

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into this ___ day of _____, 2014, between the Michigan Department of Attorney General and the Michigan Department of Environmental Quality (collectively, the “State”) and Gelman Sciences, Inc., a Michigan Corporation, with offices at 600 South Wagner Road, Ann Arbor, Michigan, 48103 (“Gelman”).

I. GENERAL PROVISIONS

- A. Compromise of Claims. The State and Gelman (collectively the “Parties”) recognize that this Settlement Agreement is a compromise of disputed claims and defenses. By entering into this Settlement Agreement, neither Party admits any fault or liability under any statutory or common law, and does not waive any rights, claims, or defenses with respect to any person except as otherwise provided herein. By entering into this Settlement Agreement, neither Party admits the validity or factual basis of any of the positions or defenses asserted by the other Party. The Settlement Agreement and the compromises reflected therein shall have no *res judicata* or collateral estoppel effect and shall not be admissible as evidence in any other proceeding, except in a proceeding between the Parties seeking to enforce this Agreement.
- B. Parties Bound. This Settlement Agreement applies to and is binding upon and inures to the benefit of the State, Gelman, and their successors and assigns.

II. DEFINITIONS

The following terms, when capitalized in this Agreement, shall have the meanings specified in this Section II.

- A. Federal Consent Judgment means the October 26, 1992 Consent Judgment entered in *The State of Michigan v. Gelman Sciences, Inc.*, File No. 90-CV-72946-DT (ED Mich).
- B. State Consent Judgment means the October 26, 1992 Consent Judgment entered in *Attorney General for the State of Michigan ex rel., Michigan Department of Environmental Quality v. Gelman Sciences*, File No. 88-34734-CE (Washtenaw Cty. Cir. Ct.) (as amended).
- C. Effective Date means the date of the entry of the order of dismissal specified in Section III. All dates for performance shall be calculated from the Effective Date of this Agreement, the term "day" shall mean calendar day unless otherwise noted.
- D. State Action means the lawsuit styled *Attorney General for the State of Michigan ex rel., Michigan Department of Environmental Quality v. Gelman Sciences*, File No. 88-34734-CE (Washtenaw Cty. Cir. Ct.).
- E. February 2000 Motion means the Plaintiffs' Motion to Enforce Consent Judgment filed in the State Action on February 14, 2000.
- F. July 2001 Motion means the Plaintiffs' Response to Petition for Dispute Resolution and in Support of Imposition of Stipulated Penalties filed in the State Action on July 2, 2001.
- G. Response Activity Costs has the same meaning as the definition of that term in Section 20101(1)(rr) of NREPA, MCL 324.20101(1)(rr).
- H. Response Costs means all costs recoverable under 42 U.S.C. 9607(a).
- I. Site shall have the same meaning as described in the State Consent Judgment.
- J. Unit E Order means the December 17, 2004 Order and Opinion Regarding Remediation of the Contamination of the "Unit E" Aquifer entered in the State Action.

III. SETTLEMENT PAYMENT AND DISMISSAL OF MOTIONS.

- A. Settlement Payment By Gelman. Within Thirty (30) days after the Effective Date of this Agreement, Gelman shall pay to the State the sum of Five Hundred Thousand Dollars (\$500,000.00). The check should be made payable to the "State of Michigan -- Environmental Response Fund" and remitted to the following:

Accounting Services Division
Cashier's Office for the DEQ
P.O.Box 30657
Lansing, MI 48909-8157

Via Courier or Hand Delivery
Accounting Services Division
Cashier's Office for DEQ
1st Floor, Van Wagoner Building
425 West Ottawa Street
Lansing, MI 48933-2125

The check or transmittal letter should reference the Gelman Facility, Site ID No. 81000018, invoice number 202554, File No. 90-CV-72946-DT and File No. 88-34734-CE. A copy of the transmittal letter and/or check shall be provided simultaneously to:

The MDEQ Project Coordinator:
Sybil Kolon, Environmental Quality Analyst
Remediation and Redevelopment Division, MDEQ
301 East Louis Glick Highway
Jackson, MI 49201

And to:

Celeste R. Gill
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
G. Mennen Williams Bldg., 6th Floor
525 West Ottawa Street
P.O. Box 30755
Lansing, MI 48909

B. Dismissal of Motions. In consideration of the payment to be made by Gelman under Paragraph III.A., the State agrees to stipulate to the dismissal with prejudice of its February 2000 and July 2001 Motions in the State Action. Upon execution of this Agreement, the Parties shall promptly submit the attached stipulated order to dismiss the February 2000 and July 2001 Motions, with prejudice, with each Party to bear its own costs. Each Party shall, at its own expense, take whatever steps are necessary on its behalf to effectuate such dismissals. Nothing in this paragraph shall prevent the State from taking enforcement action to address future violations of the Federal or State Consent Judgments.

IV. RELEASE OF CLAIMS AND RESERVATION OF RIGHTS

A. Release. Except as provided in Paragraph IV.B, below, the State shall withdraw, release, and covenants not to sue or take administrative action against Gelman, its parent Pall Corporation, and any of their officers, directors, employees, agents, and/or any person acting on its behalf or under their control (the "Released Parties") for the following:

1. Claims for Response Costs and Response Activity Costs arising from the Site incurred prior to the Effective Date of this Agreement, including without limitation, Response Costs and Response Activity Costs arising from groundwater monitoring, residential well sampling, and costs incurred by the State in seeking and overseeing the implementation of the Unit E Order;
2. Claims for future monitoring costs arising from the Site incurred after the Effective Date of this Agreement, except to the extent such Claims are allowed under Paragraph IV.B, below; and

3. Claims for Stipulated Penalties, costs and attorney fees sought in the State's February 2000 Motion and the July 2001 Motion.
4. The covenant not to sue shall extend only to the Released Parties and does not extend to any other persons

B. Exceptions and Reservation of Rights. Notwithstanding Paragraph IV.A, above, the State reserves the right to institute proceedings in the State Action or in a new action with respect to:

1. Enforcement of this Agreement.
2. Claims for future monitoring costs arising from the Site and incurred after the Effective Date of this Agreement, but only if both of the following conditions are met:
 - a. The conditions described in Section XVIII.E of the State Consent Judgment or Section V.21 of the Federal Consent Judgment are met; and
 - b. The State provides Gelman with prior notice that it intends to undertake Response Activity(ies) that it believes will fall within the State's reservation of rights described in Section XVIII.E. of the State Consent Judgment or Section V.21 of the Federal Consent Judgment and negotiates in good faith with Gelman to determine if Gelman can and is willing to undertake the Response Activity(ies) at issue.

Subparagraph IV.B.2.b shall not apply if the State reasonably believes exigent circumstances exist that require the State to initiate the Response Activity(ies) at issue. In such event, the State will notify Gelman and enter into negotiations with Gelman to determine if Gelman can and is willing to undertake the Response Activity(ies) on a going forward basis as soon as practical.

3. Nothing in this Agreement is intended to modify the terms of the State

Consent Judgment or the Federal Consent Judgment, including but not limited to Section XVIII of the State Consent Judgment and Section V. of the Federal Consent Judgment.

- C. Gelman Covenant Not to Sue and Reservation of Rights. Gelman and the Released Parties hereby covenant not to sue and agree not to assert any claim or cause of action against the State for matters arising from this Agreement, including but not limited to any direct or indirect claim for reimbursement from the Environmental Response Fund pursuant to section 20119(5) of the NREPA, MCL 324.20119(5), or any other provision of law. Gelman and the Released Parties reserve all of their rights to enforce this Agreement and all of their rights and defenses with respect to any matters reserved by the State in Section IV.B. of this Agreement.

V. DATABASE AND WEBSITE

- A. Gelman Database. The Parties will engage in good faith discussions and attempt to resolve the State's request for direct access to Gelman's internal water quality database regarding the Site. This commitment does not guarantee a particular result or that the Parties will reach an agreement on this issue.
- B. State Website. Within a reasonable time after the Effective Date of this Agreement, the State will make a good faith effort to evaluate and reduce the volume of information and documents available on the State's Website for the Gelman Site (http://www.michigan.gov/deq/0,1607,7-135-3311_4109_9846-71595--,00.html) consistent with the DEQ's internal policy and procedure Internet Posting of Place-Based Information (as it may be amended from time to time) and to make the level of detail available more consistent with the State's websites for other sites of contamination in the

State taking into consideration the nature, complexity, and public interest in the Gelman Site. This commitment does not guarantee any particular result or volume of information to be reduced.

VI. MISCELLANEOUS

- A. Severability. The provisions of this Agreement shall be severable. Should any provision be declared by a court of competent jurisdiction to be inconsistent with federal or state law, and therefore unenforceable, the remaining provisions of this Agreement shall remain in full force and effect unless the severance causes this Agreement to fail in its essential purposes.
- B. Notices. All notices shall be given as provided by Section XXIII of the State Consent Judgment.
- C. Signatories. Each person executing this Agreement warrants that he or she is fully authorized by the Party on whose behalf he or she is executing to enter into this Agreement and to legally bind such Party to the terms and conditions of this Agreement.
- D. Change of Circumstances. Each Party to this Agreement acknowledges that it may hereafter discover facts in addition to or different from those which it now knows or believes to be true with respect to the subject matter of this Agreement. The Parties each expressly accept and assume the risk of such possible difference in facts and agree that this Agreement shall be and remain effective notwithstanding such difference in facts.
- E. No Rights to Non-Parties. Except as expressly provided herein, this Agreement is intended to confer rights and benefits only upon the State and Gelman (including the "Released Parties" described in Paragraph IV.A.) and is not intended to confer any right or benefit

upon any other person or entity. Except as expressly provided herein, no person or entity other than Gelman (including the "Released Parties" described in Paragraph IV.A.) and the State shall have any legally enforceable right under this Agreement.

- F. Arms-Length Negotiations. This Agreement is the product of arms-length negotiation, and the language in all parts of this Agreement shall be construed as a whole according to its meaning, and not strictly for or against any Party. The Parties hereto agree that this Agreement shall not be construed according to any special rules of construction applicable to contracts of adhesion and/or insurance contracts.
- G. Modification. This Agreement may not be modified in whole or in part except by written agreement signed by the State and Gelman.
- H. Headings. The headings used in this Agreement are for convenience only and shall not be used to construe the provisions of this Agreement.
- I. No Representations. The Parties represent and agree that in executing this Agreement they do not rely and have not relied upon any representation or statement made by any other Party or by any other person or entity with regard to the subject matter, basis, or effect of this Agreement, or otherwise, which is not specifically set forth herein.
- J. Entire Agreement. This Agreement represents the entire understanding of the State and Gelman, and this Agreement shall supersede and control any and all prior communications, correspondence, and memorialization of agreement or prior communication between the State and Gelman or their representatives relative to the matters contained herein.
- K. Counterpart Signatures. This Agreement may be executed in counterparts, each of which, when so executed and delivered, shall be an original, and such counterparts shall together constitute one and the same instrument and agreement.

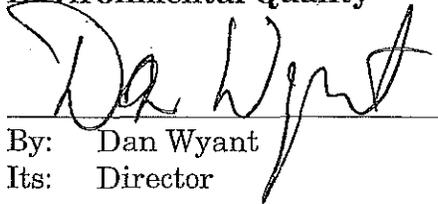
- L. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed under the law of the State of Michigan and the law of the United States without regard to Michigan's conflict of laws principles.
- M. No Waiver. The failure of any of the Parties to exercise any power given such Party hereunder or to insist upon strict compliance by any Party with its obligations under this Agreement, and no custom or practice of the Parties at variance with the terms of this Agreement shall constitute a waiver of the Parties' right to demand exact compliance with the terms hereof.
- N. Enforcement. The Parties agree that the Washtenaw County Circuit Court and the United States District Court for the Eastern District of Michigan may retain jurisdiction, as applicable, to enforce the terms of this Agreement.

****SIGNATURE PAGE FOLLOWS****

IN WITNESS WHEREOF, the Parties have executed this Agreement, consisting of Ten (10) pages, by their duly authorized representatives as set forth below.

FOR THE STATE OF MICHIGAN

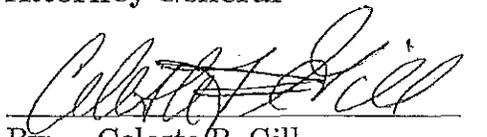
**Michigan Department of
Environmental Quality**



By: Dan Wyant
Its: Director

Dated: 6-25-14

**Bill Schuette
Attorney General**



By: Celeste R. Gill
Assistant Attorney General
ENRA Division

Dated: 6-10-14

Gelman Sciences, Inc.



By: Rqya Behnia
Its: Senior Vice President,
General Counsel &
Corporate Secretary

Dated: 6-3-14

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

ATTORNEY GENERAL FOR THE STATE OF
MICHIGAN, ex rel, MICHIGAN DEPARTMENT
OF ENVIRONMENTAL QUALITY,

Plaintiffs,

v

GELMAN SCIENCES, INC.,
a Michigan corporation,

Defendant.

Dept. of Attorney General
RECEIVED

JUL 09 2014

**NATURAL RESOURCES
DIVISION**

File No. 88-34734-CE

Honorable Donald E. Shelton

Celeste R. Gill (P52484)
Assistant Attorney General
Environment, Natural Resources and
Agriculture Division
P.O. Box 30755
Lansing, MI 48909
(517) 373-7540
Attorney for Plaintiffs

Michael L. Caldwell (P40554)
Zausmer, Kaufman, August,
Caldwell, P.C.
31700 Middlebelt Road, Suite 150
Farmington Hills, MI 48334
(248) 851-4111

Alan D. Wasserman (P39509)
Williams Acosta, PLLC
535 Griswold St. Suite 1000
Detroit, MI 48226
(313) 963-3873
Attorneys for Defendant

STIPULATION AND ORDER FOR DISMISSAL

At a session of said Court, held in the County of Washtenaw
City of Ann Arbor, State of Michigan, on **JUL - 3 2014**

PRESENT: Hon. DONALD E. SHELTON
CIRCUIT COURT JUDGE

Plaintiffs and Defendant, through their respective counsel, stipulate and agree as follows:

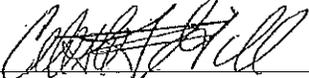
1. Pursuant to the terms of the Settlement Agreement between the Parties dated June 25, 2014, the Plaintiffs dismiss with prejudice their:

- a. Motion to Enforce Consent Judgment, dated February 14, 2000; and
- b. Response to Petition for Dispute Resolution and in Support of Imposition of Stipulated Penalties dated July 2, 2001.

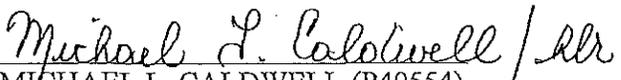
2. Plaintiffs' claims for stipulated penalties previously held under advisement by the Court are dismissed with prejudice and are hereby released by the Court.

3. Each Party shall bear its own costs and attorney fees.

APPROVED AS TO FORM AND SUBSTANCE:



CELESTE R. GILL (P52484)
Attorney for Plaintiffs

w/ consent


MICHAEL L. CALDWELL (P40554)
Attorney for Defendant

IT IS SO ORDERED.

/S/DONALD E. SHELTON
CIRCUIT COURT JUDGE