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Warren
Cov.

UNION CARBIDE CHEMICALS AND PLASTICS COMPANY INC.
LAW DEPARTMENT

39 Old Ridgeway Road
Danbury, CT 06817-0001

May 22, 1990

Sharon R. Burger, Esq.
Nutter, McClennen & Fish
One International Place
Boston, MA 02210-2699

Re: Alice L. Warren, Administratrix of the Estate of John
Warren v. The Dow Chemical Company, Union Carbide, et
al.

Dear Ms. Burger:

In light of the recent discovery materials made available to the parties, it is Union Carbide's opinion that this is a case that is worthy of resolution before trial.

I am familiar with the general discussions that were held before the case was filed. There were efforts to settle the matter, but because Union Carbide found no tie-in to the site in question we did not participate in any serious negotiations.

I understand that there were some discussions with the plaintiff's attorney with regard to a structured settlement. Those discussions did not produce a desirable result. I do have a suggestion that in future discussions we take the strategy of discussing with our attorney not only the structured pay-out to his clients, but also the cash-up-front payment to the attorney for his fees. Additionally, I understand that Mrs. Warren is concerned about tax avoidance opportunities. I think that could be made a part of some resolution.

Since timing is an important aspect of such an approach, I suggest that we proceed with our respective companies to obtain the authority after we have had a conference call to discuss what we think the case is worth. We then need to discuss the timing of our proposals, assuming that we do get the appropriate authority.

Finally, you and I and others have had discussions about the need to educate the plaintiff as to the difficulty of prosecuting a case like this. Merely having the respective products of the

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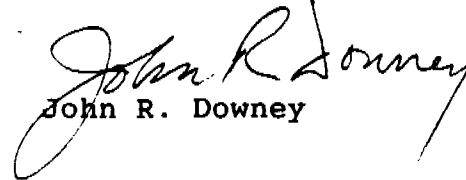
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companies present at the facility is not the final word on the issue of exposure.

I propose that you coordinate a conference call for all of us at a time within the next two weeks. At that time we can discuss what we think the case is worth and involvements of our respective companies.

Very truly yours,


John R. Downey

JRD/es

cc: Judith Elledge, Esq. (Conoco, Inc.)
Mary Sundt, Esq. (The Dow Chemical Company)

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