

TEXTRON ROCHESTER UPDATE

WATER MAIN UPDATE

Since last year, Textron has been in discussions with the City of Rochester Water Board regarding the extension of the City's public water supply line to the residents near the TORX facility.

Following the submission of engineering plans and participation in various public meetings, at the end of June, the City requested that Textron research two other options to provide water:

- 1) Purchase water from the City through a master water meter from the City of Rochester water line located at the Dean Foods Facility, and
- 2) Conduct a study that would evaluate installing a separate well field and water treatment plant outside of the City of Rochester limits.

Textron is currently reviewing these two options and anticipates providing further information to the community in the near future regarding them.

PHASE 2 SITE INVESTIGATION COMPLETE

The Phase 2 Further Site Investigation (Phase 2 FSI) report was submitted to the Indiana Department of Environmental Management (IDEM) in Mid-July 2010 and was posted on the TORX remediation project website.

During the Phase 2 FSI, soil borings and monitoring wells were installed onsite (in and around the TORX manufacturing facility) to evaluate the source of VOCs in groundwater. In addition, soil borings and monitoring wells were installed at offsite locations to better define the extent of the VOC plume in groundwater impacts from the former TORX facility.

The Phase 2 FSI differed from the previous studies in that soil samples were collected from areas suspected to be potential "source areas" for the origination of the VOCs in groundwater.

The onsite source investigation work centered around the following four potential source areas: (1) the former degreaser pit, (2) the former septic systems, (3) the onsite pond, and (4) the former dry wells.

The potential source areas and the borings/monitoring wells installed in the source areas during the Phase 2 FSI are shown on Figure 1, to the right.

(continued inside)

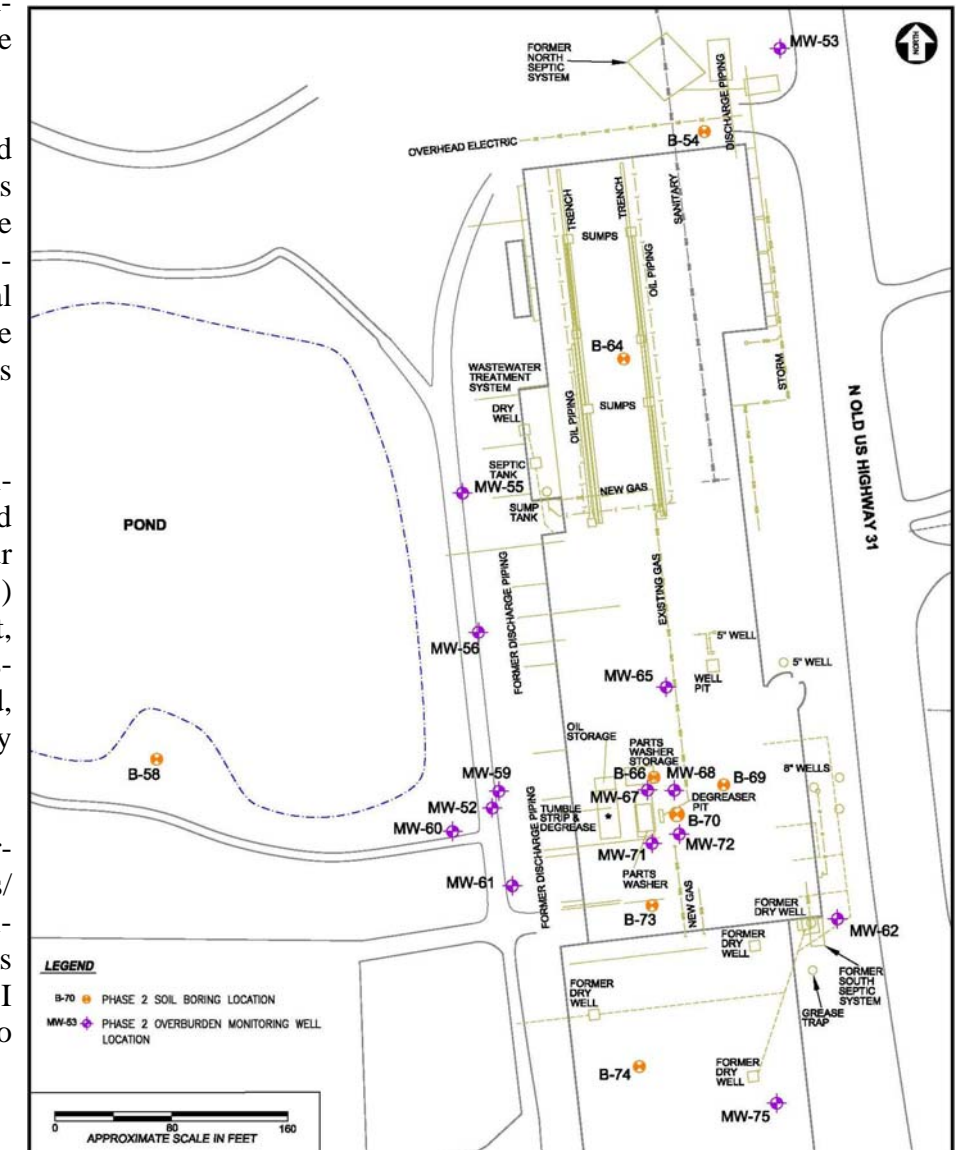


FIGURE 1. SOURCE AREA INVESTIGATION

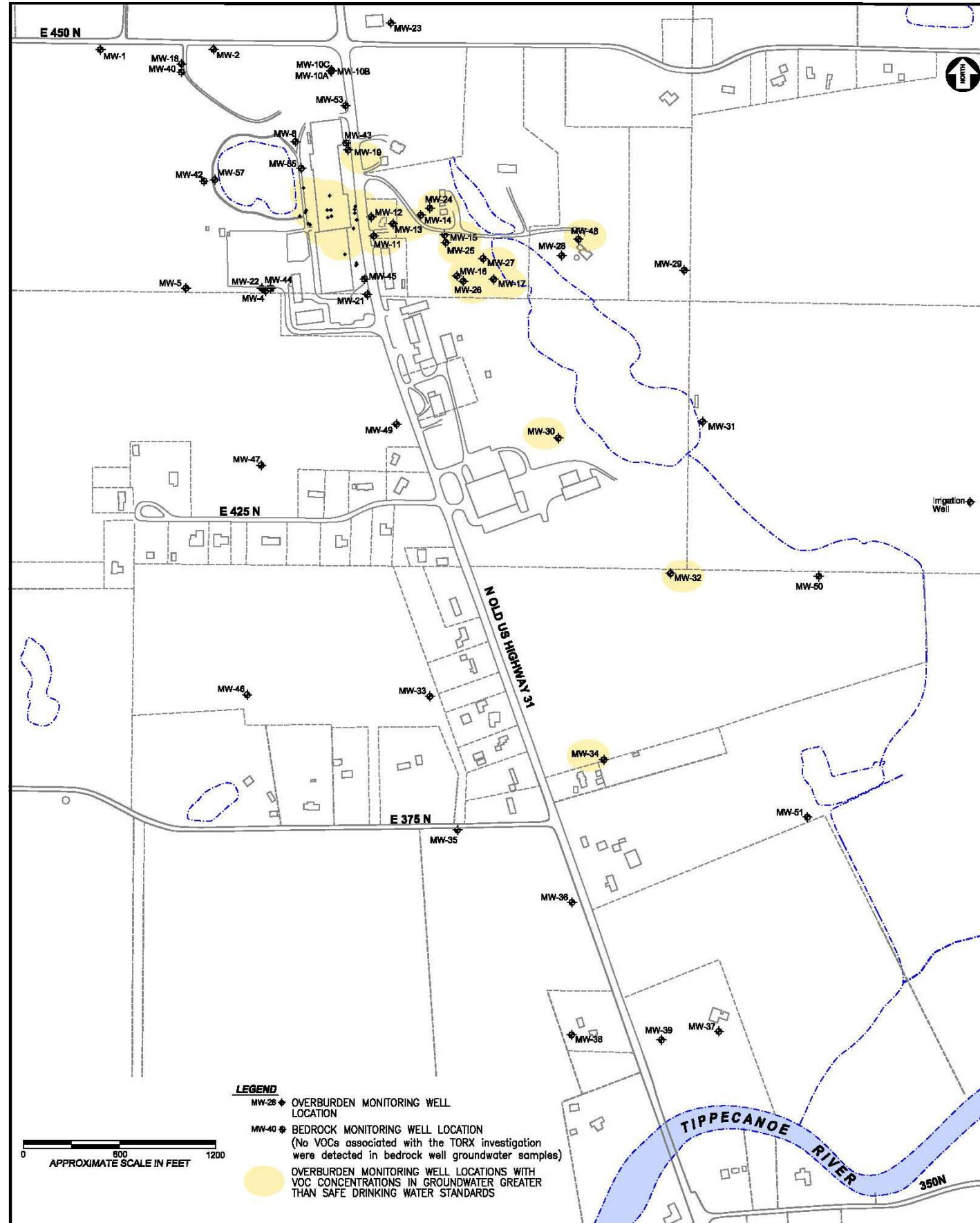


FIGURE 2.

VOC CONCENTRATIONS EXCEEDING SAFE DRINKING WATER STANDARDS

PHASE 2 SITE INVESTIGATION COMPLETE (continued from front page)

Based on the results of the Phase 2 FSI and the Initial FSI report (which was submitted to IDEM in August 2009), chemicals related to the TORX investigation include trichloroethene, vinyl chloride, 1,1-dichloroethene, cis-1,2-dichloroethene, and trans-1,2-dichloroethene, all of which are known as volatile organic compounds (VOCs). The Phase 2 FSI confirmed that metals are not a chemical related to the TORX investigation.

The monitoring wells installed during the Phase 2 FSI defined the extent of the VOCs in groundwater. The highest concentrations of VOCs detected during the Initial and Phase 2 FSIs were detected in the groundwater samples collected near the former degreaser pit and in the area immediately west of the former degreaser pit (between the manufacturing building and the onsite pond). The VOC concentrations in groundwater decrease the further you travel from the TORX facility.

The figure on the opposite page, Figure 2, illustrates the monitoring wells which exceed the Safe Drinking Water Standards for the groundwater samples collected during the past year. Based on the investigations performed during the last 18 months, the VOC impacts in groundwater that exceed the Safe Drinking Water Standards are limited to areas closer to the TORX Facility and do not extend to the Tippecanoe River. Though the VOC impacts in groundwater that exceed the Safe Water Drinking Standards are limited in extent, as a conservative measure, Textron has elected to provide water treatment systems and bottled water to residents located outside of the impacted area.

Using the results of the Initial FSI and Phase 2 FSI, remedial actions in the source area to reduce the VOCs in groundwater will be evaluated and implemented.

NEXT STEPS OF VOC INVESTIGATION AND REMEDIATION

Monitoring wells installed at the TORX Facility and in the surrounding area will continue to be sampled for VOCs to monitor the VOC impacts. In addition, a feasibility study will be performed to evaluate various remedial alternatives for the remediation of the VOC impacts. Each remedial action identified in the feasibility study to be submitted to IDEM will be evaluated against various criteria, including reduction of contaminant concentrations, and technical feasibility during implementation.

It is anticipated that implementation of the selected remedial alternative will begin in 2011.