

[CLIENT NAME]:

We are announcing that the City of Metropolis, the County of Massac, and the Class Representatives have agreed with Honeywell, Solstice, and the Department of Energy as to general terms of settlement that will be presented to Judge Yandle for preliminary approval later this year. The terms of the settlement will not become binding until such time as Judge Yandle issues an order of final approval of the class action settlement.

Under the terms of the agreement, Solstice will pay \$80 million to resolve the property class claims, the claims of local governments, and several individual damage claims. The Department of Energy will reimburse Solstice for its settlement costs.

Mediator Ken Feinberg of Washington, DC served as a neutral third party throughout the settlement process and allocated the \$80 million as follows:

Property Class- \$50 million
Government Claims- \$20 million
Outstanding Individual Claims- \$10 million

The \$50 million allocated to the Property Class will be distributed to owners of residential property within the three-mile class area. A court-appointed settlement administrator will involve the community in a public process to develop a process to equitably allocate the \$50 million. A portion of the \$50 million will also be contributed to a public health initiative.

The \$20 million allocated to the government claims will be used for a public health initiative that will be used for health screening services and to pay for upgrades to the hospital so that it can address the unique health challenges that Metropolis faces.

The \$10 million allocated to outstanding individual claims will be used to resolve a set of several individual claims that have been the subject of negotiation with Honeywell over the past several years. Ken Feinberg will allocate that fund amongst individual claimants.

The net amounts to the Property Class, the governments, and outstanding individual claimants will be subject to adjustments for attorneys' fees and expenses and court costs.

Additionally, the settlement terms include a requirement that the parties negotiate an alternative dispute resolution process going forward to resolve new cancer diagnoses that can be scientifically linked to radiation exposure.

This term sheet is a first step in a process that will require extensive documentation and court involvement. No money will be distributed until the court's final approval. Even then, the allocation of the property damage proceeds will not occur until the court-appointed administrator develops the procedure for allocating the funds.

More information regarding the settlement process will be published in the Metropolis Planet.

Lead Council,

Richard Kruger
Kevin Thompson