SETTLEMENT AGREEMENT BETWEEN THE ALLEN PLAINTIFFS AND THE UNITED STATES

WHEREAS, on August 3, 2018, approximately 300 individual members of the Navajo Nation, filed suit against the United States of America and the United States Environmental Protection Agency in the United States District Court for the District of New Mexico in a case captioned as *Joe C. Allen et al. v United States*, et al., 1:18-cv-00744 (D.N.M.);

WHEREAS, the *Allen* Plaintiffs filed the *Allen* Plaintiff Action following the release, on August 5, 2015, of more than three million gallons of acid mine drainage containing heavy metals from the Gold King Mine located in San Juan County, Colorado, into downstream waters including the Animas and San Juan Rivers, which occurred during an EPA removal site evaluation;

WHEREAS, through the *Allen* Plaintiff Action, the *Allen* Plaintiffs brought claims against the United States pursuant to the Federal Tort Claims Act, 28 U.S.C §§ 1346(b), 2671-2680;

WHEREAS, the *Allen* Plaintiff Action was consolidated as part of the multi-district litigation captioned as *In re Gold King Mine Release in San Juan County, Colorado on August 5, 2015*, 1:18-md-02824 (D.N.M.);

WHEREAS, the *Allen* Plaintiffs and the United States have determined that settlement of the *Allen* Plaintiff Action, without any admission of liability as to any factual or legal issue, is in the public interest and in the interest of the Settling Parties, and is the most appropriate means of resolving the *Allen* Plaintiff Action;

WHEREAS, the allocation of the attorneys' fees settlement among and between the *Allen* Plaintiffs is determined by the *Allen* Plaintiffs, their counsel, and their experts based upon restoration and other costs and is not determined by the United States, its agencies, or employees.

NOW, THEREFORE, the *Allen* Plaintiffs and the United States hereby agree to the following:

1. Definitions

- a. Allen Plaintiff Action shall mean Joe C. Allen et al. v. United States, et al, Case No. 1:18-cv-0744 (D.N.M).
- b. Allen Plaintiffs shall mean all plaintiffs who remain in the Allen Plaintiff Action (1) whose claims have not previously been dismissed with prejudice as listed in Appendix A and (2) for whom counsel do not withdraw representation due to inability to locate or obtain a release.

- c. August 2015 Gold King Mine Release shall mean the release described in the allegations of Paragraph 2-3 of Plaintiffs' Complaint, ECF 1, in the *Allen* Plaintiff Action.
- d. **Effective Date** shall mean the date on which the Settlement Agreement is signed by both counsel for the *Allen* Plaintiffs and counsel for the United States and the Environmental Protection Agency.
- e. **EPA** shall mean the United States Environmental Protection Agency.
- f. FTCA shall mean the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 2671-2680.
- g. Settling Parties shall mean the *Allen* Plaintiffs and the United States. Settling Party, when used in the singular, shall mean either the *Allen* Plaintiffs or the United States.
- h. United States shall mean the United States of America and all of its agencies, instrumentalities and officers, including but not limited to EPA.
- 2. Payment for Allen Plaintiffs' Attorney Fees Related to Spoliation of Evidence Pursuant to Fed. R. Civ. 37(e)(2). As soon as reasonably practicable after the Effective Date of the Settlement Agreement and upon the receipt of releases of claims of the Allen Plaintiffs, the United States shall pay to Allen Plaintiffs' counsel the sum of \$7,500,000 under the Equal Access to Justice Act, 28 U.S.C. 2412(c)(2). In the event a release cannot be obtained by an Allen Plaintiff by January 4, 2023, counsel for the Allen Plaintiffs shall withdraw as counsel pursuant to D.N.M.LR-Civ. 83.8(b) and Rule 16-116 NMRA. Payment shall be in the form of an electronic funds transfer per instructions that Allen Plaintiffs' counsel shall provide to the United States no later than the Effective Date.
- 3. Availability of funds. Payments to be made and actions to be taken by the United States pursuant to this Settlement Agreement are subject to the availability of funds appropriated for such purpose. No provision of the Agreement shall be interpreted as or constitute a commitment or requirement that the United States obligate or pay funds in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law.

4. The Settling Parties' releases and covenants not to sue.

a. The Allen Plaintiffs hereby release, discharge, and covenant not to assert any and all claims of any kind that they may have had, or may now or hereafter have, against the United States or the Environmental Protection Agency based on matters which were asserted or could have been asserted by the Allen Plaintiffs in the Allen Plaintiff Action and/or resulted from the August 2015 Gold King Mine Release. The Allen Plaintiffs will indemnify and hold harmless the United States from any loss, claim, expense, demand, or cause of action of any kind or character through the assertion by any assignee, subrogee, successor, heir, or legatee hereto of a claim or claims connected with the subject matter of this Agreement, and from any loss incurred directly or indirectly by reason of the falsity or inaccuracy or any representation made herein by the undersigned. The Allen Plaintiffs' release and covenant not to sue the United States and the Environmental

Protection Agency shall take effect on the date that the United States has made the payment required in Paragraph 2.

b. The United States hereby releases, discharges, and covenants not to assert any claims of any kind that it may have had, or may now or hereafter have, against the *Allen* Plaintiffs based on matters which were asserted, or could have been asserted, by the United States or the EPA in the *Allen* Plaintiff Action. The United States' release and covenant not to sue the *Allen* Plaintiffs shall take effect on the same date that the *Allen* Plaintiffs release and covenant not to sue the United States takes effect.

5. Stay of litigation and voluntary dismissal.

- a. On October 4, 2022, the Settling Parties executed a term sheet. Pursuant to that agreement, the *Allen* Plaintiffs' counsel will make all reasonable efforts to obtain releases from the *Allen* Plaintiffs within 90 days of that agreement, or no later than January 4, 2023.
- b. On October 17, 2022, the Court granted a stay of all proceedings in the *Allen* Plaintiff Action for 90 days. *See* ECF 1834. The stay of proceedings will conclude on January 17, 2023. The Settling Parties will provide a status update to the Court at the earlier of (1) January 17, 2023 or (2) the Effective Date.
- c. Within 7 days after the United States has made the payment described in Paragraph 2, the *Allen* Plaintiffs shall file a stipulation of voluntary dismissal with prejudice of all pending FTCA claims against the United States and the EPA in the *Allen* Plaintiff Action.
- 6. No admission of liability. This Settlement Agreement shall not constitute or be construed as an admission by either Settling Party with respect to any question of fact or law raised by any claim or defense in the *Allen* Plaintiff Action, nor is it an admission of violation by either Settling Party of any law, rule, regulation, or policy.
- 7. No effect on third parties. Nothing in this Settlement Agreement shall bind, obligate, or otherwise create any rights or duties applicable to or enforceable by, or impose any limitations or conditions upon, any person or entity that has not signed the Agreement, nor shall the Agreement be construed to make such person or entity a third-party beneficiary of the Agreement.
- 8. No effect on claims and defenses other than between the Allen Plaintiffs and the United States. The Settlement Agreement shall have no third-party beneficiaries, nor shall it bind any third party.
- 9. Force majeure. Each Settling Party shall promptly notify the other Settling Party if the notifying Settling Party believes that it will be unable to meet a schedule for action specified in Paragraphs 5 of this Settlement Agreement because of any of the following circumstances beyond its control: (a) a federal government shutdown; or (b) an extreme event that prevents access to the Navajo Nation. In such circumstances, any resulting inability of the United

States or the *Allen* Plaintiffs to meet the specified schedule for action shall not constitute a failure to comply with the terms of this Agreement, and the date so affected shall be extended by one business day for each day of the unavoidable delay, unless the Settling Parties agree to a longer period. If a Settling Party invokes this provision, it shall provide the other Settling Party with reasonable notice and explanation for any unavoidable delay.

- 10. **Amendments**. This Settlement Agreement may only be amended by subsequent written and signed agreement of the Settling Parties.
- 11. Complete agreement. This Settlement Agreement was negotiated between the *Allen* Plaintiffs and the United States in good faith and at arm's length, and contains all terms and conditions agreed upon by the Settling Parties. Any statements or representations, oral or otherwise, between the Settling Parties or their respective counsel that are not expressly included herein are specifically superseded by this Agreement and shall have no force or effect. The Settling Parties hereby agree that any and all rules of construction to the effect that ambiguity is construed against the drafting party shall be inapplicable in any dispute concerning the terms, meaning or interpretation of this Agreement.
- 12. Counterpart original agreements. This Settlement Agreement may be executed in any number of counterpart originals, each of which shall be deemed an original agreement and all of which shall constitute one agreement. The execution of one counterpart by either Settling Party shall have the same force and effect as if that Settling Party had signed all other counterparts.
- 13. **Settlement authority**. Each individual signing this Settlement Agreement on behalf of a Settling Party hereby certifies that such individual has been duly authorized to bind such Settling Party to this Agreement by signing it.

FOR THE UNITED STATES OF AMERICA AND THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

January [15], 2023

February 16,

BRIAN BOYNTON

Principal Deputy Assistant Attorney General

Civil Division

By:

ADAM BAIN

Senior Trial Counsel

Civil Division, Torts Branch

adam Bain

United States Department of Justice

P. O. Box 340

Washington, D.C. 20044

FOR THE ALLEN PLAINTIFFS:

January 13, 2023

EGOLF + FERLIC + MARTINEZ + HARWOOD,

LLC

Kate Ferlic

123 W. San Francisco St., Second Floor

Santa Fe, NM 87501 Phone: (505) 986-9641

Email: Kate@EgolfLaw.com

Term Sheet Provisions

The United States, the Environmental Protection Agency and the Allen Plaintiffs (collectively, the "Settling Parties") hereby agree to a settlement-in-principle, embodied in this Term Sheet, containing the essential terms in Paragraphs 1 through 6 below, subject to the conditions in Paragraph 7. This settlement-in-principle is not binding upon the Settling Parties until the full text of a Settlement Agreement containing these essential terms has been approved by the appropriate officials in the United States Department of Justice with settlement authority and the individual Allen Plaintiffs. The Settling Parties' mutual, good faith intention is to fully draft such a Settlement Agreement and obtain approval by government officials with settlement authority and releases from the individual plaintiffs no later than 90 days from the date of execution of this Term Sheet. Unless mutually agreed by the Settling Parties in writing, until such time as the terms set forth in this Term Sheet are memorialized in a final and approved Settlement Agreement, this Term Sheet and the individual terms contained herein are strictly confidential, deliberative process privileged, and shall not be disclosed to any party other than the Settling Parties, their counsel, or their representatives necessary to finalize the negotiation. If counsel wishes to advertise a meeting with the Allen Plaintiffs to discuss the settlement-inprinciple, the Settling Parties shall mutually agree on the wording of such advertisements. Any such meetings shall not be open to the public.

1. Payment for Allen Plaintiffs' Attorney Fees Related to Spoliation of Evidence Pursuant to Fed. R. Civ. 37(e)(2). As soon as reasonably practicable after the Effective Date of the Settlement Agreement and upon the receipt of releases of claims of the Allen Plaintiffs, the United States shall pay to Allen Plaintiffs' counsel the sum of \$7,500,000. In the event a release cannot be obtained by an Allen Plaintiffs, counsel for the Allen Plaintiffs shall withdraw as counsel pursuant to D.N.M.LR-Civ. 83.8(b) and Rule 16-116 NMRA. Payment shall be in the form of an electronic funds transfer per instructions that Allen Plaintiffs' counsel shall provide to the United States no later than the Effective Date.

2. The Settling Parties' releases and covenants not to sue.

- a. The *Allen* Plaintiffs hereby release, discharge, and covenant not to assert any and all claims of any kind that they may have had, or may now or hereafter have, against the United States or the Environmental Protection Agency based on matters which were asserted or could have been asserted by the *Allen* Plaintiffs resulting from the August 2015 Gold King Mine Release. The *Allen* Plaintiffs' release and covenant not to sue the United States and the Environmental Protection Agency shall take effect on the date that the United States has made the payment required in paragraph 1.
- b. The United States and the Environmental Protection Agency hereby release, discharge, and covenant not to assert any claims of any kind that it may have had, or may now or hereafter have, against the *Allen* Plaintiffs based on matters which were asserted, or could have been asserted, by the United States or the Environmental Protection Agency in the

Allen Plaintiff Action. The United States' release and covenant not to sue the Allen Plaintiffs shall take effect on the same date that the Allen Plaintiffs release and covenant not to sue the United States takes effect.

3. Stay of litigation and voluntary dismissals.

- a. The Settling Parties agree to jointly move for a stay of all litigation between them for 90 days to finalize the Settlement Agreement and to obtain releases from the *Allen* Plaintiffs.
- b. Upon finalization of the Settlement Agreement and the execution of releases from the *Allen* Plaintiffs, the United States will process documentation for the transfer of the Settlement Funds as set forth in Paragraph 1.
- c. The Settling Parties will provide a status update to the Court at the conclusion of 90 days, informing the Court of the progress toward finalization of the Settlement Agreement and status of releases from *Allen* Plaintiffs. The Settling Parties agree to make all reasonable efforts to finalize the Settlement Agreement and obtain the releases from the *Allen* Plaintiffs within 90 days. The Settling Parties agree to work in good faith to resolve any issues regarding individual *Allen* Plaintiffs' execution of such releases within this time period.
- d. Within 7 days after the United States has made the payment described in Paragraph 1 the *Allen* Plaintiffs shall file a stipulation of voluntary dismissal with prejudice of all pending FTCA claims against the United States and the Environmental Protection Agency in the *Allen* Plaintiff Action.
- 4. **No admission of liability.** The Settlement Agreement shall not constitute or be construed as an admission by any Settling Party with respect to any question of fact or law raised by any claim or defense in the *Allen* Plaintiff Action, including, but not limited to any issue related to spoliation of evidence, nor is it an admission of violation by either Settling Party of any law, rule, regulation or policy.
- 5. No effect on third parties. The Settlement Agreement shall have no third-party beneficiaries, nor shall it bind any third party. The Settlement Agreement does not resolve and is without prejudice to, and each Settling Party expressly reserves, any and all rights with respect to claims and defenses between each Settling Party and any third parties, including but not limited to the right to discover, develop and/or introduce any testimonial or other evidence related to spoliation of evidence or any other factual or legal issues during pre-trial or trial proceedings in the *Allen* Plaintiff Action and the right to object to such discovery, development or introduction of testimonial or other evidence.

6. Definitions

a. Allen Plaintiff Action shall mean Joe C. Allen et al. v. United States, et al, Case No. 1:18-cv-0744 (D.N.M).

- b. Allen Plaintiffs shall mean all plaintiffs who remain in the Allen Plaintiff Action (1) whose claims have not previously been dismissed with prejudice as listed in Appendix A and (2) for whom counsel do not withdraw representation due to inability to locate or obtain a release.
- c. August 2015 Gold King Mine Release shall mean the release described in the allegations of Paragraphs 2-3 of Plaintiffs Complaint, ECF1, in the *Allen* Plaintiffs' Action.
- d. **Effective Date** shall mean the date on which the Settlement Agreement is signed by both counsel for the Allen Plaintiffs and counsel for the United States and the Environmental Protection Agency.
- e. EPA shall mean the United States Environmental Protection Agency.
- f. FTCA shall mean the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 2671-2680.
- g. **United States** shall mean the United States of America and all of its agencies, instrumentalities and officers, including but not limited to EPA.
- 7. This Term Sheet is offered subject to: (a) the Settling Parties' agreement to file, within as soon as one business day and as soon as practicable following their mutual acceptance and execution of this term sheet, a joint motion for a stay of all claims, defenses and litigation between them of 90 days; (b) incorporation of Paragraphs 1 through 6, as applicable, into the full written text of a proposed Settlement Agreement, along with any additional terms and definitions as are necessary to enable the Settling Parties' mutual recommendation of the proposed Settlement Agreement for approval; (c) the Settling Parties shall work together to draft a form of release for the *Allen* Plaintiffs by or before October 11, 2022; (d) the final review and approval of the proposed Settlement Agreement by the United States Deputy Assistant Attorney General, Torts Branch, the Associate Attorney General, and *Allen* Plaintiffs.

[SIGNATURES FOLLOW ON PAGE 4]

FOR THE UNITED STATES, AS AUTHORIZED BY THE ASSISTANT ATTORNEY GENERAL FOR THE CIVIL DIVISION, SUBJECT TO PARAGRAPH 7:

October 4, 2022

FIAL ATTORNEY LIVIL GIVIGION TORPS

FOR THE ALLEN PLAINTIFFS:

October___, 2022

APPENDIX A

The term Allen Plaintiffs as used in Paragraph 6(b) includes:

1. JOE C. ALLEN, JR.
2. CAROL ANAGAL
3. CHERYL ARMENTA
4. DUANE ASPAAS
5. WILFORD ATSON
6. HILDA BALDWIN
7. AARON BARBER
8. DAISY BARBER and LOUISE HENDERSON
9. PAUL BARBER
10. ROGER BARBER
11. ANDY BEGAY SR.
12. ARLENE BEGAY
13. BERNITA BEGAY
14. BETTY BEGAY
15. CAROLINE BEGAY
16. CHARLENE BEGAY
17. ELIZABETH BEGAY
18. HELEN BEGAY
19. JACQUELINE L. BEGAY
20. JONAH BEGAY
21. JUDY BEGAY
22. MAE BEGAY
23. MARYLITA BEGAY
24. SANDRA ELWOOD (BEGAY)
25. VIRGINIA BEGAY
26. WAYNE BEGAY
27. TOMMY BEGAY, JR.
28. ETTA BEGAYE
29. RICHARD BEGAYE
30. LAURENCE BEKISE
31. ROBERT BEKISE
32. DAVID BEN
33. TIMOTHY BEN
34. ERNEST BENALLY
35. HARRY BENALLY
36. JEANNIE BENALLY
37. MAX BENALLY
38. NINA BENALLY

39. ROSE BENALLY
40. STEVE BENALLY
41. SUSAN BENALLY
42. WANDA BENALLY
43. LUCINDA Y. BENNALLEY
44. ESTATE OF SHIRLEY BIA
45. VERNIDA BISSONETTE
46. LORRAINE BLACK
47. MABLE BLACK
48. TAYLOR BLACK
49. ANNIE BLUEEYES
50. SCOTT BRADY
51. ANDREW BREWSTER
52. DARLENE BRONSTON
53. JACKSON BUNNY, JR.
54. SAMMY CHARLEY
55. THOMAS CHARLEY
56. WILMA CHARLEY
57. DARRELL CLAH
58. BENJAMIN CLARK
59. STELLA CLY
60. DORIS COOLIDGE
61. JIMMIE COOLIDGE
62. WILBERT COWBOY, JR.
63. ALFRED CURLEY
64. MELVIN CURLEY
65. DON CURLEY, JR.
66. MARTHA CURTIS
67. KEE DAN
68. RACHEL DEE
69. DAVIDSON DEVORE
70. LUCY DICK
71. MARLENE DOBEY
72. ELTON DODGE
73. TOMMY DRAPER
74. BESSIE DUNCAN
75. CECIL DUNCAN
76. THURSTON EDDIE
77. HERMAN ENOAH
78. MARY ENOAH
79. VERNESE ESPLAIN

	RTHA A. ETSITTY and ALLEN E. ETSITTY
	RON ETSITTY
-	VICE FRANK
83. SAI	RAH FRANK
84. GE	NE FRED
85. LO	REN GARNANEZ
86. RIL	EY GARNANEZ
87. JUL	JE HARRISON
88. MA	RGARET HARRISON and SHERRELL G. MESA
89. HU	BERT HARWOOD
90. AN	ITA HAYES
91. PEF	RRY HAYES
92. RO	BERT HAYES
	LLACE HAYES
94. ES7	TATE OF FREDDIE HOBSON*1
95. JOA	ANNE HOLLIDAY
96. TO	M HORSE
97. DA	ISY HOUSER
98. HE	LEN HOWARD
99. HEI	RMAN HUNT
100.	IRITA JAMES
101.	GARRY JAY
102.	MARY L. JAY
103.	DANIEL JIM
104.	DARRELL JIM
105.	FANNIE MARIE JIM and CHARLEY JIM (DECEASED)
106.	GENEVA JIM
107.	JONAH JIM
108.	SHEILA JIM
109.	VIRGINIA JIM
110.	NORMAN JIM, SR.
111.	ELSIE JOE
112.	LITA JOE
113.	FRANK JOHN, JR.
114.	ANNE JOHNSON
115.	HARRISON JOHNSON
116.	JESSIE JOHNSON

¹* Denotes a plaintiff that is deceased, but for whom the estate has not yet been substituted pursuant to Fed. R. Civ. P. 25. Applications to appoint personal representatives are pending in the appropriate courts.

117.	ESTATE OF LEON JONES
118.	JEAN JONES
119.	LENA J. JONES
120.	RAYMOND JONES
121.	RENITA T. JONES
122.	WESLEY JONES
123.	DARREN KEE
124.	JUANITA KEE
125.	MAX KELLYWOOD, SR.
126.	FRANCINE KIEFERT
127.	FLORENCE B. KING
128.	MARLENA KING
129.	TERRI LAMEMAN-AUSTIN
130.	GLORIA LANE and HARRY LANE
131.	EMERSON LEE
132.	LEONARD LEE, SR.
133.	ROSELYN LEE
134.	SR. MARIE LEE
135.	ROWENA LITTLEHAT
136.	CARMELITA LOWE
137.	CYNTHIA MADISON
138.	MARY ANN MANYGOAT
139.	ESTHER MARK
140.	GERALD MARYBOY
141.	ROSINA T. MERRITT
142.	SHAWN MIKE
143.	RON MILLER
144.	LAURA M. MITCHELL
145.	MARILYN MUSTACHE
146.	ANTHONY NABAHE
147.	ESTATE OF BETTY JONES NAKAI*
148.	HARRY S. NAKAI
149.	JIMMY NAKAI
150.	LAVERNE NAKAI
151.	BYRON NELSON and TONITA NELSON
152.	RUTH NEZ
153.	ANNIE OLDMAN and RAYMOND OLDMAN
154.	HARRY PESHLAKAI
155.	THOMAS PETE
156.	RAMONA PETTIGREW
157.	RAYMOND PETTIGREW

158.	CHARLES D. PHILLIPS
159.	CHARLES PHILLIPS
160.	DOROTHY PHILLIPS
161.	MARY PHILLIPS
162.	SHANDIE PIOCHE
163.	SARAH POLICE
164.	ESTHER REDDOOR and CECILIA WALLACE
165.	PHILLIP RENTZ
166.	PERFINA ROCKWELL
167.	RONNIE ROSS
168.	ESTATE OF WAYNE SALTWATER
169.	LARRY B. SAM
170.	BOBBY SANDOVAL
171.	LULA SANDOVAL
172.	SUSIE SCOTT
173.	ROGER SHAGGY
174.	ROGER SHERMAN
175.	BESSIE SHORTHAIR
176.	ESTATE OF DAVID SHORTHAIR*
177.	WADE SHORTHAIR
178.	CHRISTINA SILENTMAN
179.	ROGER L. SIMPSON
180.	ESTATE OF GEORGE SISCO, JR.*
181.	SARAH SLOWMAN
182.	ERIC SMALLCANYON
183.	TEDDY SMALLCANYON
184.	GARY SMITH
185.	JEROME SMITH
186.	ROSE ANN TANNER
187.	BESSIE TESSWOOD
188.	LEWIS TODACHEENE
189.	HERBERT TODACHEENIE
190.	IRENE TODACHEENIE
191.	CHARLIE N. TODACHINNIE
192.	DOROTHY "DORA" TODECHINE
193.	ROSELYN TOLEDO
194.	HELEN TOM
195.	LAURA TOM-JONES
196.	SARAH A. TONY (BENALLY)
197.	MARY TSO
198.	IVAN TYLER

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199.	THOMAS T. TYLER
200.	PHYLLIS VALDEZ
201.	ANNA VIGIL
202.	JOHNSON WASHBURN, JR.
203.	JOHNSON WASHBURN, SR.
204.	ROSELYN WATCHMAN
205.	LENORA WILLIAMS
206.	HERBERT WILLIE
207.	LENA WILLIE
208.	RAYMOND G. WILLIE
209.	ESTHER A. YANITO
210.	ALICE D. YAZZIE
211.	CALVIN YAZZIE
212.	EARL D. YAZZIE
213.	IRVIN YAZZIE
214.	JAY YAZZIE
215.	LORENZO YAZZIE
216.	MARIE YAZZIE
217.	SUSIE YAZZIE
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