

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

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June 5, 2015

**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 - Proposed Request to the Court For Authority to Remediate Zones 1A and 3 at the Same Time and Proposed Creation of Two Related Subfunds of the Perrine DuPont Property Remediation Qualified Settlement Fund (the "Remediation Fund") to Carry Out Each Task; Our File No. 4609-1 {DD-84}**

Dear Judge Bedell:

As you know, by the enclosed February 13, 2014 Order, Your Honor allowed the Remediation Program during winter months to remediate Zone 3 houses, although Zone 1A had not been completed, in order to provide NCM, the Remediation Program contractor, enough inventory to work on. That Order goes on to state that Zone 1A is to be given priority in the Spring of the year. This Spring finds the Remediation Program not to have completed Zone 1A, with 9 soil properties whose remediation began in 2014 not being complete, and 23 soil properties not having their remediation begin. Therefore, if we follow the instructions of this Order, the completion of the Remediation Program would be further delayed, as Zone 3 house remediation will be placed on hold during much of the Summer as we complete the Zone 1A soil remediation. It is therefore advisable to consider whether the Remediation Program has adequate reserves to remediate Zones 1A and 3 in tandem, without running the risk that there will be inadequate monies to complete Zone 1A. In our opinion, the best way to assure that there are adequate reserves to complete Zone 1A remediation in all events is to create a separate subfund for that purpose.

Therefore, the purpose of this Report is to recommend, for your approval, the simultaneous remediation of Zones 1A and 3 in light of there being adequate reserves to do both simultaneously, and the division of the Remediation Fund into two separate subfunds to carry out each:

(i) a Zone 1A Subfund, which takes into account potential NCM rate increases, from approximately \$40,000 to \$80,000 per soil property<sup>1</sup>, and to include all related expenses needed for the completion of Zone 1A taking into account these potential rate increases. This subfund would be further allocated into two subaccounts for liquidity purposes: (a) a money market account at MVB Bank with immediately available monies to pay bills; and (b) a brokerage account at Wells Fargo Advisors for investments in United States Treasuries and money market funds containing the same, for monies that are not immediately available; and

(ii) a Zone 3 Subfund, to contain all remaining Remediation Fund monies after deducting the Zone 1A Subfund and other necessary reserves also to be added to the Zone 1A Subfund (see infra).

Of course, each respective Subfund would be used to pay for its component of the Remediation Program. In our opinion, the simultaneous remediation of Zones 1A and 3, to be paid for from each respective Subfund, will be the most efficient way to complete the Remediation Program.

As detailed in our attached, April 27, 2015 memorandum (the "Memo") analyzing the adequacy of Remediation Fund monies on hand to complete the remaining remediation of the Class Area under the Remediation Program, it is projected that the Remediation Program may have a deficiency of approximately \$660,000 should NCM complete all the remaining remediation work at its potential price increases, with NCM having requested that its price for Zone 3 house remediation be increased from \$9,830 to \$15,000.

To ensure that the Remediation Program has sufficient funds to complete Zone 1A remediation in all events, it is recommended that we create a separate Zone 1A Subfund to pay Zone 1A remediation costs, including the related Claims Office and project administration costs as well as a 10% contingency reserve.

The necessary reserves for the Zone 1A Subfund and the residual amount to be paid into the Zone 3 Subfund, which will be used to pay for Zone 3 remediation costs, are provided below.

**Zone 1A Subfund:** The recommended amount of \$3,649,537 in direct remediation costs to be transferred to the separate Zone 1A Subfund is calculated as follows:

\$ 1,725,336	Zone 1A Remediation Costs (per Memo)
\$ 1,000,000	Zone 1A Increased Remediation Costs if NCM Price Increases Are Implemented (per Memo)
\$ 592,425	Zone 1A Claims Administrator Related Expenses <sup>2</sup>

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<sup>1</sup> There is no proposed NCM price increase for Zone 1A house remediation.

<sup>2</sup> Claims Administrator Related Expenses for Zone 1A were projected as follows: (i) dividing the estimated Zone 1A remediation expenses (\$2,725,336) by the estimated March 31, 2015 Remediation Fund accrual balance (minus Claims Administrator Related Expenses) (\$10,350,000), to obtain the percentage (26.33%) of projected Remediation Program expenses related to Zone 1A; and (ii) multiplying such percentage (26.33%) by the projected

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\$ 331,776 Zone 1A 10% Contingency Reserve

\$ 3,649,537 Zone 1A Direct Remediation Costs

We propose that an additional \$3,215,505 Remediation Program projected wind-up costs be paid over into the Zone 1A Subfund, providing it ample reserves, and insuring that, at the time the Zone 3 Subfund is exhausted, Zone 3 remediation needs to come to an end, with the Court to consider the relative priorities of, for example, completing Zone 3 houses and repairing deteriorated roads resulting from the Remediation Program. These costs are itemized below:

<\$ 1,000,000>	Reserve for Possible Road Deterioration
<\$ 1,657,575>	Claims Administrator Related Expenses
<\$ 60,000>	Outside Auditor
< <u>\$ 497,930</u> >	Contingency Reserve

\$3,215,505 Remediation Program wind-up costs

Thus, the Zone 1A Subfund starting balance is expected to be \$3,649,537 plus \$3,215,505, or \$6,865,042.

**Zone 3 Subfund:** This Subfund would contain the remainder of the Remediation Fund after the deduction of the Zone 1A Subfund. Utilizing the projections included within the Memo and deducting the Zone 1A Subfund amount, the estimated Remediation Fund balance for the Zone 3 Subfund is calculated as follows:

<u>\$ 12,600,000</u>	Estimated March 31, 2015 Remediation Fund Accrual Balance
< <u>\$ 6,865,042</u> >	Minus: Zone 1A Subfund
<u>\$ 5,734,958</u>	Zone 3 Subfund

Therefore, we propose to transfer \$5,734,958 to a separate Remediation Fund Zone 3 Subfund money market account at MVB Bank, thereby creating the two Remediation Fund Subfunds to allow the Settlement to simultaneously remediate Zones 1A and 3.

This Report and proposed Order approving the creation of two subfunds of the Remediation Fund and authorizing the simultaneous remediation of Zones 1A and 3 has been shared with the Finance Committee and there are no objections. In addition, nothing in this submission shall constitute an admission on the part of the Settlement that NCM is due any increase in rates for its remediation services.

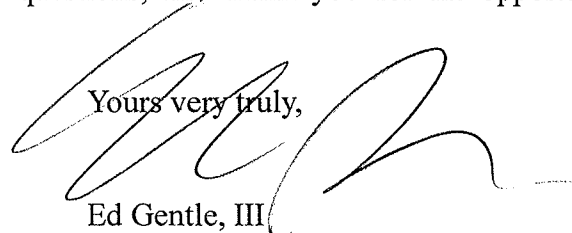
June 5, 2015

Page 4

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Please let me know if you have any questions, and thank you for the opportunity to administer this very interesting Settlement.

Yours very truly,



Ed Gentle, III  
Claims Administrator

ECGIII/mg  
Attachments

cc: (via e-mail)(confidential)(attachments)  
Virginia Buchanan, Esq.  
David B. Thomas, Esq.  
James S. Arnold, Esq.  
Meredith McCarthy, Esq.  
J. Keith Givens, Esq.  
McDavid Flowers, Esq.  
Farrest Taylor, Esq.  
Ned McWilliams, Esq.  
Angela Mason, Esq.  
Terry D. Turner, Jr., Esq.  
Katherine A. Harbison, Esq.  
Michael A. Jacks, Esq.

**IN THE CIRCUIT COURT OF HARRISON COUNTY, WEST VIRGINIA**

**LENORA PERRINE, et al., individuals** )  
**residing in West Virginia, on behalf of** )  
**themselves and all others similarly situated,** )

**Plaintiffs,** )

**E. I. DU PONT DE NEMOURS AND** )  
**COMPANY, et al.,** )

**Defendants.** )

**CIVIL ACTION NO.**  
**04-C-296-2**  
**Thomas A. Bedell,**  
**Circuit Judge**

**ORDER APPROVING THE REMEDIATION OF ZONES 1A AND 3 AT THE SAME TIME AND THE CREATION OF TWO SUBFUNDS OF THE PERRINE DUPONT PROPERTY REMEDIATION QUALIFIED SETTLEMENT FUND**

Presently before the Court is the June 5, 2015 Report of the Claims Administrator of the Perrine DuPont Settlement (the “Settlement”), Edgar C. Gentle, III, recommending (1) the simultaneous remediation of Zones 1A and 3, until the Zone 3 Subfund (described below) is exhausted; and (2) the division of the Settlement Property Remediation Fund into two separate subfunds: (i) a Zone 1A Subfund, to include all direct related expenses needed for completion of Zone 1A remediation; and (ii) a Zone 3 Subfund, to contain all remaining Perrine DuPont Property Remediation Qualified Settlement Fund (the “Remediation Fund”) monies after the deduction of the Zone 1A Subfund and other necessary reserves.

The Court has reviewed the Report and has heard no objection from the Finance Committee.

The Court finds that the Claims Administrator’s recommendation is reasonable and in the interest of justice.

Accordingly, the Court hereby **ORDERS** that the Claims Administrator shall:

(1) Create a separate money market account at MVB Bank named “Remediation Fund Zone 3 Subfund” and titled in the name of the Remediation Fund;

(2) Create a new brokerage account at Wells Fargo Advisors, Birmingham, Alabama, named “Remediation Fund Zone 3 Subfund” and titled in the name of the Remediation Fund, to be invested in United States Treasuries or money market funds invested in the same;

(3) Transfer \$5,734,958 from the Remediation Fund to the Remediation Zone 3 Subfund money market account;

(4) Rename the incumbent Remediation Fund Money Market and Brokerage accounts the Remediation Fund Zone 1A Subfund; and

(5) Simultaneously remediate Zones 1A and 3, until the Zone 3 Subfund is exhausted.

To the extent this Order contradicts prior Orders, they are hereby overruled.

**IT IS SO ORDERED.**

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

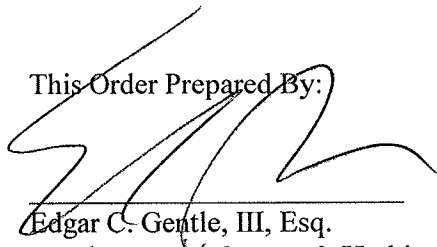
David B. Thomas, Esq.  
James S. Arnold, Esq.  
Thomas Combs & Spann, PLLC  
P. O. Box 3824  
Charleston, WV 25338  
*DuPont’s Finance Committee Representative*

Virginia Buchanan, Esq.  
Levin, Papantonio, Thomas, Mitchell,  
Rafferty & Proctor, P.A.  
P.O. Box 12308  
Pensacola, FL 32591  
*Plaintiffs’ Class Finance Committee Representative*

Meredith McCarthy, Esq.  
901 West Main Street  
Bridgeport, WV 26330  
*Plaintiffs’ Class Finance Committee Proxy*

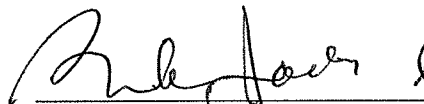
Edgar C. Gentle, III, Esq.  
Michael A. Jacks, Esq.  
Settlement Claims Office  
P.O. Box 257  
Spelter, WV 26438  
*Claims Administrator*

This Order Prepared By:



Edgar C. Gentle, III, Esq.  
Gentle, Turner, Sexton & Harbison  
P.O. Box 257  
Spelter, WV 26438

Date: 6-3-15

 by ECG Date: 6-3-15

Michael A. Jaska, Esq.  
W. Va. Bar. No. 11044  
Gentle, Turner, Sexton & Harbison  
P. O. Box 257  
Spelter, WV 26438

ENTER this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Hon. Thomas A. Bedell  
Circuit Judge of Harrison County,  
West Virginia

Mail  
RECEIVED  
2/11/14

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

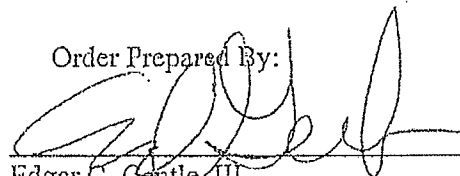
Meredith McCarthy  
901 W. Main St.  
Bridgeport, WV 26330  
*Guardian Ad Litem*

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

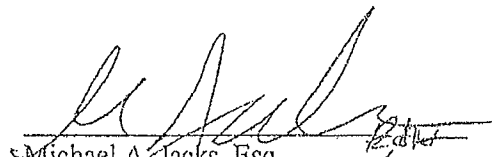
J. Farrest Taylor  
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Edgar C. Gentle, III  
Michael A. Jacks  
Gentle, Turner & Sexton  
P. O. Box 257  
Spelter, WV 26438  
*Special Master*

Order Prepared By:



Edgar C. Gentle, III  
Gentle, Turner, Sexton, Debrosse &  
Harbison  
P. O. Box 257  
Spelter, WV 26438  
November 22, 2013



Michael A. Jacks, Esq.  
Gentle, Turner, Sexton, Debrosse &  
Harbison  
W.Va. Bar No 11044  
P. O. Box 257  
Spelter, WV 26438  
November 22, 2013

ENTER

February 13, 2014

Thomas A. Bedell

Thomas A. Bedell, Circuit Judge

STATE OF WEST VIRGINIA  
COUNTY OF HARRISON, TO-WIT

I, Donald L. Kopp II, Clerk of the Fifteenth Judicial Circuit and the 18<sup>th</sup>  
Family Court Circuit of Harrison County, West Virginia, hereby certify the  
foregoing to be a true copy of the ORDER entered in the above styled action  
on the 13 day of February, 2014.

IN TESTIMONY WHEREOF, I hereunto set my hand and affix  
the Seal of the Court this 13 day of February, 2014.

Donald L Kopp II  
Fifteenth Judicial Circuit & 18<sup>th</sup> Family Court  
Circuit Clerk  
Harrison County, West Virginia

## MEMORANDUM

**TO:** Edgar C. Gentle, III, Esq.

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

**DATE:** April 27, 2015

**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}

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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 accrual balance at March 31, 2015 with the projected remaining Remediation Fund expenses, assuming a project end date of June 30, 2016.

### 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 identifies the dirty soil properties in Zone 1A and dirty houses in Zones 1 and 2, which we used as the basis of our calculation. It should be noted that Jennifer's spreadsheet indicates property remediation in Zone 2 is complete.

#### A. Zone 1A Dirty Soil Properties Available for Cleaning

- A-1 The estimated cost for cleaning dirty soil is \$40,000 per property. 25 dirty properties<sup>1</sup> at \$40,000 equal \$1,000,000.
- A-2 There are 11 additional soils in Zone 1A that have been cleaned (or partially cleaned) by NCM and partially paid, with the remaining cost for cleaning the soils equaling \$280,040.
- A-3 In their latest invoices, CORE Environmental Services, Inc. is charging \$358 per property for surface soil sampling and analysis and \$770 per property for soil texture sampling. We have added 10% to the total to approximate the cost of soil re-sampling. 36 dirty properties at \$1,128 per property ( $\$358 + \$770$ ) + 10% equals \$44,669.

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<sup>1</sup> A total of 36 soils in Zone 1A may require remediation, with: (i) 25 soils that have not been cleaned; and (ii) 11 soils that have been cleaned (or partially cleaned), but payment hasn't been made to the property owner.

- A-4 Claimant annoyance payments are generally \$4,000 per property. 36 dirty properties at \$4,000 equal \$144,000. \$10,000 has been added to account for the extra amounts due to claimants who have properties in excess of 1/2 acre. Total payments equal \$154,000 (\$144,000 + \$10,000).
- A-5 Claimant per diem payments are estimated in accordance with the current contract with NCM, which allows NCM a maximum of 8 days to clean a property. The per diem amount is \$100 per day. 26 dirty properties \* 8 days \* \$100 per day equals \$20,800.
- A-6 Claimant relocation payments are estimated in accordance with the current contract with NCM, which allows NCM a maximum of 8 days to clean a property. The claimant relocation amount is estimated at \$115 per night. 26 dirty properties \* 8 days \* \$115 per day equals \$23,920.
- A-7 Property technical advisor and project administration costs are estimated at 10% of all of the above-mentioned remediation expenses. (\$1,000,000 + \$280,040 + \$44,669 + \$154,000 + \$20,800 + \$23,920) \* 10% equals \$152,343.

Total budgeted costs for Zone 1A Soils are \$1,675,772. As discussed in Footnote 5, infra, an additional \$1,000,000 (See Exhibit C) would be needed to clean Zone 1A soils (excluding any additional Claims Administrator expenses) if NCM were engaged to complete such remediation at its proposed rate increases, for a total Zone 1A remediation cost to the Settlement of \$2,675,772.

**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. 2 dirty houses<sup>2</sup> at \$15,130 equal \$30,260.
- B-2 There are 4 additional houses in Zone 1 that have been cleaned by NCM and partially paid, with the remaining cost for cleaning the houses equaling \$1,868.
- B-3 In their latest invoices, CORE Environmental Services, Inc. is charging \$709 per house for dust wipe sampling and analysis. For re-sampling<sup>3</sup>, they utilize the ratio of 3 houses sampled equate to billing for 1 house. For budget purposes, we are assuming each house is re-sampled 3 times, which effectively doubles the number of houses billed. 5 dirty houses \* 2 \* \$709 equals \$7,090.

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<sup>2</sup> A total of 6 houses in Zone 1 may require remediation, with: (i) 2 houses that have not been cleaned; and (ii) 4 houses that have been cleaned, with 3 lacking sign off by the home owner and 1 with special circumstances, but not requiring any additional costs.

<sup>3</sup> Please note that the Remediation Fund has been paying CORE for the costs of re-sampling, although such re-sampling costs appear to be the responsibility of NCM. Currently, these re-sampling costs paid by the Remediation Fund are in excess of \$100,000.

- B-4 Claimant annoyance payments are \$400 per house. 6 dirty houses at \$400 equal \$2,400.
- B-5 Claimant per diem payments are estimated in accordance with the current contract with NCM, which allows NCM a maximum of 8 days to clean a property. The per diem amount is \$100 per day. 2 dirty houses \* 8 days \* \$100 per day equals \$1,600.
- B-6 Claimant relocation payments are estimated in accordance with the current contract with NCM, which allows NCM a maximum of 8 days to clean a property. The claimant relocation amount is estimated at \$115 per night. 2 dirty houses \* 8 days \* \$115 per day equals \$1,840.
- B-7 Property technical advisor and project administration costs are estimated at 10% of all of the above-mentioned remediation expenses. ( $\$30,260 + \$1,868 + \$7,090 + \$2,400 + \$1,600 + \$1,840$ ) \* 10% equals \$4,506.

Total budgeted costs for Zone 1 Houses are \$49,564.

**C. Contingency**

Calculated at 5% of total costs, equaling \$86,267.

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 \$1,811,603. As noted earlier, property remediation in Zone 2 is complete.

**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 339 dirty houses, resulting in projected remediation costs of \$4,992,461.

- D-1 NCM contract costs for cleaning dirty houses in Zone 3 are \$9,830 per house. 317 dirty houses<sup>4</sup> at \$9,830 equals \$3,116,110.
- D-2 There are 22 additional houses in Zone 3 that have been cleaned by NCM and partially paid, with the remaining cost for cleaning the houses equaling \$44,825.

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<sup>4</sup> A total number of 339 houses in Zone 3 may receive remediation, with: (i) 317 houses that have not been cleaned; and (ii) 22 houses that have been cleaned, with payment not currently requested. It should be noted that of the 317 houses that haven't been cleaned, it is possible that 25% to 50% of these homeowners could drop out of the property remediation program for various reasons, but to be conservative, the projection takes into account all houses that were initially signed up for the property remediation program.

- D-3 In their latest invoices, CORE Environmental Services, Inc. is charging \$709 per house for dust wipe sampling and analysis. For re-sampling<sup>3</sup>, they utilize the ratio of 3 houses sampled equate to billing for 1 house. For budget purposes, we are assuming each house is re-sampled 3 times, which effectively doubles the number of houses billed. 339 dirty houses \* 2 \* \$709 equals \$480,702.
- D-4 Claimant annoyance payments are \$400 per house. 339 dirty houses at \$400 equals \$135,600.
- D-5 Claimant per diem payments are estimated in accordance with the current contract with NCM, which allows NCM a maximum of 8 days to clean a property. The per diem amount is \$100 per day. 317 dirty houses \* 8 days \* \$100 per day equals \$253,600.
- D-6 Claimant relocation payments are estimated in accordance with the current contract with NCM, which allows NCM a maximum of 8 days to clean a property. The claimant relocation amount is estimated at \$115 per night. 317 dirty houses \* 8 days \* \$115 per night equals \$291,640.
- D-7 Property technical advisor and project administration costs are estimated at 10% of all of the above-mentioned remediation expenses. (\$3,116,110 + \$44,825 + \$480,702 + \$135,600 + \$253,600 + \$291,640) \* 10% equals \$432,248.
- D-8 Contingency reserve calculated at 5% of total costs for remediating Zone 3 dirty houses equals \$237,736.

**III. COMPARISON OF MARCH 31, 2015 REMEDIATION FUND  
ACCRUAL BALANCE WITH PROJECTED REMAINING REMEDIATION FUND  
EXPENSES ASSUMING A PROJECT END DATE OF JUNE 30, 2016**

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 with a Contingency of 5%, the Remediation Fund accrual balance appears to be sufficient at this time, with a possible \$1.9 Million surplus for the Remediation Fund. As you know, NCM is arguing that it may be due additional remediation costs due to its position that the Remediation Fund's contract with NCM has ended<sup>5</sup>. As you can see in Exhibit C, taking into account the possible, additional costs of NCM, the Remediation Fund is projected to be deficient in the amount of monies necessary to complete the Remediation of all Zone 3.

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<sup>5</sup> NCM, the remediation contractor, is asserting that the Remediation Fund's contract with NCM for the provision of remediation services has concluded, and that, in order to move forward, it requires revised rates of almost double its current rates to move forward with such remediation services on behalf of the Remediation Fund. The additional remediation costs utilized in these projections were calculated by incorporating a cost of \$80,000 to clean dirty soil properties in Zone 1A and \$15,000 to clean dirty houses in Zone 3.

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

TDTjr/  
Attachments



# **EXHIBIT A**

Pr DuPont Property Remediation Qualif ement Fund  
Calculation of Reserve for Remediation Costs in zones 1 and 2

<b>A</b>	<b><u>Dirty Soil Properties Available For Cleaning</u></b>		
A-1	NCM Demolition and Remediation, LP	\$	1,000,000
A-2	NCM Demolition and Remediation, LP	\$	280,040
A-3	CORE Environmental Services, Inc.	\$	44,669
A-4	Claimant Annoyance Payments	\$	154,000
A-5	Claimant Per Diem	\$	20,800
A-6	Claimant Relocation	\$	23,920
A-7	Project Administration	\$	152,343
	Subtotal		\$ 1,675,772
<b>B</b>	<b><u>Dirty Houses in Zone 1 Available For Cleaning</u></b>		
B-1	NCM Demolition and Remediation, LP	\$	30,260
B-2	NCM Demolition and Remediation, LP	\$	1,868
B-3	CORE Environmental Services, Inc.	\$	7,090
B-4	Claimant Annoyance Payments	\$	2,400
B-5	Claimant Per Diem	\$	1,600
B-6	Claimant Relocation	\$	1,840
B-7	Project Administration	\$	4,506
	Subtotal		\$ 49,564
<b>C</b>	<b>Contingency Reserve</b>		\$ 86,267
	<b>Grand Total</b>		<b><u>\$ 1,811,603</u></b>

Note: Property Remediation in Zone 2 is complete.

Perrine DuPont  
 Properties for Cleaning by Zone  
 as of 04/06/15

Classification	Zones 1, 2 & 3					Grand Total Houses
	Zone 1A	Zone 1A	Zone 1B	Zone 2	Zone 3	
	Total Soils	Houses	Houses	Houses	Houses	
Released to NCM <i>1 soil started - moved down</i>	12 23	1	0	0	78	79
Available for release to NCM	0	1	0	0	176	177
Available but Waiting	11	0	0	0	0	0
Not Currently Available - Various Reasons (May Opt Out or Be Denied)	2	0	0	0	0	0
Opt Out Properties - 2nd Chance Program	n/a	n/a	n/a	n/a	63	63
<b>Totals to Possibly be Cleaned - NCM, Core &amp; \$4,000 (Soil) &amp; \$400 (House)</b>	<b>25 25</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>317</b>	<b>319</b>
Clean Houses - Not Paid * - \$400	n/a	3	1	0	22	26
Clean Soils - Not Paid ** - \$4,000 <i>(partially cleaned)</i>	n/a	n/a	n/a	n/a	n/a	n/a

\*Clean Houses - Not Paid (In addition to \$400, other fees may still be due, except for Hathaway.)

- Zone 1*  
1,867.70
- 11-01\_38 0
- 11-01\_129 1,867.70
- 11-02\_101+102+103 0
- 227\_73 [Completed in 2012 (Only Due \$400)] 0
- 10-04\_201 1,867.70
- 10-06\_33 0
- 10-06\_54 1,867.70
- 11-21\_23.1 0
- 17-01\_109+110 0
- 17-01\_113+114+115 1,867.70
- 17-01\_183 1,867.70
- 18-02\_120 1,867.70
- 18-02\_142 0
- 18-04\_95+96 1,867.70
- 209\_19.1 0
- 267\_68 1,867.70
- 10\_68 1,867.70
- 11-09\_116+128+141+155 1,867.70
- 268\_22.1 0
- 10-06\_31 7,470.80
- 11-09\_122 0
- 17-04\_230 7,470.80
- 209\_3 1,867.70
- 10-02\_3.6 7,470.80
- 11-09\_198+199+234+244 1,867.70
- 267A\_35 1,867.70

*Zone 3*  
44,824.80

\*\*Clean Soils - Not Paid (In addition to \$4,000, other fees may still be due.)

- Zone 1A Soils*  
280,040.04
- 11-16\_23.1 6,065.75
- 11-16\_24 6,065.75
- 11-16\_55 6,318.75
- 11-16\_56 6,065.75
- 11-16\_57 6,065.75
- 11-16\_58 6,065.75
- 23-05\_3 8,508.56
- 23-05\_5 8,208.55
- 23-05\_6 6,642.11
- 23-05\_7 7,609.89
- 212,423.43

# **EXHIBIT B**

Line-DuPont Property Remediation Qualif Settlement Fund  
Calculation of Reserve For Remediation Costs in Zone3

<b>D</b>	<b><u>Dirty Houses in Zone 3 Available For Cleaning (317)</u></b>		
D-1	NCM Demolition and Remediation, LP	\$	3,116,110
D-2	NCM Demolition and Remediation, LP	\$	44,825
D-3	CORE Environmental Services, Inc.	\$	480,702
D-4	Claimant Annoyance Payments	\$	135,600
D-5	Claimant Per Diem	\$	253,600
D-6	Claimant Relocation	\$	291,640
D-7	Project Administration	\$	<u>432,248</u>
	Subtotal	\$	4,754,725
D-8	Contingency Reserve	\$	<u>237,736</u>
	<b>Grand Total</b>	\$	<b><u>4,992,461</u></b>

# **EXHIBIT C**

**Per DuPont Property Remediation Qualification Settlement Fund  
 Projection of Remaining Remediation Fund Expenses and Possible Surplus  
 Assuming a Project End Date of June 30, 2016**

Estimated March 31, 2015 Remediation Fund Accrual Balance	\$ 12,600,000
Less: Estimated Reserve for Remediation Costs <sup>1</sup> in Zones 1 and 2 (See Exhibit A)	\$ (1,811,603)
Less: Zone 3 Revenue Requirement for Remediation Costs <sup>1</sup> (See Exhibit B)	\$ (4,992,461)
Less: Reserve for Possible Road Deterioration Litigation	\$ (1,000,000)
Less: Claims Administrator Related Expenses (\$150,000 per month * 15 months)	\$ (2,250,000)
Less: Outside Auditor for Three Years (2014 and 2015) <sup>2</sup>	\$ (60,000)
Less: Reserve for Contingencies (5%)	<u>\$ (505,703)</u>
<b>Possible Remediation Fund Surplus Without Northstar Increases</b>	<b>\$ 1,980,233</b>
Less: Potential, Additional Costs of Northstar	
Zone 1A Soils	(\$1,000,000)
Zone 3 Houses	<u>(\$1,638,890)</u> (\$2,638,890)
<b>Possible Remediation Fund Deficit With Northstar Increases</b>	<b><u>\$ (658,657)</u></b>

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

<sup>2</sup> This amount is based on the actual audit fees listed in the 2013 audit engagement letter, with 90% of such fees being paid by the Remediation Fund.