



CHEMICAL MANUFACTURERS ASSOCIATION

August 14, 1981

Mr. Richard L. Davis
Vice President/Treasurer
Environmental Health Associates, Inc.
2150 Shattuck Avenue
Berkeley, CA 94704

Dear Dick:

All clauses in the enclosed contract have been reviewed and agreed upon by both CMA counsel and Mr. Edgar except for the payment clause (old paragraph 26, new paragraph 24).

Mr. Joyce and I have reviewed this section and, although in agreement with the proposed scheme of risk sharing, we do have some questions and concerns.

In the first paragraph, we question the need for CMA written approval for justifiable costs incurred up to the authorized 30% ceiling. We are also troubled by the Contractor Termination statements contained in both paragraphs. Accordingly, we propose to delete the last two sentences of the first paragraph and modify the provisions of the second.

A change has been made in the payment schedule that increases quarterly payments in the fourth through sixth quarters and allows CMA to hold payment of excess costs until receipt of the final report.

If you find these revisions acceptable, please give Mr. Joyce a call. I will be out of the office on vacation until August 31, 1981.

Sincerely,

Carol R. Stack
Administrator
Vinyl Chloride Program

CONFIDENTIAL

Subject to Protective Order in
Poss v. Conoco, Inc., No. 90-4837
14th Judicial District Court
Calcasieu Parish, Louisiana

Enclosure

CMA 004095

CRS:cb