

**FOR SETTLEMENT AND NEGOTIATION PURPOSES ONLY; NOT ADMISSIBLE**

**PAYMENT AGREEMENT**

This Payment Agreement (“Agreement”) is made and entered into by and between the Village of Hoosick Falls and Saint-Gobain Performance Plastics Corporation and Honeywell International Inc. (collectively, the “Parties”).

**R E C I T A L S**

**WHEREAS:**

1. The Village of Hoosick Falls (the "Village") is a municipality incorporated and organized pursuant to the New York Village Law. The Village is located in the Town of Hoosick, Rensselaer County, New York.

2. Saint-Gobain Performance Plastics Corporation ("SGPP") is a corporation doing business in the State of New York.

3. Honeywell International Inc. ("Honeywell") is a corporation doing business in the State of New York.

4. The Village owns and operates a municipal water supply system (“Village Water Supply System”) that provides water to residents of the Village.

5. A granular activated carbon (“GAC”) filtration system has been installed at the Village’s water treatment plant to treat PFOA present in the Village water supply.

6. In June 2016, SGPP and Honeywell entered into an Order on Consent and Administrative Settlement with the New York State Department of Environmental Conservation (“NYSDEC”), pursuant to which SGPP and Honeywell agreed to reimburse the Village for costs it incurred to operate and maintain the GAC filtration system.

7. In April 2019, the NYSDEC approved a Protocol Work Plan for the GAC system, pursuant to which the Village is responsible for the routine day-to-day operation and maintenance of the GAC

system, and SGPP and Honeywell are obligated to reimburse the Village for the costs it incurs in connection with such routine operation and maintenance.

8. The Village asserts that it has incurred costs due to the presence of PFOA in the environment of the Village and the Village Water Supply System and will incur future costs associated with routine, day-to-day operation of the GAC system performed by the Village.

9. SGPP and Honeywell have agreed to pay an amount agreed upon with the Village for the estimated costs that the Village may incur for routine operation and maintenance of the GAC system for the Village's FY 2022/2023 and 2023/2024.

**NOW THEREFORE IN CONSIDERATION OF THE FOREGOING RECITALS, SGPP, Honeywell, and the Village agree as follows.**

**A. GAC PROTOCOL WORKPLAN**

The Village agrees to perform day-to-day operations of the treatment system and routine preventative maintenance as discussed in the GAC Protocol Work Plan. The preventative maintenance tasks to be performed by the Village include those identified as the responsibility of the Village in the Hoosick Falls WTP GAC System Preventative Maintenance Schedule attached hereto as Exhibit A, as well as any other routine maintenance deemed necessary for operation of the GAC System. The Village shall not be responsible for any maintenance tasks identified in Exhibit A for which the Village WTP Operators are not identified as the Designated Person.

**B. FUTURE COSTS FOR VILLAGE FY 2022/2023 and 2023/2024**

SGPP and Honeywell have agreed to pay, and the Village has agreed to accept, a lump sum payment of \$154,080.69 as full and adequate consideration for the costs ("Costs") to be incurred by the Village in connection with the day-to-day operations of the GAC system and routine preventative maintenance for FY 2022/2023 and 2023/2024. For purposes of this Agreement, the term "Costs" shall

mean personnel costs, engineering and consultant costs related solely to day-to-day GAC system operations and routine preventative maintenance, interest charges, mailings and postage due to the presence of PFOA in the Village Water Supply System in the Village's FY 2022/2023 and 2023/2024. Upon receipt of payment as set forth in this Paragraph C, the Village agrees not to assert any claim for Costs incurred during FY 2022/2023 and 2023/2024.

The Parties further agree that such Costs do not include, and SGPP and Honeywell will separately fund, non-routine sampling of the GAC system and non-routine repairs to the system due to equipment malfunctions, required modifications to the system approved and incorporated into the GAC Protocol Work Plan, and carbon change-outs. In addition, the Parties agree that SGPP and Honeywell will separately fund any incidental costs that the Village may incur in order to treat water pumped during the rehabilitation or repair of Municipal Public Supply Well #7 provided that such costs are associated with the presence of PFOA in the water and the Village provides documentation of such costs.

**C. RESERVATION OF RIGHTS**

1. The payments provided for herein by the Companies shall not be construed as an admission by the Companies that the payment of such costs is required under any law, rule, regulation, or Order. Moreover, the Companies reserve all rights available to them and nothing in this letter shall waive, extinguish or modify any such rights, including the right to (jointly and/or individually) contest or challenge any future cost reimbursement or other claims by the Village.

2. The reimbursement terms contained herein shall not in any way alter or abridge any of the rights the Village may have for costs or claims not resolved herein. The Village reserves the right to assert claims against SGPP and Honeywell for alleged damages incurred as a result of PFOA in the Village water supply and the environment, and all other costs not included within the term "Costs" as defined herein.

**D. 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.

**E. GOVERNING LAW.**

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

**F. REPRESENTATIONS**

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.

**G. TERM**

This Agreement shall remain in effect until June 1, 2024, unless a further agreement shall have been executed by that time.

**H. 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.

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**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: Global Remediation Director

Village of Hoosick Falls

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Title: \_\_\_\_\_