

COMPROMISE SETTLEMENT AGREEMENT

This Compromise Settlement Agreement ("Agreement") is made by and entered into this 21 day of August, 2017, by and between **BRYAN INDEPENDENT SCHOOL DISTRICT** ("BISD") with offices at 101 North Texas Avenue Bryan, Texas 77803, and **SAINT-GOBAIN CERAMICS & PLASTICS, INC.** ("Saint-Gobain") with offices at 1500 Independence Avenue, Bryan, Texas 77803. BISD and Saint-Gobain are collectively referred to herein as the "Parties."

I. **RECITATIONS**

WHEREAS, Saint-Gobain operates a manufacturing facility located at 1500 Independence Avenue in Bryan, Texas (the "Facility"); and

WHEREAS, Saint-Gobain has applied to the Texas Commission on Environmental Quality ("TCEQ") for a New Source Review Authorization ("Permit") under the Texas Clean Air Act, Texas Health and Safety Code §382.0518, to authorize certain construction at and modifications of the Facility; and

WHEREAS, BISD submitted comments to TCEQ concerning Saint-Gobain's application for the Permit, and requested a hearing on certain disputed issues relating to the Permit; and

WHEREAS, TCEQ granted BISD's request and referred the matter to the State Office of Administrative Hearing ("SOAH") for a contested case hearing on the Permit; and

WHEREAS, it is the desire of the Parties to this Agreement to resolve all related disputes between them, asserted or unasserted.

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree to the terms set forth in Section II. below.

II. **TERMS OF AGREEMENT**

In consideration of the covenants, promises, and agreements granted herein, the Parties compromise, settle, fully release, and forever discharge each other, their agents, servants, representatives, employees, trustees, officers, successors, predecessors, and assigns of and from any and all claims, demands, controversies, actions, or causes of action of whatever kind or character, whether known or unknown, which the Parties

COMPROMISE SETTLEMENT AGREEMENT

have against the other for alleged damages or relief of any kind, that may have arisen out of Saint-Gobain's application for the Permit and related to future total overall maximum allowable emission limits contained in a future permit application associated with the construction of a seventh tunnel kiln at the Facility, provided any such permit application complies with Section II(A) of this Agreement.

A. Reduction in Maximum Allowable Emission Limits. The Permit will authorize Saint-Gobain to construct a sixth tunnel kiln ("TK6") at the Facility. In addition, Saint-Gobain has future plans to construct a seventh tunnel kiln ("TK7") at the Facility. Saint-Gobain agrees that based on application of the TK6 design to TK7 and the use of similar emission control technology, its future application for a Permit to authorize the construction of TK7 will provide for a fifteen percent (15%) reduction in total overall maximum allowable emissions from the tunnel kilns based on currently-permitted maximum allowable emission limits.

B. Provision of Emission Data. Saint-Gobain will include BSD in the distribution list for the Facility's Annual Emissions Inventory Questionnaire ("AEIQ"), as the AEIQ is submitted to TCEQ. This obligation will survive for a period of five (5) years from the Effective Date of this Agreement unless within this time period BSD files a legal challenge to the Facility's permit application associated with the construction of a seventh tunnel kiln at the Facility, in which case Saint-Gobain's obligation at this Section II(B) will terminate at that time.

C. Contribution to BSD General Fund. No later than thirty (30) days after the Effective Date of this Agreement, Saint-Gobain will contribute FIFTEEN THOUSAND DOLLARS (\$15,000.00) to BSD's general fund.

D. Permit Compliance. Saint-Gobain will continue to operate the Facility in compliance with existing Permit No. 20006, including amendments and authorizations pertaining to the planned TK6 construction.

E. Withdrawal of Request for Hearing. No later than thirty (30) days after the Effective Date of this Agreement, BSD will withdraw its request to TCEQ for a contested case hearing on the Permit. The Parties shall cooperate in the filing of appropriate motions, reports and notifications with TCEQ and SOAH to implement such withdrawal of BSD's request for a contested case hearing.

F. Applicable Law. This Agreement is made and entered into in the State of Texas and shall be interpreted, enforced, and governed under the laws of that State without regard to the conflicts of law. The language of all parts of this Agreement shall in all cases be construed as a whole, according to their fair meaning, and not strictly for or against either party.

G. Entire Agreement. This Agreement contains the entire agreement between the Parties pertaining to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs,

COMPROMISE SETTLEMENT AGREEMENT

successors and assigns of each. The terms of this Agreement are contractual and not a mere recital.

H. Authority of the Board of Trustees. BISD has entered into this Agreement with the authority and approval of its Board of Trustees granted in a duly scheduled meeting and reflected in the minutes of such meeting.

I. Notices. All notices and correspondence required, desired or permitted to be given hereunder shall be in writing and shall be provided to each party at the addresses set forth below. The Parties' contacts listed below may be changed by written notice given in accordance with this Section.

If to BISD: Dr. Christie Whitbeck
Superintendent
Bryan ISD
101 North Texas Avenue Bryan, Texas 77803
christie.whitbeck@bryanisd.org
(979) 209-1002

With a copy to: Harry F. Wright, Jr.
School Attorney
Bryan ISD
101 North Texas Avenue Bryan, Texas 77803
harry.wright@bryanisd.org
(979) 209-1132

If to SG: David P. Yandell
Plant Manager
Saint-Gobain - NorPro - Catalytic Products
1500 Independence Avenue
Bryan, Texas 77803
(979) 779-1500
david.yandell@saint-gobain.com

With a copy to: Brett Slensky, Esq.
Saint-Gobain Corporation
20 Moores Road
Malvern, Pennsylvania 19355
(610) 893-5696
brett.e.slensky@saint-gobain.com

COMPROMISE SETTLEMENT AGREEMENT

9253013 1/SP/7072&0473/082117

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of August 21, 2017 (the "Effective Date").

BRYAN INDEPENDENT SCHOOL DISTRICT

By:  _____

Its: William Moore III _____

SAINT-GOBAIN CERAMICS & PLASTICS, INC.

By: ERIK DULOISY



Its: General Manager

COMPROMISE SETTLEMENT AGREEMENT

9253013 1/SP/70728/0473/082117