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October 20, 2005

Honorable Donald E. Shelton
22nd Circuit Court
Courthouse
101 E. Huron
Ann Arbor, MI 48107

Re: Attorney General v Gelman Sciences Inc.
Case No: 88-34734-CE
Our File No: 471

Dear Judge Shelton:

This letter is intended to update the Court on the status of the transmission pipeline that brings purged groundwater from the D2 aquifer in Evergreen Subdivision area back to the Pall Life Sciences (PLS) facility for treatment. The transmission line has developed a leak and needs to be repaired or replaced. PLS had to shutdown the Evergreen Subdivision extraction wells while it evaluated the condition of the pipeline. There is no reason to believe that the temporary interruption in purging allowed the leading edge of the plume to escape beyond the capture zone of these wells. Now that PLS has completed its evaluation of the pipeline, PLS has asked the MDEQ for permission to resume purging while it implements its contingency plan.

As the Court may recall, PLS installed the transmission pipeline in 1998 along with the horizontal well – the two pipelines were placed in the same deep borehole. Before this Court's July 17, 2000 Remediation and Enforcement Order allowed PLS to begin using the transmission line, PLS treated the Evergreen purge water with a treatment unit located in the garage of one of the homes in the Subdivision and then reinjected the treated water into the aquifer. The transmission line has allowed PLS to treat the water purged from the Evergreen Subdivision at the Wagner Road facility.

In mid-September, routine monitoring revealed a loss of flow in the transmission pipeline. PLS shut down the extraction wells so that it could evaluate the condition of the underground transmission line. This work has involved jetting the line, camera investigations, and attempting to pass a cable through the line. Although PLS' outside experts were unable to pass the camera all the way through the line, the investigation indicates the transmission line is losing water back into the D2 aquifer at a point upgradient of the Evergreen Subdivision capture

wells. There is no risk to homeowners or businesses since the water loss is occurring many feet below ground in a portion of the aquifer that is already contaminated.

Although the precise cause of the failure cannot be determined with absolute certainty, the most likely cause is natural deterioration of the pipeline. The pipeline has a finite life-expectancy and it has been submerged in the D2 aquifer for nine years. Routine maintenance to remove iron buildup from the pipeline interior also unavoidably puts stress on the pipeline.

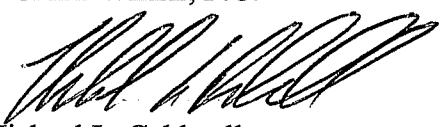
Now that PLS has completed its investigation of the pipeline's condition, PLS has sought permission from the MDEQ to reactivate the Evergreen extraction wells. PLS believes that it would be prudent to resume purging from these wells in order to maintain capture of the leading edge while PLS undertakes the necessary work to replace or repair the transmission pipeline. Water lost from the line would eventually be captured, either by the northern horizontal well (which is extracting water immediately adjacent to the transmission line), or by the leading edge capture wells. PLS will attempt to increase the flow from the northern horizontal well to compensate for the additional water entering the aquifer in this area.

PLS is working with the MDEQ to determine the best long-term option for repairing or replacing the damaged transmission line. Such solutions may include lining the existing transmission line, or installing a new line. Depending on the method selected, PLS' preliminary estimate is that the necessary repairs/replacement can be accomplished in two to three months.

Counsel for PLS is available for a conference call if the Court has any questions.

Very truly yours,

ZAUSMER, KAUFMAN, AUGUST,
& CALDWELL, P.C.



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