July 31, 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 will update the Court on the status of cleanup program established by the Court's July 17, 2000 Opinion and Remediation Enforcement Order ("REO"). As you know, the REO required Pall Life Sciences ("PLS") to develop a plan to reduce 1,4-dioxane concentrations in the drinking water supplies to acceptable levels within five years. The five-year anniversary of the REO recently passed. I am writing to inform you that, although PLS has fully implemented the Five Year Plan and made tremendous progress toward this goal, PLS still has more work to do before the cleanup is complete.

As required by the Five Year Plan, PLS has designed and installed an extensive pump and treat system to both contain the groundwater plumes in the D2/C3 aquifers and aggressively remove the mass of 1,4-dioxane within those plumes. The purge system consists of 14 extraction wells, including the Horizontal Well, which extracts groundwater from four 120 ft screens placed horizontally in the D2 aquifer. PLS more than doubled its overall purge rate in order to meet the five year cleanup goal. Since the REO was entered, PLS has purged and treated 2.3 billion gallons of groundwater. PLS' groundwater purge and treat system is one of the largest and most sophisticated cleanup programs in the state.

The Five Year Plan also required the parties to establish monthly milestones to measure cleanup progress. These milestones were based on the parties' estimate of the mass of 1,4-dioxane that had to be removed in order to achieve the cleanup goal. PLS has met each and every one of the monthly milestones and has removed over 41,000 pounds of 1,4-dioxane from D2 and C3 aquifers (non-Unit E) since August 2000. This mass removal has dramatically reduced concentrations within the plumes, as the previously submitted time-series iso-concentration maps

illustrate. Another measure of the progress that has been made is the reduction in concentrations present in the combined influent that flows into the treatment system. Prior to the REO, influent concentrations were in the 4,500 to 5,000 ppb range. Currently, they are in the 900 to 1,100 ppb range.

The fact that these reduced concentrations remain above acceptable levels is attributable to several factors. The parties originally estimated that the cleanup goal could be achieved with the removal of 26,200 pounds of 1,4-dioxane. Obviously, this proved not to be the case since PLS has already removed over 41,000 pounds of 1,4-dioxane. The disparity is likely due to both the unanticipated contribution from the Unit E aquifer and simply the inexact nature of the methodology used to estimate the contaminant mass. This unanticipated additional mass along with the physical limits of the pump and treat technology in this geological setting have prevented the parties from completing the cleanup within the five-year timeframe.

PLS' attorneys are preparing a more detailed status report on the cleanup, but I wanted to personally assure you that PLS will continue its efforts to reach our shared goal of reducing contaminant concentrations to acceptable levels as soon as practicable. I also wanted to thank the Court for establishing an administrative framework that has allowed PLS and the MDEQ to work cooperatively to move the cleanup forward. With the Court's intervention, the parties have been able (for the most part) to focus their efforts on solving the daunting technical challenges posed by this cleanup project rather than on fighting unending legal battles.

As always, we are available if the Court has any questions regarding the cleanup.

Sincerely,

Pall Life Sciences

Farsad Fotouhi
Corporate Vice President
Environmental Engineering

cc: Robert Reichel
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Mitchell Adelman
Michael Caldwell
Alan Wasserman