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June 15, 2018

Joseph Burns, Esq.
General Counsel
Erie County Water Authority
295 Main Street, Rm 350
Buffalo, NY 14203

VIA FIRST CLASS MAIL

Re: Zeppelin Communications

Dear Mr. Burns:

The undersigned represents Zeppelin Communications, LLC ("Zeppelin") and Mr. Michael Caputo in respect of their dispute with the Erie County Water Authority ("Authority"), including as to the charges due Zeppelin from the Authority for April, 2018. Because this letter is being transmitted in respect of settlement negotiations, its contents are confidential and privileged under CPLR section 4547 and the rules of evidence, and my clients must hold you accountable for any disclosure thereof to the media or otherwise.

By this letter, my clients seek to close out and discharge the duties of the respective parties under the Professional Services Contract (the "Contract") dated as of August 14, 2015 between Zeppelin and the Authority. Furthermore, if the resolution recited herein is accepted, then my clients would release and discharge the Authority and any of its employees for all defamation committed by them from 2018 through the date of this letter. Additionally, despite the right of Zeppelin to charge for at least a portion of the month of May, settlement as proposed herein would waive my clients' charges for that stub period.

As you know, the Authority has defamed my clients by implying that they were remiss in failing to submit to the Authority detailed, daily time records (akin to those maintained by large law firms) despite complete silence as to any such duty in section 4 of the Contract where the duty would need to be recited. No such detail, daily time records were requested in 2015 when the contract was entered and none were requested until 2018, thereby confirming the absence of any contractual duty to provide them, the waiver of any duty that might be implied for them into the Contract and an estoppel precluding any demand for such records.

Nevertheless, to settle this matter globally and immediately without litigation over the Authority's political motivation for the termination of my clients, my clients would accept payment of \$5000 by July 1, 2018 in full satisfaction of the duties of the Authority if delivered simultaneously with the execution and delivery of mutual releases among the Authority, Zeppelin, and Mr. Caputo. Thus, acceptance by the Authority would conclude the matter, the relationship, and the dispute.

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Because my clients understand that this settlement would need to be approved by the Board of the Authority, its submission to you is conditioned on the proviso that the consideration of this settlement be done within executive session with confidentiality maintained as a disputed matter on which litigation is threatened (which it is, by me). Disclosure to the public should be limited to solely the amount paid without further, unnecessary detail as to the nonfinancial terms of settlement.

This offer remains open until the close of business June 22, 2018, and, if not unequivocally accepted by email or other record before that time, expires of its own terms and becomes null and void. My clients' offer is submitted with full reservation of their rights.

We hope acceptance of this reasonable proposal obviates the need for litigation and expedites closure of this chapter. I look forward to your confirmation that the foregoing is acceptable.

Very truly yours,

WOODS OVIATT GILMAN LLP



William F. Savino

Please direct responses to Buffalo Office

WFS/cxn