

PARTIAL SETTLEMENT AND RELEASE AGREEMENT

This Partial Settlement and Release Agreement (“Agreement”) is made and entered into as of the ____ day of February, 2017 (the “Effective Date”), by and between Saint-Gobain Performance Plastics Corporation (“SGPP”), Honeywell International Inc. (“Honeywell”), and the Village of Hoosick Falls (the “Village”), together referred to as the “Parties” and each individually as a “Party.”

WHEREAS, perfluorooctanoic acid (“PFOA”) has been detected in the Village’s public water supply; and

WHEREAS, the Village has incurred various costs to address PFOA in its water supply; and

WHEREAS, SGPP and Honeywell have entered into an Order on Consent and Administrative Settlement (“Order”) with the New York Department of Environmental Conservation (“DEC”) pursuant to which SGPP and Honeywell have agreed to undertake various remedial activities in response to the detection of PFOA in the Village’s water supply and have agreed to negotiate with the Village with respect to the Village’s alleged costs; and

WHEREAS, the Order provides that SGPP, Honeywell and New York State, through DEC, and DOH, are committed to coordinating with the Village, the Town of Hoosick Falls, and the USEPA in order to protect human health and the environment, provide drinking water that meets all applicable guidelines, rules, and regulations to residents, and protect groundwater in the region in as expedited a manner as possible; and

WHEREAS, the Order also provides that:

- a. SGPP is a California corporation doing business in the State of New York;
- b. SGPP owns and operates the following properties in the Village, Town of Hoosick, Rensselaer County: a 6.44 acre facility at 14 McCaffrey Street with a Tax Map/Parcel

Number of Section 37.6, Block 3, Lot 1 (McCaffrey Site) and an 11.4 acre facility at 1 Liberty Street (Liberty Site) with a Tax Map/Parcel Number of Section 27.10, Block 9, Lot 20 (collectively the “Sites”);

c. Honeywell is a Delaware corporation whose predecessors, Allied-Signal Inc. and/or AlliedSignal Laminate Systems, Inc. owned and/or operated the Sites and other industrial facilities in and around the Village of Hoosick Falls;

d. The McCaffrey Site is currently listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State (“Registry”) as Site Number 442046 with a Classification of 02 pursuant to ECL 27-1305;

e. The DEC has not currently listed the Liberty Site in the State Registry of Inactive Hazardous Waste Disposal Sites (“Registry”), but has designated it Site Number 442048 and classified it as a potential site or “p-site,” meaning that preliminary information suggests that the site and surrounding areas may be contaminated and that a Site Characterization is necessary; and

f. The Village Municipal Water Supply is an off-site area impacted by PFOA contamination alleged by the DEC to be associated with one or more inactive hazardous waste disposal sites, currently identified or unidentified, located in the Village and its vicinity;

WHEREAS, the Order provides that Saint-Gobain and Honeywell shall pay, on a timely basis, for all costs associated with the design, installation, operation, monitoring and maintenance and any necessary additional modifications or assessments of the Full Capacity Granular Activated Carbon Filtration and all additional incidental operation and maintenance costs of the Municipal Water System caused by the installation of the Full Capacity System; and

WHEREAS, the Order further provides that the Village has indicated that it has incurred costs related to the presence of PFOA alleged by the DEC to be associated with one or more industrial facilities, currently identified or unidentified, in and around the Village, and that SGPP and Honeywell shall meet with the Village and negotiate for reimbursement to the Village of some or all of its past and future costs allegedly associated with the presence of PFOA in the Village’s drinking water system; and

WHEREAS, SGPP and Honeywell dispute that they have any liability for the past or future costs claimed by the Village, and further dispute that such costs are recoverable under federal or state law, or any other legal theory; and

WHEREAS, SGPP and Honeywell are entering into this Agreement as an act of good faith towards the Village without consideration of the recoverability or basis for the Village's alleged costs; and

WHEREAS, the manner in which the Village elects to allocate the monies to be paid by SGPP and Honeywell under this Agreement will be decided solely by the Village and is beyond the purview of the Agreement; and

WHEREAS, SGPP, Honeywell, and the Village now seek to amicably resolve all claims that the Village may have concerning certain costs it has incurred or may incur, as limited herein, as a result of the presence of PFOA in the Village's water supply;

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. REIMBURSEMENT OF VILLAGE'S COSTS

Within thirty (30) days of the Effective Date, SGPP and Honeywell shall collectively pay ONE MILLION FORTY-FIVE THOUSAND dollars (\$1,045,000) to the Village. The Parties understand and agree that, for the purposes of this Agreement, the amount to be paid under this paragraph shall be split evenly between SGPP and Honeywell and that each is only severally liable to the Village for its respective share. However, nothing herein alters or affects in any way any claim that SGPP or Honeywell may have against each other or any third party. Payments shall be made by check payable to: The Village of Hoosick Falls.

2. PARTIAL RELEASE

2.1 Partial Release and Covenant Not to Sue by Village

In consideration of the commitments made by SGPP and Honeywell under this Agreement, and subject to the limitations contained herein, the Village hereby releases, acquits, covenants not to sue and forever discharges SGPP and Honeywell and their current and former servants, employees, officers, directors, representatives, parents, subsidiaries, affiliates, successors and assigns (collectively the “Corporate Releasees”) for any and all claims which the Village now has, or might have in the future, against the Corporate Releasees relating in any extent to the presence of PFOA in the Village’s current municipal water supply and current well configurations and all appurtenances related thereto more specifically described as wells, pipes, pumps, holding tanks and such other means of water extraction or delivery by both commercial and residential customers of the municipal water system (the “Village’s Covered Claims”). The Village reserves its rights, if any, to seek defense, indemnity, contribution or other recovery of costs paid, and/or for any costs incurred or to be incurred by the Village in connection with any response, action or damages other than the Village’s Covered Claims, from any party including SGPP and Honeywell, and nothing herein shall be interpreted as a release or waiver of such claims or the Village’s rights. The releases and covenants contained in this paragraph also do not prevent the Village from filing suit against SGPP and/or Honeywell to enforce the terms of this Agreement.

2.2 Partial Release and Covenant Not to Sue by SGPP and Honeywell

In consideration of the commitments made by the Village under this Agreement, and subject to the limitations contained herein, SGPP and Honeywell hereby release, acquit, covenant not to sue and forever discharge the Village and its current and former servants, employees, officers, directors, trustees representatives, successors and assigns (collectively the

“Village Releasees”) for any and all claims which SGPP and Honeywell now have, or might have in the future, against the Village Releasees relating in any extent to the presence of PFOA in the Village’s current municipal water supply and all appurtenances related thereto more specifically described as wells, pipes, pumps, holding tanks and such other means of water extraction or delivery by both commercial and residential customers of the municipal water system (the “SGPP/Honeywell Covered Claims”). SGPP and Honeywell reserve their rights, if any, to seek contribution or other recovery of costs paid, and/or for any costs incurred or to be incurred by SGPP and/or Honeywell in connection with any response, action or damages other than the SGPP/Honeywell Covered Claims, from any party including the Village, and nothing herein shall be interpreted as a release or waiver of such claims. The releases and covenants contained in this paragraph also do not prevent SGPP or Honeywell from filing suit against the Village to enforce the terms of this Agreement.

2.3 Village Covered Claims Exceptions

Excluded from Covered Claims are:

- a. any claims related to new wells or their associated appurtenances;
- b. any claims associated with alternative sources of water of any kind;
- c. any claims associated with extensions or additions to the current municipal water supply system such as new filters should the water service area be expanded or new wells for additional water supply be developed;
- d. any claims associated with contaminants other than PFOA;
- e. any claims or damages for diminished property value of Village properties; and

f. any claims associated with responding to PFOA contamination, other than in, and associated with, the Village's current municipal water supply system, e.g., contamination at or emanating from the Village-owned landfill is not a Covered Claim.

The Parties expressly reserve all of their respective rights and defenses regarding any claims that are not Covered Claims.

2.4 Third Parties

The partial releases set forth in this Agreement are not intended in any way to affect any rights and claims any third parties may have against SGPP and Honeywell or their predecessors or any rights and defenses SGPP and Honeywell may have to any such claims.

3. NO ADMISSION OF LIABILITY

Execution of this Agreement is not an admission of liability on the part of any Party with respect to any issue, nor is it an admission of any factual allegations or legal conclusions stated or implied in the communications between the Parties. The Parties are entering into this Agreement solely to cause a prompt resolution to this matter and to avoid the potential incurrence of litigation costs. Neither this Agreement nor any of its terms shall be offered or received as evidence in any proceeding (except in any proceeding by a Party to this Agreement to enforce its terms), or utilized in any manner whatsoever as an admission of any issue or fact by any Party, or of any liability or wrongdoing of any nature on the part of any Party.

3. THIRD-PARTIES

Nothing contained in this Agreement shall be deemed to create any rights or obligations in persons or third-parties that are not a party to the Agreement.

4. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the matters set forth herein, and it merges and supersedes all prior discussion, correspondence, proposals, agreements and understandings. This Agreement may not be modified, altered or amended except by a subsequent written instrument executed by the Parties.

5. GOVERNING LAW

This Agreement shall be construed, enforced and governed in accordance with the laws of the State of New York.

6. ARMS LENGTH TRANSACTION

The Parties have negotiated the terms of this Agreement voluntarily and at arm's length. The final terms of the Agreement shall be deemed to have been equally drafted by each Party, and, therefore, the provisions contained herein shall not be construed against either Party on the grounds that such Party drafted those provisions.

7. SUCCESSORS AND ASSIGNS

The terms of this Agreement are binding upon and inure to the benefit of the Parties and their respective successors and assigns.

8. AUTHORITY

Each of the undersigned representatives of the Parties represents and warrants that he or she has full capacity and authority to enter into this Agreement and to legally bind his or her respective Party to the terms of the Agreement, that to the extent necessary this Agreement has been duly and validly authorized and approved by all requisite corporate, governmental or other official action, and that no further action is necessary to make this Agreement valid and binding on that Party.

9. EXECUTED IN COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which when executed will be deemed to be an original but all of which when taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first above written.

Saint-Gobain Performance Plastics Corporation

By: _____

Dated: _____

Title: _____

Honeywell International Inc.

By: _____

Dated: _____

Title: _____

Village of Hoosick Falls

By: _____

Dated: _____

Title: _____