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STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

Laurence F. Janssen
213.439.9427
ljanssen@steptoe.com

633 West Fifth Street
Suite 700
Los Angeles, CA 90071
Tel 213.439.9400
Fax 213.439.9599
steptoe.com

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VIA EMAIL AND FEDERAL EXPRESS

D. David Altman, Esq.
D. David Altman Co.
A Legal Professional Association
15 E. Eighth Street, Ste 200W
Cincinnati, OH 45202

Re: Little Hocking Water Association, Inc. (LHWA)

Dear Dave:

DuPont's offer to Little Hocking Water Association ("LHWA") is and has been to design and install, at DuPont's sole cost, a granular activated carbon ("GAC") treatment facility to remove PFOA from LHWA drinking water.

DuPont's initial offer to install GAC filtration at LHWA was made long before a settlement was reached in the class action litigation captioned: *Jack W. Leach, et al. v. E. I. du Pont de Nemours & Co. and Lubeck Public Service District*, Civil Action No. 01-C-608, Circuit Court, Wood County, West Virginia. Of course, one of the negotiated and court-approved benefits of the *Leach* settlement is an offer from DuPont to six public water districts, including LHWA, to design, install, and fund operation and maintenance of GAC filtration to treat PFOA in the drinking water. The core terms of the offer were publicly announced in September 2004. Shortly thereafter, but before court approval of the *Leach* settlement, DuPont invited each of the six water districts to a meeting to discuss the offer more specifically. Thereafter, at two public hearings before the Circuit Court in Wood County, the terms of the water treatment offer were addressed. It was made clear that the settlement required DuPont to make the offer for the benefit of class members, including LHWA member-customers, but that no water district was a party to the settlement, nor was any water district bound to accept the offer. It was the hope, indeed the reasonable expectation, at that time that the water districts would each accept the offer.

Since that time, DuPont has reached agreement for terms of operation and maintenance with the other three water districts in Ohio. Two of those facilities, City of Belpre and Village of Pomeroy, are

operational, and the enclosed laboratory analysis demonstrates the treated water is non-detect for PFOA. Tuppers-Plains Chester Water District is close to operational.

Before completing the design of the LHWA facility, DuPont had to locate and purchase, for approximately $327,000, a parcel of land to overcome the fact that LHWA's well field is located entirely within the floodplain. After multiple meetings, teleconferences and consideration of extensive written comments from LHWA's consultants, in December 2005, DuPont delivered a design package that it considered, based upon its experience by that point with the other three Ohio water districts, to contain sufficient detail of an appropriate design that would pass regulatory review. Since December, though, DuPont has received approximately fifty additional pages of comments, the majority of which request more specification of design details such as how DuPont intends to direct the cooling flow for the bathroom of the water treatment facility. DuPont, with few exceptions, has accommodated LHWA's requests. But, we reluctantly conclude, after two years of negotiation with LHWA, that we may be at an impasse on certain issues, including a core issue of how long DuPont will provide water treatment to LHWA. Nonetheless, as you recently requested, we set forth confirmation herein of DuPont's position on certain elements of DuPont's offer.

Overall, DuPont is proposing to build a water treatment facility for LHWA pursuant to the enclosed designs. The GAC treatment portion of the facility will include two sets of carbon beds in sequence, each with a lead bed and a polishing bed. The water will be tested for PFOA as it enters each lead bed, between each lead and polishing bed and as it exits each polishing bed. Although DuPont stands by the reasonableness of the monthly test frequency which has already been approved by the Ohio EPA, DuPont will agree to take additional samples at these locations so that the frequency of monitoring through two carbon change-outs is every other week. After the two carbon change-outs, the frequency of this monitoring will be monthly. Additionally, on a monthly basis, DuPont will monitor the water for PFOA as it exits the chlorine contact tank. At the point when the water exiting a lead bed in the system is 15 parts per trillion of PFOA, DuPont will remove the lead bed, move the polishing bed to the lead bed position, and place a new carbon filter in sequence as the polishing bed. The treatment goal exiting the polishing bed is non-detect under the current analytical method. As I understand from our recent discussions, these terms are acceptable to your client.

DuPont would retain ownership of the land and all fixtures and improvements until such time that DuPont's obligations with respect to treatment and maintenance cease. DuPont would also be responsible for insurance, taxes, and any other costs incidental to ownership until its obligation ceases. DuPont obviously would grant all reasonable and necessary access to LHWA. At the time that DuPont's obligations related to GAC treatment cease, DuPont would either, as specified by LHWA, convey ownership of the land and facility to LHWA or return all LHWA property and treatment structures to their original condition at no cost to LHWA. The other three water districts in Ohio have agreed to these terms.

DuPont's offer for water treatment is restricted to treatment for PFOA. You have indicated that LHWA has sampled its raw water for several perfluorinated chemicals and reported to have found trace levels of some, non-detect of others. DuPont assumes no obligation with respect to filtering these compounds,

but has agreed to take one sample of the finished water to determine whether these chemicals are present in the water post-GAC treatment.

DuPont will be responsible for the integrity of the design and construction, but does agree to allow LHWA's manager and board members reasonable access to the site during construction and will keep them reasonably informed of decisions and progress. Additionally, DuPont agrees to obtain all necessary permits for construction and operation of the facility. Taken together, these actions should be sufficient to address your stated concern about bacteriological monitoring, use of concrete fill containing some percentage of flyash, monitoring of construction materials, and necessary oversight of construction.

As to the important issue of how long DuPont will fund the operation and maintenance of the water facility, DuPont will fund operation and maintenance for a period defined by science. Specifically, DuPont offers to provide treatment until an independent Science Panel determines whether there is a probable link between PFOA and any human disease. If the Science Panel finds no probable link, DuPont's obligation to fund the water treatment will end, except that DuPont will remain obligated to fund treatment for the water if the PFOA levels exceed any applicable regulatory limit. Three other water districts have accepted water treatment from DuPont with these terms defining the duration of DuPont's obligation. But, LHWA insists upon something more, specifically that DuPont continue to treat LHWA's water supply to remove trace levels of PFOA even if the Science Panel finds no probable link between PFOA and human disease. DuPont, however, continues to believe that DuPont's obligation to fund water treatment must be defined by science and that the independent Science Panel, together with applicable regulatory agency guidelines, provide the appropriate mechanisms to determine this issue.

The independent Science Panel is designing a series of community studies to answer the question of whether PFOA causes human disease. Although we do not yet have the protocols, we know that the Science Panel intends to consider what is known about dose through the extensive body of blood data for all the communities, including Little Hocking. The Circuit Court of Wood County, along with class counsel who represented the interests of class members, including customer-members of the LHWA, considered the decision of this independent panel a reasonable mechanism to allow science to shape DuPont's future obligations not only for water treatment, at issue here, but also for future medical monitoring or personal injury claims. At a minimum, DuPont would remain obligated to fund water treatment until this independent panel concludes its work, which is expected to take the next several years.

This letter constitutes the final terms of DuPont's offer to provide water treatment for LHWA. Please review these terms of DuPont's offer as expressed in this letter with your client and advise whether LHWA accepts this offer so that DuPont can begin construction of the water treatment facility. Unless and until LHWA accepts the offer, though, DuPont cannot take any further action to obtain regulatory approval and will not begin construction, both necessary steps toward operational water treatment for LHWA customer-members. As mentioned, I enclose copies of the engineering report and design

drawings (originals for Ohio EPA, and copies for you and your client) as well as the permit application and a check payable to the Ohio EPA, should your client elect to accept the terms of DuPont's offer.

Very truly yours,

LAURENCE F. JANSSEN

Enclosures

cc: Libretta P. Stennes, Esquire