part 302 and a description of all remedial actions taken to address such releases and/or disposals is provided in attached **Exhibits C and D** which will be appended to the transfer deed.

c. CERCLA Access Clause:

In accordance with CERCLA Section 120(h)(3)(A)(iii), the transfer deed will contain a provision granting the Navy, its officer, agents, employees and contractors and subcontractors a right of access to all portions of the Property for purposes of completing all necessary environmental investigation, remediation, monitoring or other response actions. This reservation shall include the right of access to and use of, to the extent permitted by law, available utilities at reasonable cost to the Navy. Pursuant to this same access reservation, the Navy will grant to EPA and the MPCA, their officers, agents, employees, contractors and subcontractors the right to enter upon the Property to conduct, or to oversee the Navy's conduct of, all such necessary environmental investigation, remediation monitoring or other response action activities on the Property. All such entry(ies) by the Navy, EPA or MPCA shall be coordinated with UDLP and its successors, assigns, and/or tenants in order to minimize any interruptions with their use of the facility.

d. Land and/or Groundwater Use Controls

To ensure future protection of human health and the environment from residual soils and groundwater contamination, certain land and groundwater use controls (LUCs) will be implemented on the NIROP via transfer deed provisions as further described below:

1. Categorical Use Restriction:

The transfer deed will require that UDLP covenant on behalf of itself, its lessees, licensees, successors and assigns to only use the Property for industrial or restricted commercial uses unless the EPA and MPCA determine that the concentrations of hazardous substances in the soils on the Property allow for less restrictive uses. Permissible industrial uses shall include, but not be limited to, the following types of uses: public utility services, rail and freight services, raw storage facilities, refined material storage facilities, and manufacturing facilities engaged in the mechanical or chemical transformation of materials or substances into new products. Permissible restricted commercial uses shall include those where access or occupancy by non-employees is less frequent or is restricted, including a wide variety of uses, ranging from non-public access and both outdoor and indoor activities (e.g., large scale warehouse operations), to limited public access and indoor worker activities (e.g., shopping mall, retail outlet, bank, dentist office). Strictly prohibited uses under either category shall include any child care or pre-school facility, playground, any form of housing, churches, social centers, hospitals, elder care facilities or nursing homes.

2. Well Installation / Groundwater Extraction Restriction:

The transfer deed will require that UDLP covenant on behalf of itself, its lessees, licensees, successors and assigns not install any water supply wells nor extract any groundwater from beneath the Property without prior written approval from the EPA, MPCA and the MDH. Notwithstanding that restriction, treated groundwater meeting State surface water requirements may be used for non-contact cooling purposes if it is subsequently discharged into the Mississippi River. This restriction shall also not apply to UDLP's installation of any new groundwater monitoring wells on the Property upon request of the Navy, where the Navy has already obtained all necessary regulatory approvals for such installations.

3. Soil Disturbance Restrictions:

a. Soils Beneath Main Industrial Building

The transfer deed will require that UDLP covenant on behalf of itself, its lessees, licensees, successors and assigns not to disturb any soils beneath the concrete pit floor (approximately 8 to 12 feet below floor grade) where metal finishing operations previously occurred at the former Plating Shop within the Main Industrial Building without the prior written approval of the EPA and MPCA. Moreover, any soils excavated from that area as will be described in the deed, may not be removed from the Property unless such removal is approved in writing in advance by the EPA and MPCA at the time such removal and disposal is proposed.

b. Soils Outside Main Industrial Building

The transfer deed will also require that UDLP covenant on behalf of itself, its lessees, licensees, successors and assigns not to disturb any soils deeper than 3 feet below ground surface within a second DRA lying outside the footprint of the Main Industrial Building without the prior written approval of the EPA and MPCA. Also any soils excavated from this DRA may not be removed from the Property unless such removal is approved in writing in advance by the EPA and MPCA at the time such removal and disposal is proposed.

4. Non-Interference Restriction:

The transfer deed will require that UDLP covenant on behalf of itself, its lessees, licensees, successors and assigns not to unreasonably hinder or prevent the Navy from constructing, upgrading, operating, maintaining and monitoring any groundwater treatment facilities and groundwater monitoring network or engage in any activity that would (i) cause the Navy to violate any Health and Safety Plan put into effect and directly related to its performance of the Federal Facilities Agreement at the Property or (ii) otherwise disrupt or hinder further remedial investigation, response actions or oversight activities related to its performance of FFA related activities on the Property.

5. Required LUC Related Notices / Certifications:

a. Desired Change in Land Use

The transfer deed will require that UDLP covenant on behalf of itself, its lessees, licensees, successors and assigns to provide advance written notice to the EPA, MPCA and the Navy of its desire to use the Property for anything other than industrial or restricted commercial use. Such notice shall include a description of its plans for undertaking any environmental investigation and/or cleanup activities necessary to permit such a change in land usage. Grantee on behalf of itself, its lessees, licensees, successors and assigns ensure that such activities will not

conflict with or adversely affect any ongoing remedial systems or future investigative or remedial activities to be undertaken by the Navy on the Property.

b. **LUC Annual Compliance Certification**

The transfer deed will require that UDLP covenant on behalf of itself, its lessees, licensees, successors and assigns to provide annual written certifications by March 1st of each year to the EPA, MPCA and the Navy regarding continued compliance with those LUCs implemented through deed recordation for as long as such LUCs remain in place to ensure adequate protection of human health and the environment. Such annual certifications shall be based upon annual physical inspections of the Property and shall be provided using **Exhibit E** to this Fost.

6.0 Environmental Agreements / Orders / Permits

In addition to the FFA executed between the Navy, EPA and the MPCA, the NIROP currently has the following regulatory permits: a Resource Conservation and Recovery Act (RCRA) permit (Permit No. MN3 170 022914), issued by MPCA; a National Pollutant Discharge Elimination (NPDES) permit (Permit No. MN 0000710) also issued by MPCA; a Water Appropriations permit (Permit No. 92-6127) and approximately 50 individual Well Maintenance permits issued by the Minnesota Department of Natural Resources and an Industrial Wastewater Discharge permit (Permit Nos. 0081) and Special Discharge permit (No. 2154) issued by the Metropolitan Council of Environmental Services. A Clean Air Act Title V air emissions permit application has also been provided to the MPCA, but a permit has not yet been issued. These permits will either be retained by the Navy, closed out or transferred to UDLP as new owner the facility.

7.0. Transferee Indemnification

Because the contemplated sale was not directed by any base closure law, UDLP and its successors and assigns are not entitled to those transferee indemnifications otherwise authorized for base closure properties by Section 330, of Public Law 102-484 as amended by Public Law 103-160.

8.0 Notice to Regulatory Agencies / Public

Current Navy Non-BRAC property disposal policy does not mandate regulatory agency review of draft FOSTs or EBSTs or the use of public comment periods.

Nonetheless, both EPA and MPCA were given the opportunity to review and comment upon the draft EBST and all comments received were incorporated as deemed appropriate as reflected in Appendix G to the final EBST. Although a draft of this document was not also provided to those agencies for review, both EPA and MPCA have been extensively involved in recent negotiations between the Navy and UDLP concerning the specific environmental provisions to be included in both the transfer deed and in the Navy's LUC Remedial Design document for OU #2 and OU #3 at this facility.

9.0 Suitability Determination

NOW THEREFORE, based upon the findings set forth in the above referenced EBST which was compiled after diligent inquiry, I hereby find in accordance with applicable law, regulation and DoD/Navy policy that the NIROP is presently suitable for deed conveyance to the current operator of that facility, United Defense L.P.

5 APRIL 2004

Date



BRIAN SCOTT, CAPT, CEC, USN
Vice Commander
Southern Division
Naval Facilities Engineering Command
North Charleston, S.C.

EXHIBIT A
(LEGAL DESCRIPTION)

That Part of Section 27, Township 30, Range 24, Anoka County, Minnesota, described as follows: Commencing at the southeast corner of said Section 27, thence on an assumed bearing of South 89 degrees 47 minutes 23 seconds West, along the south line of said Section 27, a distance of 1444.62 feet; thence North 3 degrees 33 minutes 01 second East at 2125.55 feet, passing through a found bronze monument, and continuing in all a distance of 2126.03 feet to the point of beginning of the land to be described; thence North 89 degrees 22 minutes 47 seconds West a distance of 69.28 feet to the centerline of a building wall in place as of January 1993; thence South 0 degrees 37 minutes 13 seconds West, along said last mentioned wall centerline, a distance of 1.83 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 84.64 feet; thence South 0 degrees 37 minutes 13 seconds West, a distance of 5.05 feet; thence North 89 degrees 22 minutes 47 seconds West, a distance of 249.59 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 25.45 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.28 feet; thence North 0 degrees 37 minutes 13 seconds East, along the centerline, and extension thereof, of a building wall in place as of January 1993, a distance of 8.36 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 199.73 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 3.01 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 24.93 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 2.15 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 225.02 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 13.52 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.40 feet; thence North 0 degrees 37 minutes 13 seconds East, along the centerline of a building wall in place as of January 1993, a distance of 20.6 feet; thence North 89 degrees 22 minutes 47 seconds West along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 296.28 feet; thence South 0 degrees 37 minutes 13 seconds West a distance of 10.52 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 190.55 feet; thence North 23 degrees 23 minutes 13 seconds West a distance of 640.80 feet to a point distant 150 feet easterly, measured perpendicularly, from a tangent-spiral point on the centerline of East River Road (county state-aid highway No. 1); thence along a line parallel to and distant 150 feet easterly from a spiral curve on said highway centerline, which centerline spiral curve is concave easterly and has a length of 150 feet and a central angle of 2 degrees 15 minutes 00 seconds, to a point distant 150 feet easterly, measured radially, from a spiral-curve point on said centerline (the chord of said last described parallel line bears North 22 degrees 39 minutes 08 seconds West and has a length of 144.10 feet); thence along a circular curve, concave easterly and having a radius of 1759.86 feet, a central angle of 5 degrees 59 minutes 44 seconds, and a chord of 184.07 feet bearing North 18 degrees 08 minutes 21 seconds West, an arc distance of 184.15 feet to a point of nontangency, from which point a found bronze monument bears North 74 degrees 51 minutes 31 seconds East a distance of 0.39 feet; thence North 0 degrees 39 minutes 06 seconds East a distance of 997.85 feet; thence South 88 degrees 58 minutes 35 seconds East a distance of 1920.50 feet; thence South 4 degrees 32 minutes 59 seconds East a distance of 648.20 feet to a judicial landmark set pursuant to Torrens case No. 123; thence South 3 degrees 33 minutes 01 second West a distance of 1210.30 feet to the point of beginning.

PARENT PROPERTY DESCRIPTION: (PER CERTIFICATE OF TITLE NO. 77398)

That part of Section 27, Township 30, Range 24, Anoka County, Minnesota, described as follows:

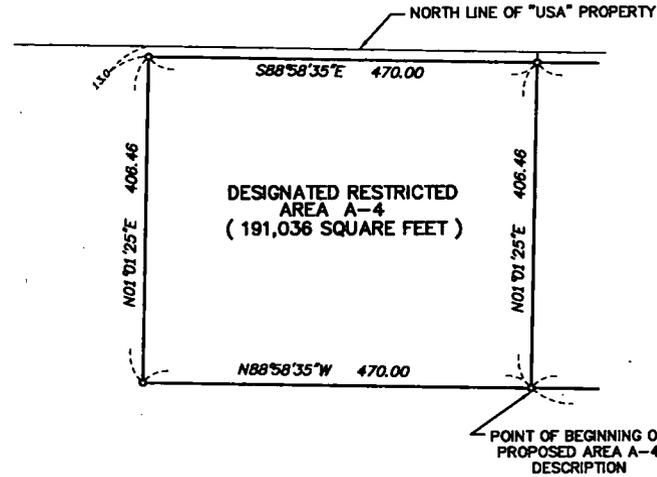
Commencing at the southeast corner of said Section 27, thence on an assumed bearing of South 89 degrees 47 minutes 23 seconds West, along the south line of said Section 27, a distance of 1444.62 feet; thence North 3 degrees 33 minutes 01 second East at 2125.55 feet, passing through a found bronze monument, continuing in all a distance of 2126.03 feet to the point of beginning of the land to be described; thence North 89 degrees 22 minutes 47 seconds West a distance of 69.28 feet to the centerline of a building wall in place as of January 1993; thence South 0 degrees 37 minutes 13 seconds West, along said last mentioned wall centerline, a distance of 1.63 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 84.84 feet; thence South 0 degrees 37 minutes 13 seconds West, a distance of 5.05 feet; thence North 89 degrees 22 minutes 47 seconds West, a distance of 248.59 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 23.45 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.28 feet; thence North 0 degrees 37 minutes 13 seconds East, along the centerline and extension thereof, of a building wall in place as of January 1993, a distance of 8.36 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 199.73 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 3.01 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 24.93 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 21.15 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 225.02 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.40 feet; thence North 0 degrees 37 minutes 13 seconds East, along the centerline of a building wall in place as of January 1993, a distance of 20.76 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 288.28 feet; thence South 0 degrees 37 minutes 13 seconds West a distance of 10.52 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 190.55 feet; thence North 23 degrees 23 minutes 13 seconds West a distance of 640.80 feet to a point distant 150 feet easterly, measured perpendicularly, from a tangent-spiral point on the centerline of East River Road (county state-aid highway No. 1); thence along a line parallel to and distant 150 feet easterly from a spiral curve on said highway centerline, which centerline spiral curve is concave easterly and has a length of 150 feet and a central angle of 2 degrees 15 minutes 00 seconds to a point distant 150 feet easterly, measured radially, from a spiral-curve point on said centerline (the chord of said last-described parallel line bears North 22 degrees 39 minutes 08 seconds West and has a length of 144.10 feet); thence along a circular curve, concave easterly and having a radius of 1753.88 feet, a central angle of 5 degrees 59 minutes 44 seconds, and a chord of 184.07 feet bearing North 18 degrees 08 minutes 21 seconds West, an arc distance of 184.15 feet to a point of non-tangency, from which point a found bronze monument bears North 74 degrees 51 minutes 31 seconds East a distance of 0.39 feet; thence North 0 degrees 39 minutes 06 seconds East a distance of 997.85 feet; thence South 88 degrees 58 minutes 35 seconds East a distance of 1920.50 feet; thence South 4 degrees 32 minutes 09 seconds East a distance of 648.20 feet to a judicial landmark set pursuant to Torrens case No. 123; thence South 3 degrees 33 minutes 01 second West a distance of 1210.30 feet to the point of beginning.

PROPOSED AREA A-4 LEGAL DESCRIPTION:

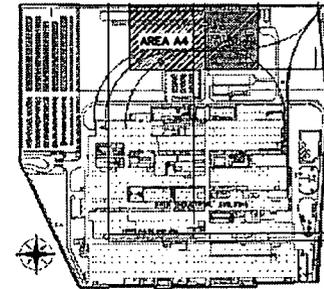
That part of the property described in Certificate of Title No. 77398 lying within Section 27, Township 30, Range 24, Anoka County, Minnesota, described as follows:

Commencing at the southeast corner of said Section 27, thence on an assumed bearing of South 89 degrees 47 minutes 23 seconds West along the south line of said Section 27 a distance of 1444.62 feet; thence North 3 degrees 33 minutes 01 second East a distance of 3562.22 feet; thence North 88 degrees 58 minutes 35 seconds West a distance of 677.82 feet to the point of beginning of the land to be described; thence continuing North 88 degrees 58 minutes 35 seconds West a distance of 470.00 feet; thence North 1 degree 01 minutes 25 seconds East a distance of 406.46 feet; thence South 88 degrees 58 minutes 35 seconds East a distance of 470.00 feet; thence South 1 degree 01 minutes 25 seconds West a distance of 406.46 feet to said point of beginning.

Containing 191,036 square feet more or less.



AREA A4: NO DISTURBANCE OF SOILS (3) FEET OR GREATER BELOW GROUND SURFACE WITHOUT PRIOR WRITTEN APPROVAL OF EPA AND MPCA.



KEY PLAN: (NOT TO SCALE)

NO.	DATE	REVISIONS	BY	CHKD	APPD	REFERENCES

DRAWN BY	DATE
DM	12/10/03
CHECKED BY	DATE
COST/SCHED-AREA	
SCALE	
AS NOTED	



AREA A4
NAVAL INDUSTRIAL RESERVE
ORDNANCE PLANT
FRIDLEY, MINNESOTA

CONTRACT NO. 6966	
APPROVED BY	DATE
APPROVED BY	DATE
DRAWING NO. FIGURE	REV. 0

PARENT PROPERTY DESCRIPTION: (PER CERTIFICATE OF TITLE NO. 77398)

That part of Section 27, Township 30, Range 24, Anoka County, Minnesota, described as follows:

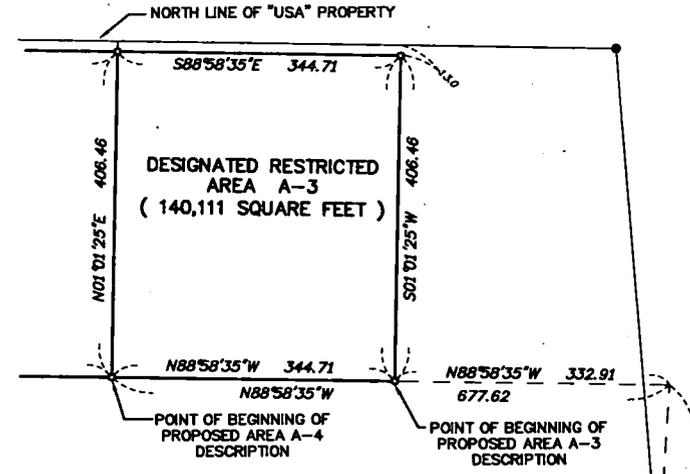
Commencing at the southeast corner of said Section 27, thence on an assumed bearing of South 89 degrees 47 minutes 23 seconds West, along the south line of said Section 27, a distance of 1444.62 feet; thence North 3 degrees 33 minutes 01 second East at 2125.55 feet, passing through a found bronze monument, continuing in all a distance of 2188.03 feet to the point of beginning of the land to be described; thence North 89 degrees 22 minutes 47 seconds West a distance of 69.28 feet to the centerline of a building wall in place as of January 1993; thence South 0 degrees 37 minutes 13 seconds West, along said last mentioned wall centerline, a distance of 1.83 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 84.64 feet; thence South 0 degrees 37 minutes 13 seconds West, a distance of 5.05 feet; thence North 89 degrees 22 minutes 47 seconds West, a distance of 249.59 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 25.45 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.28 feet; thence North 0 degrees 37 minutes 13 seconds East, along the centerline, and extension thereof, of a building wall in place as of January 1993, a distance of 8.36 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 192.73 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 3.01 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 24.93 feet; thence North 0 degrees 37 minutes 13 seconds East a distance of 2.13 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 225.02 feet; thence South 0 degrees 37 minutes 13 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 13.52 feet; thence North 89 degrees 22 minutes 47 seconds West, along the centerline and the extension thereof, of a building wall in place as of January 1993, a distance of 100.40 feet; thence North 0 degrees 37 minutes 13 seconds West a distance of 10.52 feet; thence North 89 degrees 22 minutes 47 seconds West a distance of 190.55 feet; thence North 23 degrees 22 minutes 13 seconds West a distance of 840.80 feet to a point distant 150 feet easterly, measured perpendicularly, from a tangent-spiral point on the centerline of East River Road (county state-old highway No. 1); thence along a line parallel to and distant 150 feet easterly from a spiral curve on said highway centerline, which centerline spiral curve is concave easterly and has a length of 150 feet and a central angle of 2 degrees 15 minutes 00 seconds to a point distant 150 feet easterly, measured radially, from a spiral-curve point on said centerline (the chord of said last-described parallel line bears North 22 degrees 39 minutes 08 seconds West and has a length of 144.10 feet); thence along a circular curve, concave easterly and having a radius of 1759.88 feet, a central angle of 5 degrees 59 minutes 44 seconds, and a chord of 184.07 feet bearing North 18 degrees 08 minutes 21 seconds West, an arc distance of 184.15 feet to a point of noncontiguity, from which point a found bronze monument bears North 74 degrees 51 minutes 31 seconds East a distance of 0.39 feet; thence North 0 degrees 39 minutes 08 seconds East a distance of 997.85 feet; thence South 68 degrees 58 minutes 35 seconds East a distance of 1920.50 feet; thence South 4 degrees 32 minutes 59 seconds East a distance of 648.20 feet to a judicial landmark set pursuant to Torrens case No. 123; thence South 3 degrees 33 minutes 01 second West a distance of 1210.30 feet to the point of beginning.

PROPOSED AREA A-3 LEGAL DESCRIPTION:

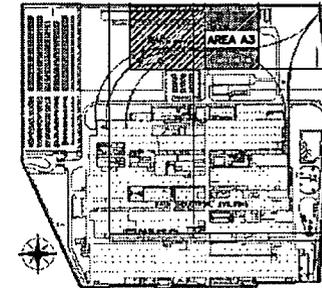
That part of the property described in Certificate of Title No. 77398 lying within Section 27, Township 30, Range 24, Anoka County, Minnesota, described as follows:

Commencing at the southeast corner of said Section 27, thence on an assumed bearing of South 89 degrees 47 minutes 23 seconds West along the south line of said Section 27, a distance of 1444.62 feet; thence North 3 degrees 33 minutes 01 second East a distance of 3582.22 feet; thence North 88 degrees 58 minutes 35 seconds West a distance of 344.71 feet; thence North 1 degree 01 minutes 25 seconds East a distance of 408.46 feet; thence South 88 degrees 58 minutes 35 seconds East a distance of 344.71 feet; thence South 1 degree 01 minutes 25 seconds West a distance of 408.46 feet to said point of beginning.

Containing 140,111 square feet more or less.



AREA A3:
NO DISTURBANCE OF SOILS (3) FEET OR GREATER BELOW GROUND SURFACE WITHOUT PRIOR WRITTEN APPROVAL OF EPA AND MPCA.



KEY PLAN: (NOT TO SCALE)

NO.	DATE	REVISIONS	BY	CHKD	APPD	REFERENCES

DRAWN BY DM	DATE 12/10/03
CHECKED BY	DATE
COST/SCHED-AREA	
SCALE AS NOTED	



AREA A3
NAVAL INDUSTRIAL RESERVE
ORDNANCE PLANT
FRIDLEY, MINNESOTA

CONTRACT NO. 6966	
APPROVED BY	DATE
APPROVED BY	DATE
DRAWING NO. FIGURE	REV. 0

EXHIBIT C

NOTICE OF HAZARDOUS SUBSTANCE STORAGE, RELEASE, AND/OR DISPOSAL *

Substance	Regulatory Synonym	CAS Registry Number	Quantity Kg/lbs	Date
TCE	Trichloroethene	79-01-6	Reportable	Unknown - 1987
1,1,1-TCA	1,1,1-Trichloroethene	71-55-6	Reportable	Unknown - 1993
MEK	Methyl Ethyl Ketones	78-93-3	Reportable	Unknown
Toluene	Methylbenzene	108-88-3	Reportable	Unknown
Ethylene Glycol	Ethylene Alcohol	107-21-1	Reportable	Unknown
Ammonia, Anhydrous	N/A	7664-41-7	Reportable	Unknown
Sodium Cyanide	N/A	143-33-9	Reportable	Unknown
Chromium	N/A	14977-61-8	Reportable	Unknown
Sulfuric Acid	Hydrogen Sulfate	7664-93-9	Reportable	Unknown
HCL	Hydrochloric Acid	7647-01-0	Reportable	Unknown
Nitric Acid	N/A	7697-37-2	Reportable	Unknown
Chromic Acid	Chromium Trioxide	7738-94-5	Reportable	Unknown
Phosphoric Acid	N/A	7664-38-2	Reportable	Unknown
Hydrofluoric Acid	N/A	7664-39-3	Reportable	Unknown
n-Butyl alcohol	N/A	71-36-3	Reportable	Unknown
Copper	N/A	7440-50-8	Reportable	Unknown
Dichloromethane	Methyl Chloride	75-69-4	Reportable	Unknown
Trichlorofluoromethane	Freon 113	75-69-4	Reportable	Unknown
Methanol	N/A	67-56-1	Reportable	Unknown
Methylene dissocyanate	N/A	101-68-8	Reportable	Unknown
Nickle	N/A	7440-02-0	Reportable	Unknown
Xylene	N/A	1330-20-7	Reportable	Unknown
Sodium hydroxide	Caustic Soda	1310-73-2	Reportable	Unknown

* **Note:** This notice includes only hazardous substances known to have been stored in reportable quantities, based on a complete search of agency files, in accordance with the requirements of 40 CFR 373. Information regarding constituents that have been detected in soil and groundwater, but for which agency records do not indicate storage, release or disposal in excess of reportable quantities can be found in the OU #3 Remedial Investigation (RI) Report.

EXHIBIT D

NOTICE OF REMEDIAL ACTIONS TAKEN

For environmental investigation and remediation purposes the NIROP Fridley Facility was divided into three Operable Units (OUs). OU #1 encompasses groundwater contamination. OU #2 encompasses unsaturated source contamination outside the Main Manufacturing Building. OU #3 encompasses source contamination beneath the Main Manufacturing Building and saturated source contamination underneath and outside that same building. The Remedial Investigations ("RI's") for OU #1, OU #2 and OU#3 are complete. The status of investigative activities and a summary of the environmental conditions for each Operable Unit is further described below.

A. OU #1:

One hundred thirty one (131) groundwater monitoring wells were installed by the Navy from 1985 to 2000. Since then, additional wells have been installed to further assess the nature and extent of the contamination in the groundwater. These wells were installed both on and off Navy property. The wells are shallow, intermediate, and deep, and were installed in the surficial aquifer. Monitoring wells are also installed in the Prairie du Chien/Jordan Dolomite aquifer. Monitoring wells are currently sampled on a regular basis pursuant to the FFA. Seventy-four wells were sampled in calendar year 2003. Additional incremental wells are sampled in even-numbered years (2002, 2004, etc). In addition, sampling is conducted for additional wells in the vicinity of ongoing pilot study work.

Elevated concentrations of Volatile Organic Compounds (VOCs) have been detected in the groundwater throughout the Navy property and extending downgradient off-property to pre-existing United Defense owned property and the Anoka County Riverfront Park, with trichloroethene (TCE) being the primary constituent of concern. TCE concentrations in the groundwater underneath the Navy property have historically ranged from less than 1 part(s) per billion (ppb) to 140,000 ppb. The nature and extent of contamination in off-property groundwater at Anoka County Riverfront Park was further evaluated during an investigation conducted in December, 1997 using temporary wells, and revealed elevated concentrations of TCE in screening samples up to 37,300 ppb in a 200 by 400 foot area adjacent to East River Road. These results prompted the Navy to install additional permanent monitoring wells in this area. Permanent wells are generally considered to provide more representative groundwater samples. Many of these wells are included in the annual groundwater monitoring network described above. In 2001, groundwater in well MS-46S in this area was found to contain 17,000 ppb of TCE, the highest measured in Anoka County Riverfront Park that year or in 2002. At intermediate and deep well intervals,

contaminant concentrations in groundwater are consistently much less. An ongoing pilot study utilizing in-situ bioremediation technology to reduce contaminant levels is in place in the vicinity of this well.

A groundwater extraction, collection and treatment facility was installed to capture contaminated groundwater migrating offsite. There currently are seven active extraction wells located along the western property boundaries of the NIROP and United Defense. Extracted groundwater from each well is directed to, and combined in, a building where it is then pumped to a groundwater treatment facility in the northwest quadrant of the Main Industrial Building. The contaminated groundwater is treated utilizing shallow tray air strippers to remove the volatile organic compounds with the treated water discharged to the Mississippi River via the facility's storm sewer under a NPDES permit.

The second CERCLA Five Year Review for OU #1 was completed in October 2003, and determined that 'the remedial action for Operable Unit 1 continues to be protective of human health and the environment by preventing further migration of contaminated water off the NIROP facility and continuing to restore groundwater quality in the unconsolidated aquifer at the site'.

The Five Year Review also discusses the ongoing pilot study, noted above, to address contamination remaining downgradient of the NIROP facility (and downgradient of the groundwater extraction system).

B. OU #2:

The only portion of OU #2 that remains a potential concern is an area of unsaturated soils located north of the Main Manufacturing Building known as the North 40. The North 40 contained former waste disposal pits and trenches used in the early 1970's. Drums and impacted soils were removed and disposed of during four separate removal actions in 1983, 1991, 1996 and 2002. The OU #2 RI evaluated unsaturated soils to a depth of 20 feet. Like OU #1, VOCs, with TCE in particular, are the primary contaminants of concern. In general, concentrations of TCE in the North 40 soils were found to be in the range of 10 to 69,000 ppb. TCE contamination in excess of 200 ppb was found in small, localized areas, with the highest concentrations found in shallow subsurface soils (3 - 5 foot depths). In conjunction with the 1996 drum removal effort, samples taken at the bottom of the excavation pits were generally non-detect for TCE except for a single sample with an elevated TCE concentration of 96,000 ppb at an approximate depth of 12 feet. The Supplemental Remediation Investigation Information Report dated September 2001 identified potential unacceptable risk levels in sub areas A3 and A4. This resulted in an excavation of approximately thirty-five cubic yards of soil in Area A4, in June 2002, and addressed the last known location where there were unacceptable risks in surface soil. Elevated levels of

contaminants remain in subsurface soil but do not pose an unacceptable risk provided institutional controls are in place to prevent future exposure. A Record of Decision (ROD) specifying these institutional controls was signed by the Navy, US EPA, and MPCA in September 2003. A single ROD addresses both OU #2 and OU #3.

C. OU #3:

In 1995, an investigation was conducted of the soils and groundwater beneath the former Plating Shop within the Main Manufacturing Building as identified in Exhibit 2 (the "Main Building"). This investigation revealed that soils and shallow groundwater are contaminated primarily with TCE. TCE concentrations from 4 to 100,000 ppb were detected in soil. TCE concentrations ranging from 1,200 to 140,000 ppb were detected in shallow groundwater. The highest soil concentrations were found adjacent to a former wastewater collection sump at an approximate depth of 13 feet below ground surface and the highest groundwater concentration was found slightly down gradient from the former sump at the top of the surficial groundwater table, at approximately 16 feet below the former Plating Shop pit floor.

A RI was conducted to assess the condition of soils and groundwater beneath the Navy owned portion of the Main Building. Field efforts were completed by the end of April 1998. The RI indicates that VOCs (primarily chlorinated hydrocarbons, aromatics and ketones) were detected in soils. Semi-volatile organic compounds (SVOC), primarily polyaromatic hydrocarbons (PAH) were also detected in soils ranging from 10 to 5,600 ppb as were metals such as arsenic, chromium, copper and mercury. Chlorinated hydrocarbons were the primary chemicals detected in groundwater samples.

As of December 2003, there have been no soil removal actions or other 'active' remedial action taken concerning OU#3, and as of that date none are anticipated. The unsaturated contaminated soils are secured underneath the Main Manufacturing Building floor and do not pose an unacceptable risk provided institutional controls are in place to prevent future exposure. A ROD specifying these institutional controls was signed by the Navy, US EPA, and MPCA in September 2003. A single ROD addresses both OU #2 and OU #3.

EXHIBIT E

Annual LUC Compliance Certification

Property Owner: _____

Property Address: 4800 East River Road, Minneapolis, MN. 55421

This Certification covers the year 1 January _____ through 31 December _____.
(Note: Form must be submitted by 1 March of the year following the reporting period. Should there be a change in ownership during the reporting period, the certificate will only cover the period of ownership and the new owner will certify compliance for the remaining portion of the reporting period).

Owner Certification

1. The above-named owner certifies that use of the Property has been limited to industrial or restricted commercial uses, or that owner has provided written notice to the Navy, EPA and MPCA of its desire to use the Property for something other than industrial or restricted commercial uses and has obtained approval from the Navy, EPA and MPCA for the release or modification of the Categorical Land Use Restriction previously placed in the owner's deed or chain of title to the property;
2. The above-named owner certifies that no soils deeper than 3 feet below ground surface have been disturbed in those two Designated Restricted Areas outside the Main Industrial Building shown in Exhibit 2 to the Government's deed of conveyance without having first obtained written approval from the EPA and MPCA. Owner further certifies that no soils excavated from those Areas have been removed from the facility without having first obtained written approval from the EPA and MPCA.
3. The above-named owner certifies that no soils beneath the Designated Restricted Area known as the concrete pit foundations where metal-finishing operations previously occurred at the former Plating Shop within the Main Industrial Building have been disturbed without prior written approval from the EPA and MPCA. Owner further certifies that no soils excavated from those Areas have been removed from the facility without having first obtained written approval from the EPA and MPCA.
4. The above-named owner certifies that the concrete pit floor (approximately 8 to 12 feet below grade floor) where metal finishing operations previously occurred at the former Plating Shop within the Main Industrial Building has not been removed without prior written approval from the EPA and MPCA.
5. The above-named owner certifies that no water supply wells have been installed nor groundwater beneath the property extracted or used for any purpose without prior written approvals having first been obtained from EPA, MPCA and the Minnesota Department of Health. This certification shall not apply to the extent the Owner installed monitoring wells at the request of the Navy.

6. The above-named owner certifies that it has not unreasonably hindered or prevented the Navy, EPA or MPCA from constructing, upgrading, operating, maintaining and monitoring any groundwater treatment facilities and groundwater monitoring network or has otherwise engaged in any activity that: (i) caused the violation of any Health and Safety Plan put into effect by the Navy, EPA or MPCA on the Property and directly related to the Federal Facilities Agreement at the Property; or (ii) disrupted or hindered any other remedial, response or oversight activities being undertaken by the Navy, EPA or MPCA on the property.

I, the undersigned, hereby certify that I am an authorized representative of the above named property owner and that the above described Land Use Controls have been complied with for the period noted. Alternatively, any known deficiencies and owner's completed or planned actions to address such deficiencies are described in the attached Explanation of Deficiency(ies).

Date

Owner's Authorized Representative

Mail completed forms to:

Director, Environmental Services Business Line
Southern Division
Naval Facilities Engineering Command
P.O. Box 190010
North Charleston, SC 29419-0010

U.S. Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Commissioner
Minnesota Pollution Control Agency
520 Lafayette Rd. N.
St. Paul, MN 55155