SETTLEMENT AGREEMENT
for Westbank Asbestos Superfund Site

This Settlement Agreement ("Agreement") is entered into by and between Johns Manville (Manville or JM) and the United States, on behalf of the United States Environmental Protection Agency ("United States").

WHEREAS, on October 28, 1994 the United States District Court for the Southern District of New York entered an Order approving a settlement between the United States, as Defendant, and Johns Manville Corporation *et al.*, as Plaintiffs and Debtors (Manville or JM). See, **Stipulation and Order of Dismissal and Settlement** entered in ***Manville Corp. et al. v. United States of America,*** United States District Court for the Southern District of New York (91 Civ. 6683 [RWS]) (Global Settlement Order); and,

WHEREAS, the Global Settlement Order ("GSO") established a process by which JM can resolve certain liability under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and under the Resource Conservation and Recovery Act ("RCRA") at "Additional Sites" where the alleged Disposal Act took place on or before the November 28, 1988 consummation of Manville's Chapter 11 bankruptcy reorganization, (***In Re Johns-Manville Corporation et al., Debtors***, Case Nos. 82 B 11656 (BRL) – 82 B 11676 (BRL), United States Bankruptcy Court for the Southern District of New York); and,

WHEREAS, under the GSO the parties may seek to determine via either informal negotiations or a non-binding allocation arbitration (Manville Only Non-Binding Allocation of Responsibility or MONBAR) the Manville Share for said Additional Sites; and,

WHEREAS, the Westbank Asbestos Superfund Site ("Westbank Site") located in and around Marrero, Louisiana (excluding any Manville-Owned Properties on the Site which are not covered by this Agreement), is such an Additional Site; and,

WHEREAS, JM and the United States desire to enter into this Settlement Agreement under the GSO and pursuant to CERCLA relating to the Westbank Site.

NOW THEREFORE, in consideration of the mutual agreements contained herein, JM and the United States agree as follows:

1. ***Manville Share – Westbank Site***. For purposes of this Agreement the Parties agree that the Manville Share for the Westbank Site shall be 47.5%.

2. ***Past Response Costs – Westbank Site Additional Sites***. EPA has incurred costs for response actions taken in connection with investigations and removals at Additional Sites at the Westbank Site ("Past Response Costs").

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(a) The United States claims to have incurred total Past Response Costs at the Westbank Site (*i.e.*, costs incurred through the Effective Date of this Agreement) in the amount of $27,547,000.

(b) Based on this Past Response Costs amount, the Manville Response Cost Liability ("MRCL") for Past Response Costs at the Westbank Site is agreed to be $13,084,825.

(c) JM's total settlement payment for Past Response Costs at the Westbank Site is agreed to be $7,196,654 (55% of said MRCL pursuant to Paragraph 63(c) of the GSO), plus interest accruing on the unpaid balance as set forth in Paragraph 5 of this Agreement. This amount constitutes 26.125% of the total Past Response Costs.

(d) Payment to the United States on behalf of the EPA shall reference Site/Spill ID Number 06Y6 and shall be made by Fedwire EFT to:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York NY 10045
Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"

Notice of payments shall be provided to counsel for the United States and EPA and to the EPA Region 6 Superfund Enforcement Assessment Section Chief at the addresses provided in paragraph 11 below. All payments shall be deposited in the EPA Hazardous Substance Superfund.

(e) Said payment of $7,196,654 shall constitute a full and final settlement for Past Response Costs.

3. *Future Response Costs – Westbank Site Additional Sites*

(a) The likelihood of additional response actions and the incurrence of additional response costs for asbestos contamination at the Westbank Site is not presently known. In the event that EPA incurs additional response costs (including direct and indirect costs) for properties not previously addressed at the Westbank Site after February 1, 2012 ("Future Response Costs") and so notifies JM, JM shall be responsible under this Agreement for payment to EPA of 26.125% of those Future Costs (55% of the Manville Share) subject to the following conditions:

(I) JM's liability for Future Response Costs under this Agreement is limited to response costs incurred by EPA in connection with properties at the Westbank Site that EPA has not previously addressed as of the Effective Date of this Settlement Agreement. Under this Agreement, EPA will only seek recovery of response costs for properties that have not been previously addressed by EPA.

(ii) For purposes of this Agreement "previously addressed" properties means those properties that EPA either previously investigated (i.e. removed and analyzed in a laboratory samples of soil or groundcover for asbestos) or on which EPA previously conducted remedial or removal actions. EPA represents that, pursuant to the terms of the Stipulation and Protective Order entered April 26, 2011, it has disclosed to JM the locations (i.e., addresses) of each property at the Site that it has previously addressed which are set forth in Attachment R (entitled "List of Sites Addressed During the Project") to EPA's May 19, 2011, letter forwarding documents released pursuant to the Protective Order.

(iii) The Future Response Costs are to address asbestos materials used as fill, base, or as aggregate on properties at the Site. JM shall have no liability for Future Response Costs incurred for removal of finished products sold to consumers for their intended purposes and later disposed by parties not retained by JM.

(iv) EPA has provided written notice to JM no less than five business days prior to undertaking additional investigations or other response actions at the Westbank Site. EPA will provide JM a reasonable opportunity to obtain split samples when EPA samples properties for asbestos in the course of future response actions; JM will bear the additional cost of EPA providing the split samples to JM. Notwithstanding this Agreement, EPA retains all authorities under CERCLA, RCRA and other law to take any and all actions authorized by law to protect human health, welfare, and the environment, or to prevent, abate, respond to, or minimize an actual or threatened release of hazardous substances at or from the Site.

(b) EPA will bill JM on an annual basis for Future Response Costs and will produce to JM a Standard Cost Accounting Report (Superfund Cost Recovery Package and Image On-Line System (SCORPIOS) report), and additional documentation sufficient to support the costs attributable to each property.

(c) JM has no responsibility under this Agreement for payment of Future Response Costs incurred in connection with the investigation and/or remediation of properties if it establishes that the hazardous substances EPA investigates and/or remediates do not include material

generated as waste from the former Manville Marrero asbestos products manufacturing facility.

(d) JM may contest billed Future Response Costs if it determines that: (1) EPA has not met the conditions contained in sub-Paragraphs 3(a)(I-iv), (2) EPA made a mathematical error or included a cost item that is not within the definition of Future Response Costs, (3) EPA has undertaken response actions inconsistent with the National Contingency Plan, or (4) such costs are otherwise excluded under the conditions of this paragraph. Such objection shall be made in writing within 45 days after receipt of the bill and must be sent to the United States. Any such objection shall specifically identify the contested Future Response Costs and the basis for objection.

(e) Subject to the annual cap set under the GSO, JM shall pay all uncontested Future Response Costs to the United States within 45 days after JM's receipt of the bill requiring payment.

(f) Upon review of JM's objections to billed Future Response Costs, the EPA Region 6 Superfund Division Director will consider and respond to JM's objections within 60 days. EPA's decision on the disputed amount is final and enforceable subject to JM's right to seek judicial review of the dispute before the United States District Court for the Southern District of New York in accordance with the GSO. In any such dispute brought to the Court, the Court will uphold EPA's decision unless the Court finds EPA's position arbitrary and capricious or otherwise not in accordance with applicable law, the terms of this Agreement, or the GSO. JM will pay the costs determined to be owed within 30 days after resolution of the dispute.

4. ***Annual Cap***. Unless JM elects otherwise, payments owed under this Agreement are subject to the Annual Cap set forth in paragraph 67 of the GSO, and shall be payable over time within the GSO Annual Cap limits.

(a) As of the date hereof, Manville has paid under the GSO Annual Cap during the calendar year 2012 a total of $0.

(b) JM is paying hereunder a total of $7,196,654 in Past Response Costs for the Westbank Site, plus interest accruing from the Effective Date of this Agreement, as follows:

(I) $850,000 within 30 days of the Effective Date of this Agreement;

(ii) $850,000 every year thereafter no later than January 30th of such calender year until payment is made in full.

(c) JM may elect to waive the annual cap limitations of the GSO and accelerate its payment of Past Response Costs.

(d) Payments of Future Response Costs are subject to the GSO Annual Cap.

(e) Except as agreed by the United States, payments owed by JM under this Agreement shall not be subordinated to payment obligations that arise under future agreements or judgments for purposes of determining the monies available to JM under the GSO Annual Cap.

5. ***Interest***. JM shall pay interest on the unpaid balance of Past Response Costs and Future Response Costs at the CERCLA Superfund Rate. The interest to be paid on Past Response Costs shall begin to accrue thirty (30) days after the Effective Date. The interest on uncontested Future Response Costs shall begin to accrue 45 days after the date of JM's receipt of the bill. The interest on contested Future Response Costs not determined to be in error shall begin to accrue 30 days after either the EPA decision on the contested Future Response Costs, or the decision of the U.S. District Court, whichever occurs later. The interest shall accrue through the date of JM's payment. Payments of interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of JM's failure to make timely payments under this Section, except as limited by the GSO. Interest is at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

6. ***Covenant***. In consideration for the amounts to be paid by JM under this Agreement, the United States covenants not to sue JM as set forth in Paragraphs 70-73 of the GSO for Past Response Costs and Future Response Costs.

7. N***o Admission***. The United States and JM agree that settlement without litigation and without the admission or adjudication of any issue of fact or law is appropriate.

8. ***Defined Terms***. All capitalized terms that are defined in Section II of the GSO and that are used herein shall have the meanings ascribed to them in the GSO, unless defined herein.

9. ***Effective Date***. The Effective Date of this Agreement is the date when the Agreement has been signed by all Parties.

10. ***Excluded Properties***. This Agreement does not address, and the Parties reserve their rights, claims, and defenses with respect to properties currently or

formerly owned by JM in Marrero, Louisiana which are further approximately depicted on Attachment A (Map). Should any future claims arise regarding these excluded properties, legal descriptions will determine the precise boundaries of the excluded properties. In general, these properties can be described as three segments of land. The southern segment is generally bounded on the north by the railroad tracks, on the east by Eiseman Avenue, on the south by 4th Street, and on the west by a line that projects north from Silver Lily Lane as an imaginary extension of Silver Lily Lane. The central segment is generally bounded on the north by River Road, on the east by the road (labeled Steel Street on Map), currently dirt, one block west of Marrero Road, on the south by the railroad tracks, and on the west by the property formerly owned by Celotex. The northern segment is the batture generally bounded on the north by the Mississippi River, on the south by the Mississippi River levee, on the east by an imaginary northward extension of the road (labeled Steel Street on Map), currently dirt, one block west of Marrero Road, and on the west by an imaginary line that is an extension of the pipeline that crosses the Mississippi River levee approximately one block east of an imaginary northward extension of Garden Road.

11. ***Notices***. Notices under this Agreement shall reference the Westbank Site, Marrero, Louisiana, and No. LAD985170711, and shall be sent in writing to the following:

For Johns Manville

Brent Tracy
Associate General Counsel
Environmental Health and Safety
Johns Manville
717 17th Street
Denver, Colorado 80202

Edward P. Kenney
Sidley Austin LLP
One South Dearborn Street
Chicago, Illinois 60603

United States

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, D.C. 20044-7611
Re: DJ # 90-11-2-1357

John Martin
On Scene Coordinator
United States Environmental Protection Agency
Region 6, 6SF-LP
1445 Ross Avenue
Dallas, TX 75202-2733

Superfund Enforcement Assessment Section Chief
United States Environmental Protection Agency Region 6 (6SF-TE)
1445 Ross Avenue
Dallas, TX 75202-2733

U.S. Department of Justice Counsel:
Kenneth Long
U.S. Department of Justice
Environment and Natural Resources Division Mailroom 2121
Environmental Enforcement Section
601 D Street, N.W., Suite 8000
Washington, DC 20004
kenneth.long@usdoj.gov

EPA Counsel:
James E. Costello
Practice Group Leader (6RC-S)
U.S. Environmental Protection Agency Region 6
1445 Ross Avenue
Dallas, TX 75202-2733
costello.james@epa.gov

THE UNDERSIGNED PARTIES enter into this Settlement Agreement for the Westbank Site

FOR THE UNITED STATES OF AMERICA

Date: 7/31/12

Pamela Phillips
Acting Director
Superfund Division
Office of Site Remediation and Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency

Date: 7/17/12

Robert E. Maher, Jr
Acting Deputy Section Chief
Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice

Date: 8/6/2012

Kenneth G. Long
Senior Attorney
Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, D.C. 20044-7611

FOR JOHNS MANVILLE

Date: 7/9/12

Todd Raba
Chairman, President and CEO
Johns Manville
717 17th Street
Denver, CO 80202

Properties Formerly or Currently Owned by Johns Manville

0 300 600
Feet

Data Sources:
Property boundaries delineated by EPA Region 6 GIS Support using all available and provided information; Basemap from Bing Maps.
Projection: NAD83 USA Contiguous Equidistant Conic