

PERRINE DUPONT SETTLEMENT CLAIMS OFFICE
ATTN: EDGAR C. GENTLE, CLAIMS ADMINISTRATOR
C/O SPELTER VOLUNTEER FIRE DEPARTMENT OFFICE

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February 11, 2014

VIA HAND DELIVERY

The Honorable Thomas A. Bedell
Circuit Judge of Harrison County
301 West Main Street, Room 321
Clarksburg, West Virginia 26301

Re: Perrine, et al. v. DuPont, et al.; Civil Action No. 04-C-296-2 - Report Regarding Property Remediation Program (the "Program") Status and Proposed Cleaning of Zone 3 Houses Prior to Completion of Remediation of Zones 1 and 2; Our File Nos. 4609-1 {DD-51}, 4609-1 {DD-70}, and 4609-1 {NN-5}

Dear Judge Bedell:

We hope this letter finds the Court well.

The purpose of this letter is to: (1) provide the Court with an update regarding the status of the Program; and (2) request Court authority to begin remediation of Class Area Zone 3 houses prior to the completion of remediation of Class Area Zones 1 and 2, based on adequate financial reserves for the remainder of Zone 1 and 2 remediation.

I. Program Update

As the Court will recall, the Court, on April 22, 2013, approved a revised Working Budget for the Program, based upon an increase in the number of houses and commercial structures to be remediated, increased soil remediation costs, proposed Program road repairs, and the implementation of the 2012 Replacement Soil Enhancement Procedures.

As of January 31, 2014, we have completed the remediation of 107 Zone 1A soil properties of the approximately 229 contaminated (48% complete), and 285 Class Area houses of the approximately 802 contaminated (35.6% complete), and the Program has substantially completed

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the 2012 Replacement Soil Enhancement Procedures Program for Zone 1A soils remediated in 2012, with approximately only 10 properties still requiring the second round of Soil Enhancement treatments, and 73 properties having completed the treatments.

In August, upon substantial completion of the 2012 Replacement Soil Enhancement Procedures Program, soil remediation of the remaining Zone 1A soil properties began. Due to weather, Zone 1A soil remediation came to a close in December, and is expected to recommence in mid-April for the 2014 season, which can only begin at the end of Winter, and after new replacement sod is grown in the Spring.

In addition to the soil remediation and 2012 Soil Enhancement Procedures Program, NCM has also been remediating houses in Zones 1 and 2. As of January 17, 2014, and as documented in Exhibit A to the enclosed January 24, 2014 Memorandum from Terry D. Turner, Jr., Esq. to your Claims Administrator, there are approximately (i) 52 contaminated houses in Zone 1, many of which are "stand alone" houses (houses that do not require soil remediation) and (ii) 47 contaminated houses in Zone 2 that remain possibly to be remediated.* Of those 99(52+47) houses, (i) 36 have already been released to NCM to work on, (ii) 24 have Claimants requesting that they be remediated at a later date, due to the fact that they also have soil that needs remediating, and (iii) 29 are not available for release to NCM for cleaning at this time due to various reasons, including, but not limited to ownership issues or requests to opt-out of remediation. Therefore, there are only 10 (99-36-24-29) houses in Zone 1 and 2 that are still available for release to NCM at this time for remediation upon NCM's request for more inventory.

NCM cleans approximately 3 to 6 houses per week. There is therefore inadequate Zone 1 and 2 stand alone house remediation inventory to keep NCM working between mid-February 2014, when the remaining Zones 1 and 2 stand alone house remediation inventory will have all been given to NCM, and 8 weeks later in mid-April, when soil remediation can recommence.

It is therefore requested that the Settlement be allowed to begin the remediation of Zone 3 at this time. However, the Settlement would give completion of Zone 1 and 2 remediation first priority when soil remediation commences in the Spring of 2014, and with cleaning of Zone 3 houses only to be continued to provide NCM with an adequate working inventory.

There are approximately 382 houses in Zone 3 available for cleaning.

*Zone 1A houses that still need to be remediated, by and large, also have contaminated soil requiring remediation, and Claimants are reluctant to have these two clean-up processes done separately, which would disrupt their lives twice, instead of once. We are therefore recommending that they have their houses remediated in the Spring, when soil remediation recommences.

II. Request for Authority to Commence Cleaning of Zone 3 Houses in Order to Be Economical with Program Resources and Based on Adequate Program Reserves to Complete Zone 1 and Zone 2 Cleaning

In the Court's June 27, 2011 Final Order Establishing Property Remediation (Clean-Up) Program, the Court decided that, Zone 1A soil cleaning was the first remediation priority, and then, with respect to the order of house remediation, the Program was to start the remediation of houses in Zone 1A and work outwards to Zone 1B, Zone 2, and Zone 3, respectively.

As noted above, the Program will not be able to recommence cleaning of Zone 1A soils until the middle of April, due to the weather and the fact that the sod necessary to replace the grass removed during remediation will not be available until then. Furthermore, due to the fact that many of the Zone 1 and Zone 2 house properties remaining to be remediated are either about to complete the remediation process with NCM or are not available for remediation at this time, NCM and the Program are approaching a point at which the Program may be substantially idle until such time as the soil remediation program recommences in mid-April, if Zone 3 house remediation is not allowed to begin. In order to be economical with Program resources, including the utilization of Claims Office and NCM staff, it is your Claims Administrator's proposal that we keep moving forward with the Program by commencing remediation of houses in Zone 3.

In support of this proposal, your Claims Administrator provides the enclosed January 24, 2014 Memorandum from Terry D. Turner, Jr., Esq. outlining the Calculation of Reserve for Remediation Costs in Zones 1 and 2, Revenue Requirement to Remediate Zone 3 and Possible Fund Surplus (the "Memorandum").

As detailed in the Memorandum and summarized in Exhibit A thereto, the financial reserve necessary to complete the remediation of Zone 1A soil and Zone 1 and 2 houses is projected to be \$8,184,157, which includes a contingency reserve of \$389,722. The financial reserve necessary to conduct Zone 3 house remediation is \$5,213,501, which includes a contingency reserve of \$248,262, as set out in Section II of the Memorandum and summarized in Attachment B thereto.

As shown in Attachment C to the Memorandum, taking the Settlement Remediation Fund Accrual Balance of \$20,534,523 and subtracting the Remediation financial reserves for Zone 1, 2 and 3 remediation, as well as all remaining projected Program expenses (including Road Repair Reserves, Claims Administrator Expenses, Outside Auditor Fees, as well as a \$2 Million dollar reserve for contingencies) there appears to be a possible remediation surplus of \$2.2 Million dollars (in addition to the \$2 Million reserve).

Based on the above and the enclosed, your Claims Administrator requests authority from the Court to begin house remediation in Zone 3 as soon as practicable, as there are adequate financial

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reserves to complete Zone 1 and 2 remediation. However, the Settlement would give completion of Zone 1 and 2 remediation first priority when soil remediation commences in the Spring of 2014, and with cleaning of Zone 3 houses only to be continued to provide NCM with an adequate working inventory.

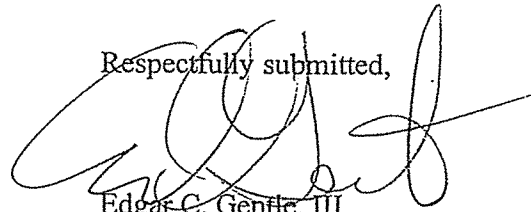
In order to take into account the unlikely possibility that Program financial reserves will be inadequate to complete Remediation of Zone 3, Zone 3 houses would be remediated in the order of the highest contamination, with the most contaminated houses being remediated first, to the extent practicable. This process would be done in a manner to accommodate the practical need to remediate houses in local closely spaced groups.

A proposed Order approving the proposed commencement of Zone 3 house cleaning is attached for your consideration.

This Report and proposed Order have been shared with the Finance Committee, the Guardian ad Litem for Children, and NCM, and there are no objections.

Thank you for the Court's consideration. If you have any questions regarding the above or the attached, please let me know.

Respectfully submitted,



Edgar C. Gentle, III
Settlement Administrator

ECGIII/kah
Enclosures

cc: (with enclosures)(by e-mail)

David B. Thomas, Esq.
James S. Arnold, Esq
DuPont Representatives on the Settlement Finance Committee

Virginia Buchanan, Esq.
Plaintiff Class Representative on the Settlement Finance Committee

Meredith McCarthy, Esq.
Guardian ad Litem for Children

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cc: (with enclosures)(by e-mail)
Terry D. Turner, Jr., Esq.
Katherine A. Harbison, Esq.
Michael A. Jacks, Esq.

Clerk of Court of Harrison County,
West Virginia, for filing (via hand delivery)

Mr. Stan Keifer, NCM
Mr. George Hilton, NCM
Mr. Eddie Waskiewicz, NCM
Mr. Tim Miller, NCM

MEMORANDUM

TO: Edgar C. Gentle, III, Esq.

FROM: Terry D. Turner, Jr., Esq.
Mr. Joseph L. Roberta, CPA

DATE: January 24, 2014

RE: Perrine-DuPont Property Remediation Qualified Settlement Fund (the "Remediation Fund") - Calculation of Reserve for Remediation Costs in Zones 1 and 2, Revenue Requirement to Remediate Zone 3 and Possible Remediation Fund Surplus; Our File No. 4609-1 {DD-51}

The purpose of this memorandum is to provide you with: (i) support for our calculation of the estimated reserve for remediation costs in Zones 1 and 2; (ii) the estimated revenue requirement for remediation in Zone 3; and (iii) an updated comparison of the Remediation Fund bank balance at December 31, 2013 with the projected remaining Remediation Fund expenses.

I. ESTIMATED RESERVE FOR REMEDIATION COSTS IN ZONES 1 AND 2

Remediation costs would include the cost of cleaning dirty soil properties in Zone 1A and cleaning dirty houses in Zones 1 and 2. Attached to the reserve calculation in Exhibit A is a spreadsheet prepared by Jennifer Newby, which identify the dirty soil properties in Zone 1A and dirty houses in Zones 1 and 2, which we used as the basis of our calculation. There are no soils in the process of being cleaned because this is the off season.

A. Zone 1A Dirty Soil Properties Available for Cleaning

- A-1 The estimated cost for cleaning dirty soil is \$40,000 per property. 121 dirty properties at \$40,000 equal \$4,840,000.
- A-2 In their latest invoices, CORE Environmental Services, Inc. is charging \$358 per property for surface soil sampling and analysis. 121 dirty properties at \$358 equals \$43,318.
- A-3 Claimant annoyance payments are \$4,000 per property. 121 dirty properties and 2 clean properties at \$4,000 equal \$492,000.
- A-4 Claimant per diem payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The per diem amount is \$100 per day. 121 dirty properties * 75% * 5 days * \$100 per day equals \$45,375. 121 dirty properties

* 25% * 10 days * \$100 per day equals \$30,250. Total projected per diem payments equal \$75,625 (\$45,375 + \$30,250).

A-5 Claimant relocation payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The claimant relocation amount is \$115 per night. 121 dirty properties * 75% * 5 days * \$115 equals \$52,181. 121 dirty properties * 25% * 10 days * \$115 equals \$34,788. Total projected claimant relocation payments equal \$86,969 (\$52,181 + \$34,788).

A-6 Property project administration costs are estimated at 10% of all of the above-mentioned remediation expenses. (\$4,840,000 + \$43,318 + \$492,000 + \$75,625 + \$86,969) * 10% equals \$553,792.

B. Dirty Houses in Zone 1 Available for Cleaning

B-1 NCM contract costs for cleaning dirty houses in Zone 1 are \$15,130 per house. 52 dirty houses¹ at \$15,130 equal \$786,760.

B-2 There are 10 additional houses in Zone 1 that have been partially cleaned by NCM, with the remaining cost for cleaning the houses equaling \$57,494.

B-3 In their latest invoices, CORE Environmental Services, Inc. is charging \$709 per house for dust wipe sampling and analysis, but utilizing the ratio of 3 houses sampled equate to billing for 1 house. 62 dirty houses divided by 3 * \$709 equals \$14,653.

B-4 Claimant annoyance payments are \$400 per house. 62 dirty houses and 5 clean houses at \$400 equal \$26,800.

B-5 Claimant per diem payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The per diem amount is \$100 per day. 62 dirty houses * 75% * 5 days * \$100 per day equals \$23,250. 62 dirty houses * 25% * 10 days * \$100 per day equals \$15,500. Total projected per diem payments equal \$38,750 (\$23,250 + \$15,500).

B-6 Claimant relocation payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The claimant relocation amount is \$115 per night. 62 dirty houses * 75% * 5 days * \$115 equals \$26,738. 62 dirty

¹A total of 62 houses in Zone 1 may require remediation, with: (i) 52 houses that have not been cleaned; and (ii) 10 houses that have been partially cleaned.

houses * 25% * 10 days * \$115 equals \$17,825. Total projected claimant relocation payments equal \$44,563 (\$26,738 + \$17,825).

- B-7 Property project administration costs are estimated at 10% of all of the above-mentioned remediation expenses. (\$786,760 + \$57,494 + \$14,653 + \$26,800 + \$38,750 + \$44,563) * 10% equals \$96,902.

C. Dirty Houses in Zone 2 Available for Cleaning

- C-1 NCM contract costs for cleaning dirty houses in Zone 2 are \$9,880 per house. 47 dirty houses² at \$9,880 equal \$464,360.

- C-2 There are 7 additional houses in Zone 2 that have been partially cleaned by NCM, with the remaining cost for cleaning these houses equaling \$5,632.

- C-3 In their latest invoices, CORE Environmental Services, Inc. is charging \$709 per house for dust wipe sampling and analysis, but utilizing the ratio of 3 houses sampled equate to billing for 1 house. 54 dirty houses divided by 3 * \$709 equal \$12,762.

- C-4 Claimant annoyance payments are \$400 per house. 54 dirty houses and 5 clean houses at \$400 equal \$23,600.

- C-5 Claimant per diem payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The per diem amount is \$100 per day. 54 dirty houses * 75% * 5 days * \$100 per day equals \$20,250. 54 dirty houses * 25% * 10 days * \$100 per day equals \$13,500. Total projected per diem payments equal \$33,750 (\$20,250 + \$13,500).

- C-6 Claimant relocation payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The claimant relocation amount is \$115 per night. 54 dirty houses * 75% * 5 days * \$115 equals \$23,288. 54 dirty houses * 25% * 10 days * \$115 equals \$15,525. Total projected claimant relocation payments equal \$38,813 (\$23,288 + \$15,525).

- C-7 Property project administration costs are estimated at 10% of all of the above-mentioned remediation expenses. (\$464,360 + \$5,632 + \$12,762 + \$23,600 + \$33,750 + \$38,813) * 10% equals \$57,892.

² A total number of 54 houses in Zone 2 may receive remediation, with: (i) 47 houses that have not been cleaned; and (ii) 7 houses that have been partially cleaned.

D. Contingency

Calculated at 5% of total costs, equaling \$389,722.

Looking at the grand total of all expenses, we estimate that the reserve needed to complete remediation in Zones 1 and 2, including a 5% contingency reserve, is approximately \$8,184,157.

**II. ESTIMATED REVENUE REQUIREMENT FOR
ZONE 3 REMEDIATION EXPENSES**

Attached as Exhibit B please find a spreadsheet calculating the projected revenue requirement for remediating dirty houses in Zone 3. As you can see from the spreadsheet, there are an estimated 382 dirty houses, resulting in projected remediation costs of \$5,213,501.

- E-1 NCM contract costs for cleaning dirty houses in Zone 3 are \$9,830 per house. 382 dirty houses at \$9,830 equals \$3,755,060.
- E-2 In their latest invoices, CORE Environmental Services, Inc. is charging \$709 per house for dust wipe sampling and analysis, but utilizing the ratio of 3 houses sampled equate to billing for 1 house. 382 dirty houses divided by 3 * \$709 equals \$90,280.
- E-3 Claimant annoyance payments are \$400 per house. 382 dirty houses and 6 clean houses at \$400 equals \$155,200.
- E-4 Claimant per diem payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The per diem amount is \$100 per day. 382 dirty houses * 75% * 5 days * \$100 per day equals \$143,250. 382 dirty houses * 25% * 10 days * \$100 per day equals \$95,500. Total projected per diem payments equal \$238,750 (\$143,250 + \$95,500).
- E-5 Claimant relocation payments are estimated in accordance with the current Settlement administration budget, which projects that 25% of properties will take 10 days to clean and 75% will take 5 days to clean. The claimant relocation amount is \$115 per night. 382 dirty houses * 75% * 5 days * \$115 equals \$164,738. 382 dirty houses * 25% * 10 days * \$115 equals \$109,825. Total projected claimant relocation payments equal \$274,563 (\$164,738 + \$109,825).
- E-6 Property project administration costs are estimated at 10% of all of the above-mentioned remediation expenses. (\$3,755,060 + \$90,280 + \$155,200 + \$238,750 + \$274,563) * 10% equals \$451,386.
- D. Contingency reserve calculated at 5% of total costs for remediating Zone 3 dirty houses equals \$248,262.

**III. COMPARISON OF DECEMBER 31, 2013 REMEDIATION FUND BANK
BALANCE WITH PROJECTED REMAINING REMEDIATION FUND EXPENSES**

As shown in Exhibit C, the Remediation Fund Remediation Program Projection of Remaining Remediation Fund Expenses and Possible Surplus table, when compared to the projected remaining expenses for the life of the Remediation Fund, the Remediation Fund cash balance appears to be sufficient at this time³, with a possible \$2.2 Million surplus for the Remediation Fund.

Let us know if you need anything further concerning this matter.

TDTjr/
Attachments

³ Please note that there may be some remaining 2013 remediation expenses for which we have not received an invoice.

EXHIBIT A

Perrine-DuPont Property Remediation Qualified Settlement Fund
Calculation of Reserve for Remediation Costs in Zones 1 and 2

A	<u>Dirty Soil Properties Available For Cleaning</u>		
A-1	NCM Demolition and Remediation, LP	\$	4,840,000
A-2	CORE Environmental Services, Inc.	\$	43,318
A-3	Claimant Annoyance Payments	\$	492,000
A-4	Claimant Per Diem	\$	75,625
A-5	Claimant Relocation	\$	86,969
A-6	Project Administration	\$	<u>553,792</u>
	Subtotal	\$	6,091,704
B	<u>Dirty Houses in Zone 1 Available For Cleaning</u>		
B-1	NCM Demolition and Remediation, LP	\$	786,760
B-2	NCM Demolition and Remediation, LP	\$	57,494
B-3	CORE Environmental Services, Inc.	\$	14,653
B-4	Claimant Annoyance Payments	\$	26,800
B-5	Claimant Per Diem	\$	38,750
B-6	Claimant Relocation	\$	44,563
B-7	Project Administration	\$	<u>96,902</u>
	Subtotal	\$	1,065,922
C	<u>Dirty Houses in Zone 2 Available For Cleaning</u>		
C-1	NCM Demolition and Remediation, LP	\$	464,360
C-2	NCM Demolition and Remediation, LP	\$	5,632
C-3	CORE Environmental Services, Inc.	\$	12,762
C-4	Claimant Annoyance Payments	\$	23,600
C-5	Claimant Per Diem	\$	33,750
C-6	Claimant Relocation	\$	38,813
C-7	Project Administration	\$	<u>57,892</u>
	Subtotal	\$	636,809
D	Contingency Reserve	\$	<u>389,722</u>
	Grand Total	\$	<u><u>8,184,157</u></u>

Perrine DuPont
 Properties for Cleaning by Zone
 as of 01/17/14

Classification	Zones 1,2 & 3			Grand Total Houses	Zone 1 Soil
	Zone 1 Houses	Zone 2 Houses	Zone 3 Houses		
Released to NCM	28	8	0	36	0
Available for release to NCM	1	9	377	387	116
Available but Waiting	15	9	0	24	0
Not Currently Available - Various Reasons	8	21	5	34	5
Totals to Possibly be Cleaned - NCM, Core & \$400	52	47	382	481	121
Clean - Not Paid (See Breakdown Below)	15	12	6	33	2 *
Clean - Not Paid Breakdown:					
Originally Clean - \$400	4	5	6	15	
Remediated - NCM + Core + \$400	10	7	0	17	
Not Tested - \$400	1	0	0	1	
	<u>15</u>	<u>12</u>	<u>6</u>	<u>33</u>	
Opt Outs - Could ask to come back into program to be cleaned - Possibly NCM, Core & \$400	<u>14</u>	<u>30</u>	<u>0</u>	<u>44</u>	
No Pre-Remediation Test Results - Possibly Pace, NCM, Core & \$400					
				<u>3</u> (1 included above for post-remediation also) (1 just done - Parcel ID 11-08_26B)	

* Per Mike Kawsky 11-01_44+47
 \$4,000 each Tricase 11-16_68

EXHIBIT B

Perrine-DuPont Property Remediation Qualified Settlement Fund
Calculation of Reserve For Remediation Costs in Zone3

E	<u>Dirty Houses in Zone 3 Available For Cleaning (385)</u>		
E-1	NCM Demolition and Remediation, LP	\$	3,755,060
E-2	CORE Environmental Services, Inc.	\$	90,280
E-3	Claimant Annoyance Payments	\$	155,200
E-4	Claimant Per Diem	\$	238,750
E-5	Claimant Relocation	\$	274,563
E-6	Project Administration	\$	<u>451,386</u>
	Subtotal	\$	4,965,239
D	Contingency Reserve	\$	<u>248,262</u>
	Grand Total	\$	<u><u>5,213,501</u></u>

EXHIBIT C

**Perrine-DuPont Property Remediation Qualified Settlement Fund
Projection of Remaining Remediation Fund Expenses and Possible Surplus**

December 31, 2013 Remediation Fund Accrual Balance	\$ 20,534,523
Less: Estimated Reserve for Remediation Costs ¹ in Zones 1 and 2 (See Exhibit A)	
	\$ (8,184,157)
Less: Zone 3 Revenue Requirement for Remediation Costs ¹ (See Exhibit B)	
	\$ (5,213,501)
Less: Reserve for Possible Road Deterioration Litigation (See Exhibit D)	
	\$ (1,000,000)
Less: Claims Administrator Related Expenses (See Exhibit D)	
	\$ (1,793,313)
Less: Outside Auditor for Three Years (See Exhibit D)	
	\$ (72,995)
Reserve for Contingencies (See Exhibit D)	
	<u>\$ (2,055,622)</u>
Possible Remediation Fund Surplus	<u><u>\$ 2,214,935</u></u>

¹ Remediation costs consist of NCM remediation, claimant relocation, post-remediation sampling, claimant annoyance, technical advisor, and project administration expenses.

EXHIBIT D

PROPERTY REMEDIATION PROGRAM WORKING BUDGET
PROJECTION OF REMAINING REMEDIATION EXPENSES AND POSSIBLE SURPLUS, ASSUMING A 30 MONTH LIFE ENDING NOVEMBER 15, 2014

	<u>Working Budget</u> <u>Starting 2/1/13</u>	<u>Actual Expenses -</u> <u>2/1/13 through</u> <u>12/31/13</u>	<u>Remaining/Working</u> <u>Budget Expenses</u> <u>through 11/15/14</u>
Estimated January 31 and Actual December 31, 2013 Remediation Fund Balance	\$25,458,000		\$20,534,523
Remediation Company (121.4 Soils and 747.2 Houses Remaining to be Cleaned Remediation Expense in Original Working Budget (Lowest Quality Bid Plus 10%) Remaining	\$10,843,255		
Additional Remediation Costs Associated with Trued-Up House Results for 250 Additional Houses	\$2,903,500		
Additional Remediation Costs Associated with Trued-Up Soil Results for 54 Soils	<u>\$2,160,000</u>	\$15,906,755	\$2,502,607
Claimant Relocation Expenses			\$13,404,148
Claimant Relocation Expenses in Original Working Budget Remaining	\$587,361		
Additional Relocation Expenses Associated with Trued-Up House Results for 250 Additional Families	<u>\$290,600</u>	\$877,961	\$286,654
Post-Remediation Sampling			\$591,307
Post-Remediation Sampling Expenses (\$492,000 Approved by June 11, 2012 Order of Court) Remaining	\$355,352		
Additional Post-Remediation Expenses Associated with Trued-Up House Results for 250 Additional Houses	<u>\$179,858</u>	\$535,210	\$299,740
Remaining Costs for Remediation of Upper B Street Properties (\$700,000 Approved by May 4, 2012 Order of Court)	\$683,600	\$683,600	\$0
Balance of Claimant Annoyance Payments	\$726,000	\$726,000	\$149,075
Reserve for Possible Road Deterioration Litigation (As Approved by May 4, 2012 Order of Court)	\$1,000,000	\$1,000,000	\$0
Technical Advisor and Project Administration (\$11,200 per month)	\$246,400	\$246,400	\$146,167
Claims Administrator and Related Expenses (\$150,000 per month)	\$3,300,000	\$3,300,000	\$1,506,687
Outside Auditor for 3 years	\$100,000	\$100,000	\$27,005
Reserve for Contingencies (Approx. 8.9%)	<u>\$2,082,074</u>	<u>\$2,082,074</u>	<u>\$26,452</u> ¹
Total	<u>\$25,458,000</u>	<u>\$4,944,387</u>	<u>\$20,513,613</u>
Surplus (Working Budget - Actuals)	<u>\$0</u>		<u>\$20,910</u>

¹ This amount includes \$18,841 in property damage payments that might be reimbursed by NCM.

IN THE CIRCUIT COURT OF HARRISON COUNTY, WEST VIRGINIA

LENORA PERRINE, et al.,

Plaintiffs,

v.

Case No. 04-C-296-2
Judge Thomas A. Bedell

E. I. DUPONT DE NEMOURS &
COMPANY, et al.,

Defendants.

**ORDER PROVIDING THE CLAIMS ADMINISTRATOR INTERIM AUTHORITY TO
BEGIN ZONE 3 HOUSE REMEDIATION PRIOR TO COMPLETION OF ZONE 1 AND
ZONE 2 REMEDIATION, BASED ON ADEQUATE FINANCIAL RESERVES**

Presently before the Court is the Claims Administrator's February 11, 2014 Report requesting Court authority to begin cleaning of Zone 3 houses prior to the completion of Zone 1 and 2 remediation, based on adequate financial reserves for Zone 1 and 2 remediation, and due to the lack of adequate Zone 1 and 2 house remediation inventory to keep the Settlement and the Remediation Contractor, NCM, fully occupied until Zone 1A soil remediation can recommence in mid-April 2014, when the necessary replacement sod has been grown.

After a careful review of the Claims Administrator's Report, the Court hereby determines that there are adequate reserves allocated for the remaining Zone 1 and Zone 2 properties to be remediated, and authorizes the Claims Administrator to begin the cleaning of Zone 3 houses as soon as practicable. However, the Settlement will give completion of Zone 1 and 2 remediation first priority when soil remediation commences in the Spring of 2014, and with cleaning of Zone 3 houses only to be continued to provide NCM with an adequate working inventory.

Furthermore, in order to take into account the unlikely possibility that Settlement Remediation Program reserves will be inadequate to complete remediation of Zone 3, Zone 3 houses

will be remediated in the order of the highest contamination, with the most contaminated houses being remediated first, to the extent practicable. This process will be done in a manner to accommodate the practical need to remediate houses in local closely spaced groups.

Provided that the Claims Administrator acts in accordance with the terms of this Order, he, and his staff, employees and agents are granted Judicial Immunity.

IT IS SO ORDERED.

The Clerk of this Court shall provide certified copies of this Order to the following:

David B. Thomas
James S. Arnold
Thomas Combs & Spann, PLLC
P.O. Box 3824
Charleston, WV 25338-3824

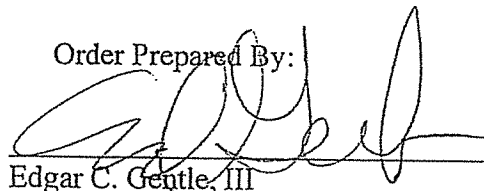
Meredith McCarthy
901 W. Main St.
Bridgeport, WV 26330
Guardian Ad Litem

Virginia Buchanan
Levin, Papantonio, Thomas, Mitchell,
Rafferty & Proctor, P.A.
P.O. Box 12308
Pensacola, FL 32591

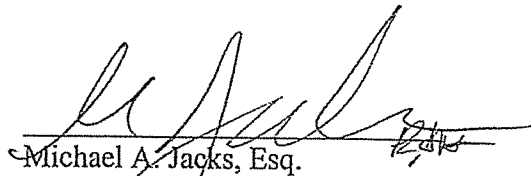
J. Farrest Taylor
Cochran, Cherry, Givens, Smith,
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