

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CHEMTURA CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 09-11233 (REG)

Jointly Administered

**SETTLEMENT AGREEMENT AMONG THE DEBTORS, THE UNITED STATES,
AND THE CONNECTICUT COMMISSIONER OF
ENVIRONMENTAL PROTECTION**

I. RECITALS

WHEREAS, Chemtura Corporation (“**Chemtura**”) and those of its affiliates listed in Exhibit A (collectively, as debtors, debtors-in-possession, or in any new or reorganized form as a result of the above-captioned bankruptcy proceeding, “**Debtors**”) filed with the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**” or “**Court**”) voluntary petitions for relief under Title 11 of the United States Code (the “**Bankruptcy Code**”) on March 18, 2009 (the “**Petition Date**”), which have been consolidated for procedural purposes and are being administered jointly as Case No. 09-11233 (REG) (the “**Bankruptcy Cases**”);

WHEREAS, the United States, on behalf of the United States Environmental Protection Agency (along with any legal successor thereto, “**EPA**”), contends that certain Debtors are liable under the Comprehensive Environmental Response, Compensation, and Liability Act (“**CERCLA**”), 42 U.S.C. §§ 9601 *et seq.*, for costs incurred and to be incurred by the United States in response to releases and threats of releases of hazardous substances at or in connection

with the Liquidated Sites, the Gowanus Canal Superfund Site in New York (the “**Gowanus Site**”), and the El Dorado site in Arkansas (the “**El Dorado Site**”);

WHEREAS, the United States, on behalf of EPA, further contends that Debtor Bio-Lab, Inc. (“**Bio-Lab**”) is liable, in connection with the Bio-Lab facility in Georgia (the “**Bio-Lab Facility**”), for civil penalties for Prepetition violations of CERCLA, the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*, the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.*, and the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §§ 11001 *et seq.*;

WHEREAS, the United States, on behalf of the National Oceanic and Atmospheric Administration (along with any legal successor thereto, “**NOAA**”), contends that Chemtura is liable under CERCLA for natural resource damages and costs of natural resource damage assessment at or in connection with the Diamond Alkali Superfund Site in New Jersey (the “**Diamond Alkali Site**”);

WHEREAS, the United States, on behalf of EPA and NOAA (collectively, the “**Settling Federal Agencies**”), has filed proofs of claim (Claim Nos. 11672, 11767, 11797, 11854, and 11993) (collectively, the “**U.S. Proofs of Claim**”) against Chemtura, Bio-Lab, and other Debtors;

WHEREAS, the U.S. Proofs of Claim set forth the United States’ position that the Debtors’ obligation to comply with work requirements under court orders, environmental statutes, regulations, administrative orders, licenses, and permits are not Claims subject to discharge pursuant to Section 1141 of the Bankruptcy Code;

WHEREAS, the State of Connecticut, through its Commissioner of Environmental Protection (along with any legal successor thereto, the “**Commissioner**”), is, along with the United States, a plaintiff signatory to federal consent decrees that require Chemtura, Debtor

Naugatuck Treatment Company (“**Naugatuck Treatment**”), and other parties to perform work at two sites in Connecticut, the Beacon Heights Landfill Superfund Site (the “**Beacon Heights Site**”) and the Laurel Park, Inc. Superfund Site (the “**Laurel Park Site**”);

WHEREAS, the Commissioner has filed proofs of claim (Claim Nos. 11513 and 11569) (collectively, the “**Connecticut Commissioner Proofs of Claim**”) related to Chemtura’s and Naugatuck Treatment’s work requirements with respect to the Beacon Heights Site and Laurel Park Site;

WHEREAS, the Connecticut Commissioner Proofs of Claim set forth the Commissioner’s position that the Debtors’ obligation to comply with work requirements under the consent decrees for the Beacon Heights Site and Laurel Park Site are not Claims subject to discharge pursuant to Section 1141 of the Bankruptcy Code;

WHEREAS, on November 3, 2009, Chemtura and certain other Debtors commenced an adversary proceeding against the United States, the State of Connecticut, and other States by filing a complaint which, as amended on January 19, 2010, sets forth the Debtors’ position that, and seeks a declaration that, the Debtors’ injunctive and other work obligations at sites they did not, as of the Petition Date, own or operate are dischargeable in bankruptcy (the “**Environmental Declaratory Action**”);

WHEREAS, on January 22, 2010, certain defendants in the Environmental Declaratory Action, including the United States and the State of Connecticut (acting through the Commissioner), filed a motion to withdraw the reference to the Bankruptcy Court with respect to the Environmental Declaratory Action, which was granted by the United States District Court for the Southern District of New York on March 26, 2010;

WHEREAS, on February 12, 2010, Chemtura and the other plaintiffs in the Environmental Declaratory Action moved for summary judgment, and on April 21, 2010, the defendants, including the United States and the State of Connecticut (acting through the Commissioner), filed a memorandum of law in opposition to the plaintiffs' motion and cross-moved for summary judgment;

WHEREAS, on January 22, 2010, and February 5, 2010, respectively, the Debtors filed an Omnibus Objection to the U.S. Proofs of Claim ("**U.S. Claims Objection**") and an Omnibus Objection to the Connecticut Commissioner Proofs of Claim ("**Connecticut Commissioner Claims Objection**") (collectively, the "**Omnibus Objections**"), in which the Debtors contended, *inter alia*, that their injunctive and other work obligations at certain sites they did not, as of the Petition Date, own or operate are dischargeable in bankruptcy;

WHEREAS, the Omnibus Objections have been adjourned to facilitate settlement discussions;

WHEREAS, the United States and the Commissioner disagree with the Debtors' contentions in the Omnibus Objections and Environmental Declaratory Action, and the Debtors disagree with the United States' and the Commissioners' contentions within their respective proofs of claim and the Environmental Declaratory Action, and, but for this Settlement Agreement, the Parties would continue to litigate their disputes as to the aforementioned matters in court;

WHEREAS, the Parties wish to resolve their differences with respect to the Omnibus Objections and Environmental Declaratory Action and address other matters as provided herein, without adjudication of the Omnibus Objections or Environmental Declaratory Action;

WHEREAS, in any settlement of the Omnibus Objections and Environmental Declaratory Action, the Debtors are not willing to perform work at the Liquidated Sites, but are willing to contribute monetarily to the performance of work at certain Liquidated Sites;

WHEREAS, under the terms of this Settlement Agreement, the Debtors are willing, and do agree, to continue to perform their work and other obligations with respect to the Laurel Park Site and to treat such obligations as unimpaired under the Bankruptcy Code and the Plan of Reorganization;

WHEREAS, the treatment of liabilities provided for herein represents a compromise of the contested positions of the Parties that is entered into solely for purposes of this settlement, and the Parties reserve their arguments, and recognize that this settlement is without prejudice to the rights and arguments of non-parties, including but not limited to the official committees in the Bankruptcy Cases, as to any other issues that are presently, or may in the future be, involved in the Bankruptcy Cases;

WHEREAS, the Parties reserve all of their arguments with respect to the Gowanus Site;

WHEREAS, allowed claim and cash payment amounts are set forth separately below in Paragraphs 4 and 5 without prejudice to the Debtors' position that these amounts are to be taken together as the payments required of the Debtors pursuant to this settlement of the U.S. Proofs of Claim, the Connecticut Commissioner Proofs of Claim, and the asserted injunctive and other work obligations of the Debtors with respect to the Liquidated Sites;

WHEREAS, in consideration of, and in exchange for, the promises and covenants herein, including, without limitation, the covenants not to sue set forth in Paragraphs 18 and 24, and subject to the provisions of Paragraphs 32-35, intending to be legally bound hereby, the Parties hereby agree to the terms and provisions of this Settlement Agreement;

WHEREAS, settlement of the matters governed by this Settlement Agreement is in the public interest, is in the best interests of the Debtors and their estates, and is an appropriate means of resolving these matters;

NOW, THEREFORE, without the admission of liability or the adjudication of any issue of fact or law, and upon the consent and agreement of the Parties by their attorneys and authorized officials, it is hereby agreed as follows:

II. DEFINITIONS

1. Unless otherwise expressly provided herein, terms used in this Settlement Agreement that are defined in CERCLA or its regulations or in the Bankruptcy Code shall have the meaning assigned to them in CERCLA, its regulations, or the Bankruptcy Code. Whenever terms listed below are used in this Settlement Agreement, the following definitions shall apply:

- a. **“Allowed Environmental Claim”** has the meaning set forth in the Plan of Reorganization.
- b. **“Allowed General Unsecured Claim”** has the meaning set forth in the Plan of Reorganization.
- c. **“Bankruptcy Cases”** has the meaning set forth in the recitals.
- d. **“Bankruptcy Code”** has the meaning set forth in the recitals.
- e. **“Bankruptcy Court”** or the **“Court”** has the meaning set forth in the recitals.
- f. **“Beacon Heights Site”** has the meaning set forth in the recitals.
- g. **“Bio-Lab”** has the meaning set forth in the recitals.
- h. **“Bio-Lab Facility”** has the meaning set forth in the recitals.
- i. **“CAA”** means the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*, as now in effect or hereafter amended.

- j. **“CERCLA”** means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, as now in effect or hereafter amended.
- k. **“Claim”** has the meaning provided in Section 101(5) of the Bankruptcy Code.
- l. **“CWA”** means the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.*, as now in effect or hereafter amended.
- m. **“Commissioner”** has the meaning set forth in the recitals.
- n. **“Connecticut Commissioner Claims Objection”** has the meaning set forth in the recitals.
- o. **“Connecticut Commissioner Proofs of Claim”** has the meaning set forth in the recitals.
- p. **“Debtors”** has the meaning set forth in the recitals.
- q. **“Debtor-Owned/Operated Sites”** means any properties, facilities, or sites owned and/or operated by any of the Debtors at the time of, or at any time after, the confirmation of the Plan of Reorganization.
- r. **“Diamond Alkali Site”** has the meaning set forth in the recitals.
- s. **“Effective Date”** means the later of (i) the date an order is entered by the Bankruptcy Court approving this Settlement Agreement, or (ii) the date the Plan of Reorganization becomes effective in accordance with its terms.
- t. **“El Dorado Site”** has the meaning set forth in the recitals.
- u. **“Environmental Declaratory Action”** has the meaning set forth in the recitals.
- v. **“EPA”** has the meaning set forth in the recitals.

w. “**EPCRA**” means the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §§ 11001 *et seq.*, as now in effect or hereafter amended.

x. “**Governmental Unit**” has the meaning provided in Section 101(27) of the Bankruptcy Code.

y. “**Gowanus Site**” has the meaning set forth in the recitals. Whenever mentioned in this Settlement Agreement, the Gowanus Site shall be construed to include all areas of the site as defined by EPA for purposes of the NPL, including any later expansion of the site as may be determined by EPA, and any natural resources affected or potentially affected by the release or threatened release of hazardous substances at or from such site.

z. “**Hazardous Substance Superfund**” means the Hazardous Substance Superfund established by 26 U.S.C. § 9507.

aa. “**Laurel Park Consent Decree**” means the consent decree concerning the Laurel Park Site entered in *U.S. EPA v. AMF, Inc.*, No. 3-91-CV-249 (D. Conn. Aug. 13, 1992), including any amendments thereto as of the Petition Date or thereafter.

bb. “**Laurel Park Site**” has the meaning set forth in the recitals.

cc. “**Liquidated Sites**” means the following seventeen sites:

- (1) Beacon Heights Site;
- (2) Carolawn Superfund Site, South Carolina (“**Carolawn Site**”);
- (3) Central Chemical Superfund Site, Maryland (“**Central Chemical Site**”);
- (4) Cleve Reber Superfund Site, Louisiana (“**Cleve Reber Site**”);
- (5) Cooper Drum Company Superfund Site, California (“**Cooper Drum Site**”);

(6) Delaware Sand and Gravel Superfund Site, Delaware (“**Delaware Sand and Gravel Site**”);

(7) Diamond Alkali Site;

(8) Halby Chemical Superfund Site, Delaware (“**Halby Site**”);

(9) Interstate Lead Company Superfund Site, Alabama (“**ILCO Site**”);

(10) Jadco Hughes Superfund Site, North Carolina (“**Jadco Site**”);

(11) Landia Chemical Company Superfund Site, Florida (“**Landia Site**”);

(12) LWD Site, Kentucky (“**LWD Site**”);

(13) Malone Service Company Superfund Site, Texas (“**Malone Site**”);

(14) Red Panther Chemical Company Site, Mississippi (“**Red Panther Site**”);

(15) Stauffer-LeMoyne Superfund Site, Alabama (“**Stauffer-LeMoyne Site**”);

(16) Stoney Creek Technologies Site, Pennsylvania (“**Stoney Creek Site**”);

and

(17) Swope Oil Superfund Site, New Jersey (“**Swope Oil Site**”).

A “**Liquidated Site**” delineated above in Paragraph 1.cc shall be construed to include:

(i) for those sites now or hereafter included on the NPL, all areas of a site as defined by EPA for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any natural resources affected or potentially affected by the release or threatened release of hazardous substances at or from such site; or (ii) for those sites not included on the NPL, all areas and natural resources affected or potentially affected by the release or threatened release of hazardous substances at or from such sites.

- dd. “**Naugatuck Treatment**” has the meaning set forth in the recitals.
- ee. “**NOAA**” has the meaning set forth in the recitals.
- ff. “**NPL**” means the National Priorities List, 40 C.F.R. Part 300.
- gg. “**Omnibus Objections**” has the meaning set forth in the recitals.
- hh. “**Parties**” means the Debtors, the United States, and the Commissioner (any one of which, individually, shall be referred to herein as a “**Party**”).
- ii. “**Petition Date**” has the meaning set forth in the recitals.
- jj. “**Plan of Reorganization**” or “**Plan**” means the Joint Chapter 11 Plan of Chemtura Corporation, *et al.*, dated August 4, 2010 (as revised, amended, and supplemented from time to time).
- kk. “**Prepetition**” refers to the time period on or prior to the commencement of the Bankruptcy Cases.
- ll. “**Postpetition**” refers to the time period from and after the commencement of the Bankruptcy Cases.
- mm. “**RCRA**” means the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*, as now in effect or hereafter amended.
- nn. “**Settled Bio-Lab Claim**” means the claim for Prepetition civil penalties for which an Allowed Environmental Claim is established in Paragraph 7.a.
- oo. “**Settled El Dorado Claim**” means the claim for Prepetition response costs for which an Allowed Environmental Claim is established in Paragraph 7.b.
- pp. “**Settling Federal Agencies**” has the meaning set forth in the recitals.
- qq. “**United States**” means the United States of America and all of its agencies, departments, and instrumentalities, including EPA and NOAA.

- rr. **“U.S. Claims Objection”** has the meaning set forth in the recitals.
- ss. **“U.S. Proofs of Claim”** has the meaning set forth in the recitals.

III. JURISDICTION

- 2. The Court has jurisdiction over the subject matter hereof pursuant to 28 U.S.C. §§ 157, 1331, and 1334, and 42 U.S.C. §§ 9607 and 9613(b).

IV. PARTIES BOUND; SUCCESSION AND ASSIGNMENT

- 3. This Settlement Agreement applies to, is binding upon, and shall inure to the benefit of the United States, the Commissioner, the Debtors, the Debtors’ legal successors and assigns, and any trustee, examiner, or receiver appointed in the Bankruptcy Cases.

V. LIQUIDATED SITES – ALLOWED CLAIMS

- 4. In settlement and satisfaction of the U.S. Proofs of Claim with respect to the Liquidated Sites, and in settlement and satisfaction of the Connecticut Commissioner Proofs of Claim with respect to the Beacon Heights Site, except (for both the United States and Commissioner) as to the injunctive and other work obligations addressed below in Paragraph 5, the Settling Federal Agencies shall have Allowed Environmental Claims in the amounts set forth in this Paragraph. The United States and the Commissioner shall receive no distributions or other payments in the Bankruptcy Cases with respect to the Debtors’ liabilities and obligations asserted in the U.S. Proofs of Claim and Connecticut Commissioner Proofs of Claim with respect to the Liquidated Sites other than as set forth in this Paragraph and Paragraph 5.

- a. With respect to the Beacon Heights Site in Connecticut, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$1,000,000 against Chemtura Corporation.

- b. With respect to the Carolawn Site in South Carolina, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$0 against Chemtura Corporation.
- c. With respect to the Central Chemical Site in Maryland, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$150,000 against Chemtura Corporation.
- d. With respect to the Cleve Reber Site in Louisiana, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$20,000 against Monochem, Inc.
- e. With respect to the Cooper Drum Site in California, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$400,000 against Chemtura Corporation.
- f. With respect to the Delaware Sand and Gravel Site in Delaware, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$300,000 against Chemtura Corporation.
- g. With respect to the Diamond Alkali Site in New Jersey, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$7,327,850 against Chemtura Corporation, and the United States on behalf of NOAA shall have an Allowed Environmental Claim of \$1,172,150 against Chemtura Corporation for Prepetition assessment costs only.
- h. With respect to the Halby Site in Delaware, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$200,000 against Chemtura Corporation.
- i. With respect to the ILCO Site in Alabama, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$21,359 against Chemtura Corporation.

j. With respect to the Jadco Site in North Carolina, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$1,584 against Chemtura Corporation.

k. With respect to the Landia Site in Florida, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$711,111 against Chemtura Corporation.

l. With respect to the LWD Site in Kentucky, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$2,300 against Chemtura Corporation.

m. With respect to the Malone Service Site in Texas, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$175,000 against Chemtura Corporation.

n. With respect to the Red Panther Site in Mississippi, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$285,000 against Chemtura Corporation.

o. With respect to the Stauffer-LeMoyne Site in Alabama, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$85,588 against Chemtura Corporation.

p. With respect to the Stoney Creek Site in Pennsylvania, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$4,245,382 against Chemtura Corporation.

q. With respect to the Swope Oil Site in New Jersey, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$0 against Chemtura Corporation.

VI. LIQUIDATED SITES – CASH PAYMENTS

5. In settlement of the injunctive and other work obligations at issue in the Environmental Declaratory Action and Omnibus Objections with respect to the Liquidated Sites,

the Debtors shall make cash payments to the United States in the amounts and in the manner set forth below.

- a. With respect to the Beacon Heights Site in Connecticut, the United States on behalf of EPA shall receive a cash payment in the amount of \$3,800,000.
 - b. With respect to the Cleve Reber Site in Louisiana, the United States on behalf of EPA shall receive a cash payment in the amount of \$125,000.
 - c. With respect to the Cooper Drum Site in California, the United States on behalf of EPA shall receive a cash payment in the amount of \$710,000.
 - d. With respect to the Delaware Sand and Gravel Site in Delaware, the United States on behalf of EPA shall receive a cash payment in the amount of \$1,237,500.
 - e. With respect to the Halby Site in Delaware, the United States on behalf of EPA shall receive a cash payment in the amount of \$450,000.
 - f. With respect to the ILCO Site in Alabama, the United States on behalf of EPA shall receive a cash payment in the amount of \$192,752.
 - g. With respect to the Stauffer-LeMoyne Site in Alabama, the United States on behalf of EPA shall receive a cash payment in the amount of \$1,049,553.
 - h. With respect to the Stoney Creek Site in Pennsylvania, the United States on behalf of EPA shall receive a cash payment in the amount of \$1,554,618.
6. The cash amounts set forth in Paragraph 5.a-h shall be paid in full within thirty days after the Effective Date.

VII. DEBTOR-OWNED/OPERATED SITES

7. Allowance of Claims

a. With respect to the Bio-Lab Facility located in Georgia, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$785,714 against Bio-Lab, Inc., in settlement and satisfaction of EPA's claim for civil penalties for alleged Prepetition violations of the CAA, CWA, CERCLA, and EPCRA.

b. With respect to the El Dorado Site located in Arkansas, the United States on behalf of EPA shall have an Allowed Environmental Claim of \$45,000 against Great Lakes Chemical Corporation, in settlement and satisfaction of EPA's claim for Prepetition response costs in connection with the El Dorado Site.

8. Non-Dischargeability/Reservation Regarding Debtor-Owned/Operated Sites

a. The following Claims of or obligations to the Settling Federal Agencies and the Commissioner with respect to Debtor-Owned/Operated Sites shall not be discharged under Section 1141 of the Bankruptcy Code by the confirmation of the Plan of Reorganization, nor shall such Claims or obligations be impaired or affected in any way by the Bankruptcy Cases or confirmation of the Plan of Reorganization:

(1) Claims against the Debtors by the Settling Federal Agencies or the Commissioner under Section 107 of CERCLA, 42 U.S.C. § 9607, or similar state laws, for recovery of response costs with respect to response actions taken Postpetition at a Debtor-Owned/Operated Site, including such response actions taken to address hazardous substances that have migrated from a Debtor-Owned/Operated Site to a proximate location;

(2) Claims against the Debtors by the Settling Federal Agencies or the Commissioner under Section 107 of CERCLA, 42 U.S.C. § 9607, or similar state laws, for

recovery of natural resource damages arising as a result of Postpetition releases or ongoing releases of hazardous substances at, or which migrate to a proximate location from, a Debtor-Owned/Operated Site;

(3) Claims against the Debtors by the Settling Federal Agencies or the Commissioner for recovery of civil penalties for violations of law resulting from Postpetition conduct of the Debtors. As used in this Paragraph, “Postpetition conduct” shall not include a failure to satisfy or comply with any Prepetition liability or obligations, or to pay a Claim (including, without limitation, a penalty Claim) except as required by or resulting from the terms of any other provision of this Settlement Agreement, the Plan of Reorganization, or a final order of the Court confirming the Plan of Reorganization; or

(4) Actions against the Debtors by the Settling Federal Agencies or the Commissioner under CERCLA, RCRA, or similar state laws seeking to compel the performance of a removal action, remedial action, corrective action, closure, or any other cleanup action at a Debtor-Owned/Operated Site, including actions to address hazardous substances that have migrated to a proximate location from a Debtor-Owned/Operated Site.

b. The Settling Federal Agencies and the Commissioner may pursue enforcement actions or proceedings under applicable law with respect to the Claims and obligations of the Debtors to the Settling Federal Agencies or the Commissioner under Paragraph 8.a in the manner, and by the administrative or judicial tribunals, in which the Settling Federal Agencies or the Commissioner could have pursued enforcement actions or proceedings if the Bankruptcy Cases had never been commenced. The Debtors reserve the right to assert any and all defenses and counterclaims available to them under applicable law with respect to any Claims and obligations of the Debtors to the Settling Federal Agencies or the Commissioner

under Paragraph 8.a that are asserted by the Settling Federal Agencies or the Commissioner, except for any alleged defense of discharge of liabilities provided under the Bankruptcy Code, the Plan of Reorganization, or any order of confirmation. The Settling Federal Agencies and the Commissioner reserve all of their rights with respect to any defenses or counterclaims asserted by the Debtors under this Paragraph.

VIII. SUMMARY OF ALLOWED CLAIMS AND CASH PAYMENTS

9. As itemized in Paragraphs 4, 5, and 7, the United States shall have Allowed Environmental Claims and shall receive cash payments in the total amounts listed below:

<u>Claimant</u>	<u>Total Allowed Environmental Claims Pursuant to Paragraphs 4 and 7</u>	<u>Total Cash Payments Pursuant to Paragraph 5</u>
United States on behalf of EPA	\$15,755,888	\$9,119,423
United States on behalf of NOAA	\$1,172,150	\$0

IX. TREATMENT OF ALLOWED CLAIMS

10. All Allowed Environmental Claims authorized by this Settlement Agreement (i) shall be treated as provided under Section 3.3(k)(i)(A) of the Plan of Reorganization, specifically, payment in cash, and (ii) shall not be subordinated to any other Allowed Environmental Claims or any Allowed General Unsecured Claims pursuant to any provision of the Bankruptcy Code or other applicable law, including, without limitation, Sections 105, 510, and 726(a)(4) of the Bankruptcy Code.

X. CREDITS AND SITE ACCOUNTS

11. With respect to the Allowed Environmental Claims set forth in Paragraphs 4 and 7.b for the Settling Federal Agencies, only the amount of cash received by such entities from the Debtors under this Settlement Agreement for the Allowed Environmental Claim for a particular site, and not the total amount of the Allowed Environmental Claim, shall be credited by each such entity to its account for a particular site, which credit shall reduce the liability of non-settling potentially responsible parties for the particular site by the amount of the credit.

12. Site Accounts

a. EPA shall deposit any funds received for a site pursuant to Paragraph 4 or 7.b of this Settlement Agreement into the Hazardous Substance Superfund or into an EPA special account established for the site within the Hazardous Substance Superfund, to be retained and used to conduct or finance response actions at or in connection with the site, or to be transferred to the Hazardous Substance Superfund.

b. EPA shall deposit any funds received for a site pursuant to Paragraph 5 of this Settlement Agreement into an EPA special account established for the site within the Hazardous Substance Superfund. EPA shall retain and use such funds to conduct or finance any work which any of the Debtors has been obligated to perform pursuant to any consent decree or administrative order for the site. If non-Debtor parties obligated to perform this work enter into an agreement with EPA providing for special account disbursements for the performance of the work, EPA shall make such disbursements as agreed to by EPA and the non-Debtor parties. Notwithstanding the second sentence of this Paragraph, EPA may retain and use to conduct or finance any response actions at or in connection with the site, or may transfer to the Hazardous Substance Superfund, the following: (i) any funds received pursuant to Paragraph 5 if EPA and

the non-Debtor parties fail to reach an agreement as described in the preceding sentence, or
(ii) any funds received pursuant to Paragraph 5 that are not necessary to make disbursements in accordance with an agreement as described in the preceding sentence.

**XI. RESOLUTION OF PROOFS OF CLAIM, OMNIBUS OBJECTIONS, AND
ENVIRONMENTAL DECLARATORY ACTION**

13. The Connecticut Commissioner Proofs of Claim, and the U.S. Proofs of Claim (except with respect to the Gowanus Site), shall be deemed satisfied in full in accordance with the terms of this Settlement Agreement. Moreover, the approval of this Settlement Agreement by the Court, together with the proofs of claim referenced in the preceding sentence, shall be deemed to satisfy any requirement for the Settling Federal Agencies and the Commissioner to file in these Bankruptcy Cases any claim, request, or demand for the disbursement of funds as provided herein. No further proof of claim or other request or demand by the Settling Federal Agencies or the Commissioner shall be required. Any and all proofs of claim deemed to be filed pursuant to this Paragraph shall also be deemed satisfied in full in accordance with the terms of this Settlement Agreement.

14. Except as to matters pertaining to the Gowanus Site in the U.S. Claims Objection, the Omnibus Objections shall be deemed resolved in full by this Settlement Agreement, without costs or attorney's fees to any Party.

15. Within three days of the Effective Date, the Debtors shall, by motion or other request in the Environmental Declaratory Action, seek dismissal with prejudice of that action with respect to the United States and the Commissioner, pursuant to an agreed order among the Debtors, the United States, and the Commissioner, in the form attached hereto as Exhibit B.

16. Upon the Effective Date, any and all outstanding obligations of the Debtors to perform work pursuant to any consent decree or administrative order entered into with, or issued

by, the United States or the State of Connecticut through the Commissioner, in connection with any of the Liquidated Sites, including any obligation to pay statutory, stipulated, or other penalties for failure to perform work pursuant to any such consent decree or administrative order, shall be deemed to be fully resolved and satisfied by this Settlement Agreement, subject to such court approval as may be necessary with respect to the consent decrees in the following cases: (i) *United States v. B.F. Goodrich Co.*, No. N-87-286 (D. Conn. Sept. 15, 1987) (Beacon Heights Site); (ii) *United States v. Hercules Inc.*, Civ. No. 89CV-562-SLR (D. Del. June 14, 1995) (Delaware Sand and Gravel Site); (iii) *United States v. Witco Corp.*, Civ. No. 99-626 (D. Del. Apr. 11, 2000) (Halby Site); (iv) *United States v. Alpert Iron & Metal Corp.*, Civ. No. CV-97-AR-0001-S (N.D. Ala. Apr. 22, 1997) (ILCO Site); and (v) *United States v. Akzo Nobel Chemicals, Inc.*, No. 1:00-0908-RV-M (S.D. Ala. Mar. 5, 2001) (Stauffer-LeMoyne Site). The Parties shall work together in good faith and as necessary to have the relevant parties to the foregoing consent decrees execute and file such papers as may be required to remove the applicable Debtor(s) as parties to the foregoing consent decrees. Nothing in this Paragraph shall affect the covenants not to sue set forth in Paragraph 18 or the contribution protection set forth in Paragraph 25.

XII. PAYMENT INSTRUCTIONS

17. Payment to the United States pursuant to this Settlement Agreement shall be made by FedWire Electronic Funds Transfer (“EFT”) to the United States Department of Justice account in accordance with current EFT procedures. Payment shall be made in accordance with instructions provided to the Debtors by the Financial Litigation Unit of the United States Attorney’s Office for the Southern District of New York and shall reference Bankruptcy Case

Number 09-11233 and DOJ File Number 90-11-3-09736. The Debtors shall transmit written confirmation of such payments to the United States at the addresses specified in Paragraph 31.

XIII. COVENANTS NOT TO SUE AND RESERVATION OF RIGHTS

18. In consideration of all of the foregoing, including, without limitation, the cash payments pursuant to Paragraph 5 and the distributions that will be made on account of the Allowed Environmental Claims authorized pursuant to Paragraphs 4 and 7, and except as specifically provided in Paragraphs 21 through 23:

a. EPA covenants not to file a civil action or to take any administrative or other civil action against the Debtors (i) pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, and Section 7003 of RCRA, 42 U.S.C. § 6973, with respect to each of the Liquidated Sites; (ii) pursuant to Section 107 of CERCLA, 42 U.S.C. § 9607, with respect to the Settled El Dorado Claim; and (iii) for Prepetition civil penalties pursuant to the CAA, CWA, CERCLA, or EPCRA with respect to the Settled Bio-Lab Claim.

b. NOAA covenants not to file a civil action or to take any administrative or other civil action against the Debtors pursuant to Section 107 of CERCLA, 42 U.S.C. § 9607, with respect to the Diamond Alkali Site. With respect to all other Liquidated Sites, all liabilities and obligations of the Debtors to NOAA under Section 107 of CERCLA, 42 U.S.C. § 9607, arising from Prepetition acts, omissions, or conduct of the Debtors or their predecessors shall be discharged under Section 1141 of the Bankruptcy Code by the confirmation and effectiveness of the Plan of Reorganization.

c. The Commissioner covenants not to file a civil action or to take any administrative or other civil action against the Debtors pursuant to Sections 106 or 107 of

CERCLA, 42 U.S.C. §§ 9606 or 9607, Sections 7002 or 7003 of RCRA, 42 U.S.C. §§ 6972 or 6973, or similar state laws with respect to the Beacon Heights Site.

d. The covenants not to sue set forth in Paragraph 18 shall take effect on the Effective Date.

19. This Settlement Agreement in no way impairs the scope and effect of the Debtors' discharge under Section 1141 of the Bankruptcy Code as to any third parties (including any Governmental Units other than the Settling Federal Agencies and the Commissioner) or as to any Claims that are not addressed by this Settlement Agreement.

20. Without in any way limiting the covenants not to sue as set forth in Paragraph 18 (and the reservations thereto as set forth in Paragraphs 21-23), and notwithstanding any other provision of this Settlement Agreement, such covenants not to sue shall also apply to the Debtors' successors and assigns, officers, directors, employees, and trustees, but only to the extent that the alleged liability of the successor or assign, officer, director, employee, or trustee of any Debtor is based solely on its status as and in its capacity as a successor or assign, officer, director, employee, or trustee of any Debtor.

21. The covenants not to sue contained in Paragraph 18 of this Settlement Agreement extend only to the Debtors and the persons described in Paragraph 20 above and do not extend to any other person. Nothing in this Settlement Agreement is intended as a covenant not to sue or a release from liability for any person or entity other than the Debtors, the United States, the Commissioner, and the persons described in Paragraph 20. The Settling Federal Agencies, the Commissioner, and the Debtors expressly reserve all claims, demands, and causes of action, either judicial or administrative, past, present, or future, in law or equity, which they may have against all other persons, firms, corporations, entities, or predecessors of the Debtors (excluding

each of the Debtors as successor to any entity) for any matter arising at or relating in any manner to the sites or claims addressed herein.

22. The covenants not to sue set forth in Paragraph 18 do not pertain to any matters other than those expressly specified therein. The United States and the Connecticut Commissioner expressly reserve, and this Settlement Agreement is without prejudice to, all rights against the Debtors and the persons described in Paragraph 20 with respect to all other matters other than those set forth in Paragraph 18. The United States and the Connecticut Commissioner also specifically reserve, and this Settlement Agreement is without prejudice to, any action based on (i) a failure to meet a requirement of this Settlement Agreement; (ii) criminal liability; (iii) matters reserved in Paragraph 8 (Non-Dischargeability/Reservation Regarding Debtor-Owned/Operated Sites); or (iv) matters excluded in Section XVII (Excluded Matters). In addition, the United States and the Connecticut Commissioner reserve, and this Settlement Agreement is without prejudice to, all rights against the Debtors, their successors, assigns, officers, directors, employees, and trustees with respect to the Liquidated Sites for liability for response costs, natural resource damages (including natural resource damage assessment costs), and injunctive relief under CERCLA, RCRA, or state law for acts by the Debtors, their successors, assigns, officers, directors, employees, or trustees that occur after the date of lodging of this Settlement Agreement and give rise to liability under CERCLA, RCRA, or state law. As used in the preceding sentence, the phrase “acts by the Debtors, their successors, assigns, officers, directors, employees, or trustees that occur after the date of lodging of this Settlement Agreement” does not include continuing releases related to conduct occurring before the date of lodging of this Settlement Agreement.

23. Subject to the covenants not to sue set forth in Paragraph 18 (and the reservations thereto set forth in Paragraphs 21 and 22), nothing in this Settlement Agreement shall be deemed to limit the authority of the United States or the Commissioner to take response action under Section 104 of CERCLA, 42 U.S.C. § 9604, or any other applicable law or regulation, or to alter the applicable legal principles governing judicial review of any action taken by the United States or the Commissioner pursuant to such authority. Nothing in this Settlement Agreement shall be deemed to limit the information-gathering authority of the United States or the Commissioner under Sections 104 and 122 of CERCLA, 42 U.S.C. §§ 9604 and 9622, or any other applicable federal or state law or regulation, or to excuse the Debtors from any disclosure or notification requirements imposed by CERCLA, RCRA, or any other applicable federal or state law or regulation.

24. The Debtors hereby covenant not to sue and agree not to assert or pursue any claims or causes of action against the United States or the Commissioner with respect to the Liquidated Sites, the Settled Bio-Lab Claim, or the Settled El Dorado Claim, including, but not limited to: (i) any direct or indirect claim for reimbursement from the Hazardous Substance Superfund through Sections 106(b)(2), 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9611, 9612, or 9613, or any other provision of law; (ii) any claim against the United States, including any department, agency, or instrumentality of the United States, under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, related to the Liquidated Sites or the Settled El Dorado Claim; or (iii) any claims arising out of response activities at the Liquidated Sites. The foregoing covenant not to sue shall also apply to the United States' and the Commissioner's employees, successors, and assigns. Nothing in this Settlement Agreement shall be deemed to

constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

XIV. CONTRIBUTION PROTECTION

25. The Parties agree, and by entering this Settlement Agreement the Court finds, that this settlement constitutes a judicially-approved settlement for purposes of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and that the Debtors are entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), or as may be otherwise provided by law, for “matters addressed” in this Settlement Agreement. Subject to the last sentence of this Paragraph, the “matters addressed” in this Settlement Agreement, as that phrase is used in Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), include, without limitation, (i) claims by EPA or potentially responsible parties for response costs at or in connection with each of the Liquidated Sites and the Settled El Dorado Claim, and (ii) claims by NOAA or potentially responsible parties for natural resource damages for injury to NOAA trust resources (including related natural resource damage assessment costs) at or in connection with the Diamond Alkali Site. The “matters addressed” in this Settlement Agreement do not include claims against any of the Debtors for liquidated past response costs incurred by potentially responsible parties prior to the Petition Date and included in proofs of claim filed in any of the Bankruptcy Cases by potentially responsible parties with respect to any of the Liquidated Sites or the El Dorado Site.

26. The Debtors each agree that, with respect to any suit for contribution brought against any of them after the Effective Date for matters related to this Settlement Agreement, they will notify the United States and the Commissioner, as applicable, within fifteen business days of service of the complaint upon them. In addition, in connection with such suit, the

Debtors shall notify the United States and the Commissioner, as applicable, within fifteen business days of service or receipt of any Motion for Summary Judgment and within fifteen business days of receipt of any order from a court setting a case for trial (provided, however, that the failure to notify the United States or the Commissioner pursuant to this Paragraph shall not in any way affect the protections afforded under Section XIII (Covenants Not to Sue and Reservation of Rights).

XV. RETENTION OF RECORDS

27. Until ten years after the Effective Date, each of the Debtors shall preserve and retain all non-identical copies of records, reports, documents, and other information (including records, reports, documents, and other information in electronic form) (hereinafter referred to as “Records”) now in its possession or control or which come into its possession or control that relate in any manner to (i) response actions taken at any of the Liquidated Sites or Debtor-Owned/Operated Sites, or (ii) the liability of any person under CERCLA, RCRA, or state law with respect to any such site. The above record retention requirement shall apply regardless of any corporate retention policy to the contrary.

28. At the conclusion of the record retention period provided for in the preceding Paragraph, the Debtors shall notify the United States and the Commissioner at least ninety days prior to the destruction of any Records described in the preceding Paragraph, and, upon request by the United States or the Commissioner, the Debtors shall deliver any such Records to the Settling Federal Agencies or the Commissioner. The Debtors may assert that certain Records are privileged under the attorney-client privilege or any other privilege recognized by federal law. The Debtors shall retain all Records that they claim to be privileged until the United States and the Commissioner have had a reasonable opportunity to dispute the privilege claim and any

such dispute has been resolved in the Debtors' favor. However, no Records created or generated pursuant to the requirements of this or any other settlement with the United States or the Commissioner shall be withheld on the grounds that they are privileged or confidential.

XVI. LAUREL PARK SITE

29. Notwithstanding any other provision of this Settlement Agreement, the Debtors that are parties to the Laurel Park Consent Decree shall comply with all obligations, and retain all rights, of the Debtors under the Laurel Park Consent Decree. The Debtors' obligations under the Laurel Park Consent Decree, including the Debtors' obligations under that Consent Decree to perform work and reimburse response costs of the United States and the Commissioner, shall not be impaired in any way by the Bankruptcy Cases, confirmation of the Plan of Reorganization, or this Settlement Agreement. Nor shall anything in this Settlement Agreement or the Plan constitute a discharge of any obligations of the Debtors at or in connection with the Laurel Park Site.

XVII. EXCLUDED MATTERS

30. This Settlement Agreement shall not affect any causes of action or defenses the Parties may have with respect to (i) the Gowanus Site, or (ii) matters not expressly specified herein, including, but not limited to, the liability of the Debtors, if any, to the Settling Federal Agencies or the Commissioner with respect to any site that is not a Liquidated Site or Debtor-Owned/Operated Site. For the Gowanus Site and all matters not expressly specified herein, the Settling Federal Agencies and the Commissioner shall have those causes of action against the Debtors that they would have had if this Settlement Agreement had never been made, and the Debtors shall have whatever defenses they would have had, including defenses based on the Bankruptcy Code or Bankruptcy Cases, if this Settlement Agreement had never been made.

XVIII. NOTICES AND SUBMISSIONS

31. Whenever, under the terms of this Settlement Agreement, written notice is required to be given, or a report or other document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below via U.S. certified mail, return receipt requested, unless those individuals or their successors give notice of a change of address to the other Parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided. Except as otherwise provided in this Settlement Agreement, written notice as specified herein shall constitute complete satisfaction of any written notice requirement in the Settlement Agreement with respect to the United States, the Commissioner, and the Debtors, respectively.

As to the United States:

Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044
Ref. DOJ File No. 90-11-3-09736

Lawrence H. Fogelman
Assistant United States Attorney
Office of the United States Attorney
for the Southern District of New York
86 Chambers Street, Third Floor
New York, NY 10007

Craig Kaufman
Attorney-Advisor
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

M.E. Rolle
National Oceanic and Atmospheric Administration
263 13th Avenue South
Saint Petersburg, FL 33701

As to the Commissioner:

Krista E. Trousdale
Assistant Attorney General
55 Elm Street
Hartford, CT 06106

As to the Debtors:

Chemtura Corporation
199 Benson Road
Middlebury, CT 06762
ATTN: General Counsel

with copies to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
ATTN: M. Natasha Labovitz, Esq.

XIX. JUDICIAL APPROVAL AND PUBLIC COMMENT

32. This Settlement Agreement shall be subject to approval of the Bankruptcy Court.

The Debtors shall promptly seek approval of this Settlement Agreement under Bankruptcy Rule 9019 or applicable provisions of the Bankruptcy Code.

33. This Settlement Agreement shall be lodged with the Bankruptcy Court and shall thereafter be subject to a period of public comment following publication of notice of the Settlement Agreement in the *Federal Register*. The public comment period provided for in this Paragraph may run concurrently with any notice period required pursuant to Bankruptcy Rule 2002 or applicable local rule in connection with judicial approval of the Settlement Agreement pursuant to the preceding Paragraph.

34. After the period for public comment, the United States will file with the Bankruptcy Court any comments received, as well as the United States' responses to the comments. At that time, if appropriate, the United States will request approval of the Settlement Agreement. The United States reserves the right to withdraw or withhold its consent to this Settlement Agreement if the public comments regarding it disclose facts or considerations which indicate that it is not in the public interest.

35. If for any reason (i) the Settlement Agreement is withdrawn by the United States as provided in Paragraph 34, or (ii) the Settlement Agreement is not approved, or (iii) the Plan of Reorganization is amended to provide for non-cash distributions to Governmental Units with allowed claims for Debtor liabilities under environmental law, or (iv) the Bankruptcy Cases are dismissed or converted to cases under Chapter 7 of the Bankruptcy Code before the effective date of the Plan: (a) this Settlement Agreement shall be null and void and the Parties shall not be bound hereunder or under any documents executed in connection herewith; (b) the Parties shall have no liability to one another arising out of or in connection with this Settlement Agreement or under any documents executed in connection herewith; and (c) this Settlement Agreement and any documents prepared in connection herewith shall have no residual or probative effect or value, and it shall be as if they had never been executed.

XX. PLAN OF REORGANIZATION

36. The Debtors shall not amend the Plan of Reorganization in a manner inconsistent with the terms and provisions of this Settlement Agreement, or take any other action in the Bankruptcy Cases that is inconsistent with the terms and provisions of this Settlement Agreement. The Debtors shall timely serve the Settling Federal Agencies and the Commissioner with any motion to amend the Plan after its confirmation. The Settling Federal

Agencies and the Commissioner shall not oppose any term or provision of the Plan that is addressed by and consistent with this Settlement Agreement. The Parties reserve all other rights and defenses they may have with respect to the Plan.

XXI. INTEGRATION, AMENDMENTS, AND EXECUTION

37. This Settlement Agreement and any other documents to be executed in connection herewith and referred to herein shall constitute the sole and complete agreement of the Parties with respect to the matters addressed herein. This Settlement Agreement may not be amended except by a writing signed by all Parties.

38. This Settlement Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same agreement.

XXII. RETENTION OF JURISDICTION

39. Except as provided in Paragraph 8 (Non-Dischargeability/Reservation Regarding Debtor-Owned/Operated Sites) and Section XVI (Laurel Park Site) regarding proceedings in other administrative or judicial tribunals, the Court (or, upon withdrawal of the Court's reference, the United States District Court for the Southern District of New York) shall retain jurisdiction over the subject matter of this Settlement Agreement and the Parties for the duration of the performance of the terms and provisions of this Settlement Agreement for the purpose of enabling any of the Parties to apply to the Court at any time for such further order, direction, and relief as may be necessary or appropriate for the construction or interpretation of this Settlement Agreement or to effectuate or enforce compliance with its terms.

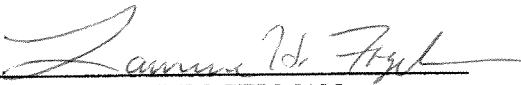
THE UNDERSIGNED PARTIES ENTER INTO THIS SETTLEMENT AGREEMENT:

FOR THE UNITED STATES OF AMERICA:

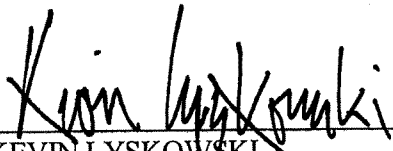
Date: 8/23/10

By: 
ROBERT DREHER
Acting Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice

Date: 8/24/10

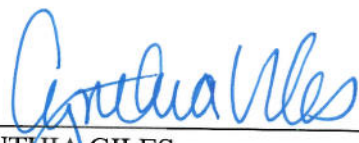
By: 
LAWRENCE H. FOGELMAN
SARAH E. LIGHT
BRIAN K. MORGAN
NATALIE N. KUEHLER
Assistant United States Attorneys
Office of the United States Attorney for the
Southern District of New York
86 Chambers Street, Third Floor
New York, NY 10007

Date: 8/24/10

By: 
KEVIN LYSKOWSKI
Senior Bankruptcy Counsel
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

Date: 8/20/10

By: 
CYNTHIA GILES
Assistant Administrator for Enforcement and
Compliance Assurance
U.S. Environmental Protection Agency

Date: 8/19/10

By: 
CRAIG KAUFMAN
Attorney-Advisor
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

FOR THE CONNECTICUT COMMISSIONER OF ENVIRONMENTAL PROTECTION:

Date: 8/20/10

By: Krista E. Trousdale

KRISTA E. TROUSDALE
Assistant Attorney General
Office of the Attorney General
State of Connecticut
55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Dated: 8/20, 2010

Chemtura Corporation

By:

Billie S. Flaherty
Senior Vice President, General
Counsel & Secretary

BioLab Company Store, LLC
BioLab Franchise Company LLC

By:

Robert J. Cicero
Vice President and Secretary

A&M Cleaning Products, LLC
Aqua Clear Industries, LLC
ASCK, Inc.
ASEPSIS, Inc.
BioLab Textile Additives, LLC
Bio-Lab Inc.
CNK Chemical Realty Corp.
Crompton Colors Incorporated
Crompton Holding Corporation
Crompton Monochem, Inc.
GLCC Laurel, LLC
Great Lakes Chemical Corporation
Great Lakes Chemical Global, Inc.
GT Seed Treatment, Inc.
HomeCare Labs, Inc.
ISCI, Inc.
Kem Manufacturing Corporation
Laurel Industries Holdings, Inc.
Monochem, Inc.
Naugatuck Treatment Company
Recreational Water Products, Inc.
Uniroyal Chemical Company Limited
(Delaware)
Weber City Road LLC
WRL of Indiana, Inc.

By:

Robert J. Cicero
Secretary

EXHIBIT A

Debtors

The Debtors, along with the last four digits of each Debtor's federal taxpayer identification number, are:

Chemtura Corporation (3153)
A&M Cleaning Products, LLC (4712)
Aqua Clear Industries, LLC (1394)
ASCK, Inc. (4489)
ASEPSIS, Inc. (6270)
BioLab Company Store, LLC (0131)
BioLab Franchise Company, LLC (6709)
Bio Lab, Inc. (8754)
BioLab Textile Additives, LLC (4348)
CNK Chemical Realty Corporation (5340)
Crompton Colors Incorporated (3341)
Crompton Holding Corporation (3342)
Crompton Monochem, Inc. (3574)
GLCC Laurel, LLC (5687)
Great Lakes Chemical Corporation (5035)
Great Lakes Chemical Global, Inc. (4486)
GT Seed Treatment, Inc. (5292)
HomeCare Labs, Inc. (5038)
ISCI, Inc. (7696)
Kem Manufacturing Corporation (0603)
Laurel Industries Holdings, Inc. (3635)
Monochem, Inc. (5612)
Naugatuck Treatment Company (2035)
Recreational Water Products, Inc. (8754)
Uniroyal Chemical Company Limited (Delaware) (9910)
Weber City Road LLC (4381)
WRL of Indiana, Inc. (9136)

EXHIBIT B

PREET BHARARA
United States Attorney for the
Southern District of New York
By: LAWRENCE H. FOGELMAN
SARAH E. LIGHT
BRIAN MORGAN
NATALIE N. KUEHLER
Assistant United States Attorneys
86 Chambers Street, Third Floor
New York, New York 10007
Telephone: (212) 637-2800
Fax: (212) 637-2730

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re: : Chapter 11

CHEMTURA CORPORATION, et al., : Bankr. Case No. 09-11233 (REG)

Debtors. : Jointly Administered
----- X
CHEMTURA CORPORATION, et al., :

Plaintiffs, : Case No. 10 Civ. 503 (RMB)

v. : Adversary Proceeding No. 09-1719
(REG)
UNITED STATES OF AMERICA, et al., :

Defendants. : ECF CASE
----- X

**STIPULATION OF DISMISSAL WITH PREJUDICE AS TO DEFENDANTS THE
UNITED STATES OF AMERICA, THE UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY, THE STATE OF CONNECTICUT AND THE
CONNECTICUT COMMISSIONER OF ENVIRONMENTAL PROTECTION**

WHEREAS, Chemtura Corporation (“Chemtura”) and certain of its affiliates (collectively,
as debtors, debtors-in-possession, or in any new or reorganized form as a result of the
above-captioned bankruptcy proceeding, “Debtors” or “Plaintiffs”) filed with the United States
Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) voluntary

petitions for relief under Title 11 of the United States Code (the “Bankruptcy Code”) on March 18, 2009, which have been consolidated for procedural purposes and are being administered jointly as Case No. 09-11233 (REG);

WHEREAS, the United States, on behalf of the United States Environmental Protection Agency (“EPA”), has filed proofs of claim (Claim Nos. 11672, 11767, 11797, 11854, and 11993) (collectively, the “U.S. Proofs of Claim”) against Chemtura and other Debtors;

WHEREAS, the U.S. Proofs of Claim set forth the United States’ position that the Debtors’ obligation to comply with work requirements at numerous sites including, *inter alia*, the Laurel Park, Inc. Superfund Site in Connecticut (the “Laurel Park Site”) and the Stauffer-LeMoyne Superfund Site in Alabama (the “Stauffer-LeMoyne Site”), pursuant to court orders, environmental statutes, regulations, administrative orders, licenses, and permits are not dischargeable pursuant to Section 1141 of the Bankruptcy Code;

WHEREAS, the State of Connecticut, through its Commissioner of Environmental Protection (the “Commissioner”), is, along with the United States, a plaintiff signatory to federal consent decrees that require Chemtura, debtor Naugatuck Treatment Company (“Naugatuck Treatment”), and other parties to perform work at two sites in Connecticut, including the Laurel Park Site;

WHEREAS, the Commissioner has filed proofs of claim (Claim Nos. 11513 and 11569) (collectively, the “Connecticut Commissioner Proofs of Claim”) related to Chemtura’s and Naugatuck Treatment’s work requirements with respect to, *inter alia*, the Laurel Park Site;

WHEREAS, the Connecticut Commissioner Proofs of Claim set forth the Commissioner’s position that the Debtors’ obligation to comply with work requirements under the consent decrees for, *inter alia*, the Laurel Park Site are not dischargeable pursuant to Section 1141 of the

Bankruptcy Code;

WHEREAS, on November 3, 2009, Chemtura and certain other Debtors commenced an adversary proceeding against the United States, the State of Connecticut, and other States (collectively, “Defendants”) by filing a complaint in the Bankruptcy Court, docket no. 09-1719, which, as amended on January 19, 2010 (“Complaint”), seeks a declaration that the Debtors’ injunctive and other work obligations at certain sites they allegedly do not currently own or operate including, *inter alia*, the Laurel Park Site and the Stauffer-LeMoyne Site, are dischargeable in bankruptcy (the “Environmental Declaratory Action”);

WHEREAS, the Complaint names as defendants not only the United States and the State of Connecticut, but also (separately) EPA and the Commissioner;

WHEREAS, on January 22, 2010, certain of the Defendants in the Environmental Declaratory Action, including the United States, on behalf of EPA, and the State of Connecticut, acting through the Commissioner, filed a motion to withdraw the reference to the Bankruptcy Court with respect to the Environmental Declaratory Action;

WHEREAS, on March 26, 2010, the motion to withdraw the reference was granted, and the Environmental Declaratory Action was assigned district court docket number 10 Civ. 503 (RMB);

WHEREAS, on February 12, 2010, the Plaintiffs in the Environmental Declaratory Action moved for summary judgment, and on April 21, 2010, the Defendants, including the United States, on behalf of EPA, and the State of Connecticut, acting through the Commissioner, filed a memorandum of law in opposition to the Plaintiffs’ motion and cross-moved for summary judgment;

WHEREAS, the Plaintiffs as well as the United States, on behalf of EPA, and the State of

Connecticut, acting through the Commissioner, wish to resolve the liability asserted in the U.S. Proofs of Claim and the Connecticut Commissioner Proofs of Claim, as well as the Environmental Declaratory Action, without further litigation;

WHEREAS, the parties entered into a settlement agreement, attached hereto as Exhibit 1, which, on _____, 2010, the United States lodged with the Bankruptcy Court (the “Settlement Agreement”);

WHEREAS, on _____, the Bankruptcy Court entered an order approving the Settlement Agreement; and

WHEREAS, pursuant to the Settlement Agreement, the parties agreed to file a Stipulation of Dismissal with Prejudice of the Environmental Declaratory Action as to the United States of America, EPA, the State of Connecticut, and the Commissioner;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. The Environmental Declaratory Action is hereby dismissed with prejudice as against defendants the United States of America, EPA, the State of Connecticut and the Commissioner.

SO ORDERED:

Honorable Richard M. Berman
United States District Judge

Dated: New York, New York
_____, 2010

PREET BHARARA
United States Attorney for the
Southern District of New York

By: _____
LAWRENCE H. FOGELMAN
SARAH E. LIGHT
BRIAN K. MORGAN
NATALIE N. KUEHLER
Assistant United States Attorneys
Attorneys for the United States of America

Dated: Hartford, Connecticut
_____, 2010

CONNECTICUT COMMISSIONER OF
ENVIRONMENTAL PROTECTION

By: _____
KRISTA E. TROUSDALE
Assistant Attorney General
55 Elm Street
Hartford, CT 06106
Tel. (860) 808-5250
Fax: (860) 808-5386
krista.trausdale@po.state.ct.us

Dated: New York, New York
_____, 2010

FOR THE DEBTORS