



Hahn & Hessen LLP
488 Madison Avenue, New York, NY 10022
T 212.478.7200 F 212.478.7400 hahnhausen.com

July 6, 2017

Mark S. Indelicato
Partner
212.478.7320
mindelicato@hahnhausen.com

Gabrielle Glemann
STOEL RIVES LLP
600 University Street, Suite 3600
Seattle, WA 98101

Re: Reichhold Holdings US, Inc. *et al.* Case Number 14-12237 (MFW) – Bankruptcy
Claim of Port of Seattle (claim 2433) (the “**Claim**”)

Dear Gabrielle,

This Side Letter is from Alan Halperin, as Liquidating Trustee of the Reichhold Liquidation Trust (the “**Liquidating Trustee**”) to the Port of Seattle (the “**Port**” and with the Liquidating Trustee, the “**Parties**”).

The Parties have entered into an agreement, resolving and fixing the Claim as an allowed general unsecured claim in the amount of \$510,000 (the “**Allowed Claim Amount**”). The Allowed Claim Amount will be presented to the Bankruptcy Court as a resolution of the Liquidating Trustee’s objection to the Claim which was included in the Liquidating Trustee’s 19th omnibus claims objection.

The Parties have further agreed that the Allowed Claim Amount will be increased if the Liquidating Trustee settles a claim of a similarly situated potentially responsible party (a, “**PRP**”) with respect to claims associated with the Lower Duwamish Waterway (“**LDW**”) located in Seattle, Washington at a percentage higher than 3% of its past cost claim (the “**Settlement Percentage**”). In such event, the Settlement Percentage of the Port’s Allowed Claim Amount will be increased to reflect such higher past cost percentage without the need for revising or modifying the Stipulation.¹

Similarly, in the event that the Liquidating Trustee settles a claim with any entity regarding the LDW or any other PRP with respect to an environmental cleanup site, except for any settlement with an agency of the United States Government or agency of any State, wherein such claimant receives as an allowed claim a percentage of any estimated future investigation, cleanup, remediation or response costs (the “**Future Costs**”), the Port’s Allowed Claim Amount will be increased in an amount equal to the Settlement Percentage then being paid to the Port on its Allowed Claim Amount (currently that percentage is 3%) multiplied by \$85.5 million dollars

¹ For example, if the Liquidating Trustee settled with another PRP with respect to claims arising at the LDW site, and in such settlement allowed past cost with a 4% multiplier in calculating such claim, Seattle’s Allowed Claim would increase to \$680,000.00 (4% of \$17,000,000.00).

(25% of the estimated Future Costs of the LDW of \$342 million dollars), without the need for revising or modifying the Bankruptcy Court Order fixing the Allowed Claim Amount. In the event the Liquidating Trustee enters into any such settlement with a higher Settlement Percentage or which pays a percentage of Future Costs, the Liquidating Trustee will inform the Port within five (5) business days and provide the updated Allowed Claim amount to the Port and the claims agent.

Nothing in this Side Letters alters, amends, impairs or otherwise modifies the rights of the Parties with respect to any applicable insurance policies and related agreements, if any, or the coverage provided thereunder.

Nothing in this Side Letter shall be construed as an admission regarding either Parties' liability with respect to claims associated with the LDW.

Sincerely,

Mark S. Indelicato

ACKNOWLEDGED AND AGREED:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

----- X
In re: : Chapter 11
REICHHOLD HOLDINGS US, INC., *et al.*, : Case No. 14-12237 (MFW)
Debtors.¹ : (Jointly Administered)
----- X

STIPULATION BETWEEN THE LIQUIDATING TRUSTEE AND PORT OF SEATTLE

This Stipulation is between Alan Halperin, as Liquidating Trustee of the Reichhold Liquidation Trust (the “**Liquidating Trustee**”) and the Port of Seattle (the “**Port**” and with the Liquidating Trustee, the “**Parties**”).

RECITALS

The Parties represent that:

A. On September 30, 2014 (the “**Petition Date**”), the Debtors (defined below) commenced these cases under Chapter 11 of the Bankruptcy Code by filing petitions with the U.S. Bankruptcy Court for the District of Delaware (the “**Court**”).

B. On March 9, 2015, the Port filed a general unsecured claim which estimated \$15,000,000 in past costs (the “**Past Cost Claim**”) as of March 9, 2015 and an unliquidated future costs claim (the “**Future Costs Claim**”, and with the Past Cost Claim, the “**Claim**”) incurred or to be incurred by the Port related to alleged environmental damage at the Lower

¹ The Debtors in these chapter 11 cases are Reichhold Holdings US, Inc., Liquidating Reichhold, Inc. (f/k/a Reichhold Liquidation, Inc.), Canadyne Corporation and Canadyne-Georgia Corporation. On March 3, 2016, the Court entered an order closing the bankruptcy cases of Reichhold Liquidation, Inc., Canadyne-Georgia Corporation and Canadyne Corporation.

Duwamish Waterway (“**LDW**”) located in Seattle, Washington. The Claim is identified by the Debtors’ claims agent as claim number 2433.

C. On November 19, 2015, the Debtors filed the Second Amended Disclosure Statement with Respect to Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code Proposed by the Debtors [Docket No. 1246] (the “**Disclosure Statement**”) and the Second Amended Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code Proposed by the Debtors [Docket No. 1247] (the “**Plan**”). On the same day, the Court entered an order [Docket No. 1252] approving the Disclosure Statement and scheduling a confirmation hearing. On January 13, 2016, the Court entered the Findings of Fact, Conclusions of Law, and Order Confirming Second Amended Plan of Liquidating Pursuant to Chapter 11 of the Bankruptcy Court Proposed by the Debtors [Docket No. 1385]. The Plan became effective on March 1, 2016.

D. Pursuant to the Plan, the Reichhold Liquidation Trust was established to effectuate the wind down of the Debtors and to make Distributions (as defined in the Plan) pursuant to the Plan and the Liquidating Trust Agreement (as defined in the Plan).

E. On May 30, 2017, the Liquidating Trustee filed the 19th Omnibus Objection (Substantive) to Claims (the “**Claims Objection**”), which, *inter alia*, objected to claim number 2433 and sought to fix and allow such claim in the amount of \$187,500.

F. Pursuant to the Claims Objection, the Liquidating Trustee disputes the validity and amount of the Claim, and the Parties have agreed to resolve the Claims Objection and fix the amount of the Claim pursuant to this Stipulation and an order of the Court.

STIPULATIONS

The Parties stipulate that:

1. Pursuant to Article VI.H.1. of the Plan, the Liquidating Trustee is authorized to settle this Claim without notice to, or order from, the Court.
2. The Parties will submit a form of order resolving the Claims Objection consistent with this Stipulation.
3. The Claim (claim number 2433) is allowed as a general unsecured claim in the amount of \$510,000 (the “**Allowed Claim Amount**”).
4. Following the entry of a Court order resolving the Claims Objection, the Claim will be paid in accordance with the terms Plan at the same time as other similarly situated general unsecured claims are paid.
5. Other than the Claim, the Port shall have no other filed or scheduled claim against the Debtors in these chapter 11 cases.
6. The parties agree that neither this Stipulation, nor the amount of the Claim shall constitute (i) any admission with respect to or otherwise have any impact on the allocation of responsibility (the “**Allocation Process**”) for LDW site costs under state or federal law, or (ii) amend, impair or otherwise modify the rights of the Parties with respect to any applicable insurance policies and related agreements, if any, or the coverage provided thereunder.
7. The Court has jurisdiction over any dispute arising from this Stipulation.
8. Delaware law governs any dispute regarding this Stipulation.
9. No amendment to this Stipulation is effective unless the amendment is in writing and signed by the Parties.

10. If the Parties sign this Stipulation in counterparts, then each counterpart would be deemed an original, and all counterparts together would constitute one document.

11. Counsel to the Parties are authorized to sign this Stipulation on their behalf.

12. The claims agent appointed in this case is authorized to update the claims register to reflect the terms of this Stipulation.

Dated: July __, 2017

HAHN & HESSEN LLP

STOEL RIVES LLP

By: _____
Mark S. Indelicato (admitted pro hac vice)
488 Madison Avenue
New York, New York 10022
Telephone: (212) 478-7200
Facsimile: (212) 478-7400

By: _____
Gabrielle Glemann
600 University Street, Suite 3600
Seattle, WA 98101
Telephone: (206) 386-7530
Facsimile: (206) 386-7500

*Counsel to Alan D. Halperin,
as Liquidating Trustee of the Reichhold
Liquidation Trust*

Counsel to the Port of Seattle