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August 2, 2007

The Honorable Donald E. Shelton  
Washtenaw County Circuit Court  
101 E. Huron  
P.O. Box 8645  
Ann Arbor, Michigan 48107-8645

ATTENTION: Clerk

Re: Attorney General for the State of Michigan v Gelman Sciences, Inc.  
Case No. 88-34734-CE  
Our File No. 471-1

Dear Sir/Madam:

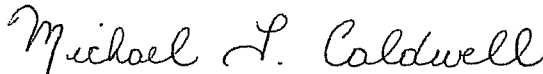
Enclosed for filing please find original and four copies of Stipulation and Order Regarding AE-3 Dispute Resolution in reference to the above matter. Please enter accordingly and return three true copies in the enclosed stamped, self-addressed envelope.

Please feel free to contact me should you have any questions or concerns.

Thank you for your cooperation in this regard.

Very truly yours,

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

  
Michael L. Caldwell

MLC:hlr

Enclosures

cc: Celeste R. Gill, Esq. (w/enclosure)  
Alan D. Wasserman, Esq. (w/enclosure)

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

ATTORNEY GENERAL for the  
STATE OF MICHIGAN, et al,  
MICHIGAN NATURAL RESOURCES  
COMMISSION, MICHIGAN WATER  
RESOURCES COMMISSION, and  
MICHIGAN DEPARTMENT OF NATURAL  
RESOURCES,

Plaintiffs,

vs

GELMAN SCIENCES INC.,  
a Michigan corporation,

Defendant.

Case No. 88-34734-CE

Hon. Donald E. Shelton

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**STIPULATION AND ORDER REGARDING AE-3 DISPUTE RESOLUTION**

Plaintiffs and Defendant, through their respective counsel, stipulate and agree as follows:

1. By letter dated June 1, 2007, Gelman Sciences, Inc., d/b/a Pall Life Sciences ("PLS") invoked the dispute resolution process set forth in Section XVI of the Consent Judgment regarding

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the Department of Environmental Quality's ("DEQ") May 29, 2007 letter denying PLS's April 30, 2007 claim of "Force Majeure" in connection with operation of the Allison Street extraction well, AE-3, and PLS' inability to maintain the approved minimum extraction rate.

2. Following the informal negotiating period, the DEQ presented its proposed resolution of this dispute by letter dated June 15, 2007. PLS subsequently filed its Petition for Dispute Resolution on July 9, 2007.

3. The Parties have agreed to resolve the Petition as follows:

- A. PLS will submit an Amended Work Plan which will, in addition to the proposal to install a monitoring well near Hollywood and Dellwood already provided in its June 29, 2007 Work Plan include plans for installing an additional monitoring well in the Evergreen Subdivision, near Valley Drive, generally between MW-107 and 400 Clarendon Drive,. PLS will submit this Amended Work Plan to the DEQ on or before August 3, 2007. PLS will implement this Amended Work Plan upon DEQ approval and obtaining site access. The additional investigation is intended to assist the parties in determining whether: (i) groundwater contamination from the south is being drawn into the Evergreen Subdivision area by operation of the Evergreen Subdivision extraction wells as asserted by PLS' Motion to Amend Consent Judgment and Petition for Dispute Resolution; and (ii) groundwater contamination has migrated past the capture zones of extraction wells LB-1 and LB-3.
- B. Plaintiffs, exercising enforcement discretion, will waive their claim for stipulated penalties arising from operation of the Allison Street extraction well, AE-3, at rates below the current approved minimum extraction rate of 25 gpm. This waiver is not

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an admission by Plaintiffs that PLS' failure to operate AE-3 at the minimum approved extraction rate constitutes a Force Majeure.

- C. If the investigation described in the Amended Work Plan reveals that the leading edge of the groundwater contamination has migrated past the capture zones of the Evergreen System extraction wells LB-1 and LB-3, then PLS will submit a work plan to address that portion of the groundwater contamination within thirty (30) days after written notice from the DEQ, subject to PLS' right to dispute the DEQ's interpretation of the data and/or the need for additional work. The DEQ also reserves the right to request additional vertical profiling in the area of AE-3, if the investigation shows that groundwater contamination is migrating beyond the LB-1 and LB-3 extraction wells and PLS reserves the right to dispute the need for such additional work, if requested.
- D. Following completion of the work described in the Amended Work Plan, the Parties will meet to discuss the results and seek in good faith to reach a consensus as to how to proceed with regard to the proper operation of the Evergreen Subdivision System.
4. PLS' Motion to Amend Consent Judgment filed with the Petition will be

withdrawn, without prejudice.

APPROVED AS TO FORM AND SUBSTANCE

Celeste R. Gill (signed with permission)  
CELESTE R. GILL (52484)  
Attorney for Plaintiffs

Michael L. Caldwell (signed by HR)  
MICHAEL L. CALDWELL (P40554)  
Attorney for Defendant

IT IS SO ORDERED.

\_\_\_\_\_  
Donald E. Shelton  
Circuit Court Judge