

D. Rotary Drum Dryer

The Rotary Drum Dryer processes 10,416 lb/hr of material (38% moisture) and the exhaust gas vents to the settling chamber, through a high efficiency cyclone and exhausts to atmosphere via Stack 1. Product with a moisture content of approximately 12% exits the dryer.

BACT for the Rotary Drum Dryer is the following:

- Use of a settling chamber.
- Use of a high efficiency cyclone.
- PM/PM₁₀ emissions from the Rotary Drum Dryer were based on information supplied by MHF and are consistent with similar sources.
- Visible emissions from the stack serving the Rotary Drum Dryer (Stack1) shall not exceed 20% opacity on a six (6) minute block average basis.

E. Rotary Drum Cooler

The Rotary Drum Cooler processes 7,339 lb/hr of material (approximately 12% moisture) and the exhaust gas vents to the settling chamber, through a high efficiency cyclone and exhausts to atmosphere via Stack 2.

BACT for the Rotary Drum Cooler is the following:

- Use of a settling chamber.
- Use of a high efficiency cyclone.
- PM/PM₁₀ emissions from the Rotary Drum Cooler were based on information supplied by MHF and are consistent with similar sources.
- Visible emissions from the stack serving the Rotary Drum Cooler (Stack2) shall not exceed 20% opacity on a six (6) minute block average basis.

F. Annual Emission Restrictions

MHF shall be restricted to the following annual emissions based on firing no more than:

- 4,326 tons per year of wood (10% moisture), or equivalent, in the Burner (12 month rolling total)

Total Allowable Annual Emission for the Facility
(used to calculate the annual license fee)

<u>Pollutant</u>	<u>Tons/Year</u>
PM	46.5
PM ₁₀	46.5
SO ₂	0.3
NO _x	7.8
CO	14.4
VOC	4.4

Megquier Hill Farms)
Cumberland County)
Portland, Maine)
A-789-71-A-N 9

**Departmental
Findings of Fact and Order
Air Emission License**

- (18) Visible emissions from the materials and stockpiles shall not exceed 10% on a 3 minute block average.
- (19) The term of this Order shall be for five (5) years from the signature below.

DONE AND DATED IN AUGUSTA, MAINE THIS 28th DAY OF April 2000.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

BY: James P. Grady for
MARTHA G. KIRKPATRICK, COMMISSIONER

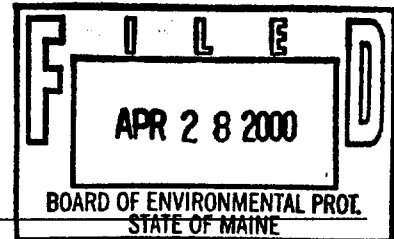
PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of initial receipt of application: February 29, 2000

Date of application acceptance: March 31, 2000

Date filed with the Board of Environmental Protection: _____

This Order prepared by Mark E. Roberts, Bureau of Air Quality



Corporation Counsel

Gary C. Wood



CITY OF PORTLAND

Associate Counsel

Charles A. Lane
Elizabeth L. Boynton
Donna M. Katsiaficas
Penny Littell

June 11, 1999

Via telefax: 879-1579

Robert E. Danielson, Esq.
Attorney and Counsellor at Law
Two City Center, Fifth Floor
Portland, ME 04101

Re: Durastone - 66 Milliken Street

Dear Bob:

The City is amenable to Durastone submitting its site plans to the City before the close of business on June 30, 1999.

Sincerely,


Penny Littell

Cc: Joseph Gray, Director of Planning ✓
Alex Jaegerman, Chief Planner
Sarah Hopkins, Planning Department
Jim Dusch, DEP (by fax: 287-2814)
Gary Wood, Corporation Counsel
Neil Hurley, Esq. (by fax: 772-2953)
Thimi Mina, Esq. (by fax: 772-2953)

(with incoming)

ROBERT E. DANIELSON, ESQUIRE

ATTORNEY AND COUNSELLOR AT LAW

TWO CITY CENTER, FIFTH FLOOR

PORTLAND, MAINE 04101

(207) 879-1337

TELECOPIER (207) 879-1579

JUN 11 1999

June 10, 1999

Penny Littell, Esq.
Associate Corporation Counsel
City of Portland
389 Congress Street
Portland, ME 04101

RE: DuraStone/66 Milliken Street, Portland

Dear Penny:

I wish to advise you of the status of the following items which were required to be completed by DuraStone no later than 5:00 p.m yesterday, under the amended order of the City of Portland, dated June 2, 1999:

1) Remove all forms from the south side of the building to either an off-site location or to the rear of the building. This item is complete.

2) Move from the site the crane located in the front yard. This item is complete.

3) Remove all metal rebar matting, rubber tires, stones and bricks with chicken wire fencing, metal fencing, barrels in all gulleys and all other debris located at the site. I believe we have removed the debris and other items which are not used in the construction process. Items that are being used in construction process have been relocated to areas within the building.

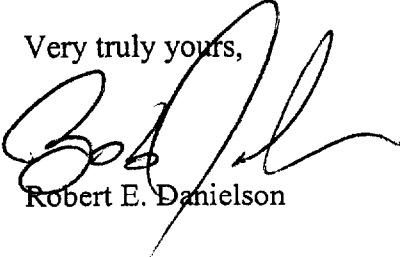
4) Provide the City with details regarding the licensed non-hazardous waste transporter which will be used to transport the waste as well as a licensed solid waste facility to which any rebar, tires, fencing or barrels are to be hauled. All metals are placed in a dumpster and disposed of by a metal recycler. We have contacted Commercial Recycling to remove those items listed in its letter (a copy of which is attached) to its facility in South Portland. It is our understanding that Commercial Recycling Systems is a licensed non-hazardous waste transporter.

I believe this completes the requirements of the order as of June 9, 1999.

I note that DuraStone met with Sarah Hopkins of the City of Portland Planning Department regarding the submission of a site plan and DuraStone has retained John Mitchell & Associates to prepare such a site plan. We are required by the Order to deliver the site plan to the City by June 15th, however, the City Planning Department has indicated that if the site plan is submitted by June 30, it will be reviewed at the same workshop as if submitted on June 15.

Given the short time frame and the numerous City requirements, we are requesting that the City postpone the deadline of the plan submission to on or before June 30. This will not impair the rights of the City to enforce such violations but will allow DuraStone to more completely prepare the plan. Please review our request and contact me with regard to the City's response.

If you have any questions on any of the matters contained herein, please don't hesitate to contact me.

Very truly yours,

Robert E. Danielson

RED/css

cc: James Duhamel

F:\DATA\FILES\LETTERS\LITT0609.LTR



May 19, 1999

Jim Duhamel
Durastone Precast Concrete Products
66 Milliken
Portland, ME 04103

Re: Acceptance of Material for Recycling

Dear Jim:

We thank you for your interest in our services. I have summarized below your materials selected for recycling at our facility:

Material	Source	Average Volume per day
12" minus clean concrete	Defects etc.	1 cubic yard
Concrete Precast panels	Defects	1 cubic yard
Concrete Steps ¹	Defects & customer take outs	1 cubic yard
Spent Sandblast Grit ²	Sandblasting concrete panels	1/3 cubic yard

CRS agrees to accept these materials pending any applicable Pre qualification procedures. These quantities are minimal for our facility and can be accepted on any business day.

I have attached a copy of our price schedule that include these materials. Should you require additional information I will be pleased to be of assistance.

Sincerely,

William R. Garland
Vice President - Operations

cc: Jack Gibson
Tom Gibson

enclosure

¹ Any used steps that have paint on them may require testing for lead.

² Our MeDEP processing license requires testing and Pre-Qualification before receipt of this material.



Old-Fashioned Quality Journeys Into The Future



2 Gibson Road, Scarborough, ME 04074

Phone # 207-883-3325
Fax # 207-883-1121

1999 Recycle Center Tipping Fee Schedule

* Virgin Oil Containing Soil	\$30.00	per Ton (Pre Approved)
** Waste Oil Containing Soil	\$34.00	per Ton (Pre Approved)
** Petroleum Soil In Vector Trucks (dependent on moisture)	\$60.00	\$10.00 Per Ton (Pre Approved)
** Sandblast Grit	\$30.00	per Ton (Pre Approved)
** Catch Basin Grit	\$40.00	per Ton (Pre Approved)
** Catch Basin Grit In Vector Trucks	\$80.00	per Ton (Pre Approved)
** Bottom Ash	\$34.00	per Ton (Pre Approved)
** Commercial Roofing	\$44.00	per Ton (Pre Approved)
Residential Asphalt Roofing	\$34.00	per Ton
Sheetrock	\$34.00	per Ton
Concrete With & Without Rebar \$ 1.00 - 10.00 (dependent on size)		per Ton
Porcelain	\$21.00	per Ton
Glass	\$20.00	per Ton
Street Sweepings	\$ 5.00	per Ton
Rubber	Undetermined	
Asphalt	No Charge	
Bricks	No Charge	
Ledge	No Charge	
Gravel	No Charge	
Stone Screenings	No Charge	

One Ton Minimum Charge On All Incoming Loads

* MEDEP Spill Letter Required in lieu of Pre-qualification and Sample Analysis. Quantity Discounts Allowed.
Contact Doug Gleason or Doreen Hendry.

** Requires Pre-qualification and Sample Analysis

- Handling Fees -

If Recyclable Materials Are Received With Excessive Amounts Of Byproduct, An Additional Handling Fee Shall Be Charged.

- Transportation Fees -

Per Ton Transportation Rates Vary, Dependent Upon Pick-Up Location. Firm, Per Ton Rates Quoted Upon Request.

Visit Us On The Web
[Http://www.cpcrs.com](http://www.cpcrs.com)
Info@cpcrs.com

Rev. March 29, 1999

Think Twice - Recycle

TOTAL P.03

Corporation Counsel
Gary C. Wood



Associate Counsel
Charles A. Lane
Elizabeth L. Boynton
Donna M. Katsiaficas
Penny Littell

CITY OF PORTLAND

May 26, 1999

333-K-35

Via Facsimile 772-2953

Neil Hurley, Esq.
12 City Center
Portland, ME 04101

Dear Neil:

I am following up on my calls to your office of May 24 and May 25. You were not available to speak with me on either occasion. Although I left a fairly detailed message with your secretary yesterday, I thought I would correspond with you by FAX.

The City and DEP will be touring the Durastone facility at 8:30 am on Thursday in order to identify material located on the site (outside of the building) that may now lawfully be removed by Durastone. It would be extremely beneficial if you, or Thimi, or Bob Danielson could accompany the DEP and the City on this tour so that there is no misunderstanding as to what material can and should be removed. I know in the past Durastone has indicated it felt like it was receiving conflicting information from DEP and the City about removal of material and this tour is an effort to make sure we are all understanding the parameters of site clean-up.

In addition to touring the grounds, DEP will also be educating City inspectors on the proposed acid wash system being tested by Durastone and what the City inspectors may choose to inspect when the acid wash process is up and running.

Please let me know if you will have a representative attending tomorrow.

Sincerely,

Penny Littell
Associate Corporation Counsel

Cc: Gary Wood, Esq.
✓ Joseph Gray, Planning
Ann Hemenway, DEP
Jim Dusch, DEP

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333-K-35

Corporation Counsel

Gary C. Wood



CITY OF PORTLAND

Associate Counsel

Charles A. Lane
Elizabeth L. Boynton
Donna M. Katsiaficas
Penny Littell

May 20, 1999

Fax No: 772-2953

Thimi R. Mina, Esq.
Neil C. Hurley, Esq.
12 City Center
Portland, ME 04101

Fax No: 879-1579

Robert E. Danielson, Esq.
Law Offices of Robert E. Danielson
2 City Center, Suite 500
Portland, ME 04101

Re: Durastone

Dear Gentlemen:

This letter is in follow-up to the conversation between Gary Wood and Neil Hurley on the evening of May 18, 1999. As was indicated to Mr. Hurley at that time, the City will be identifying dates certain upon which specific site clean up measures must be completed. It will be the expectation of the City that the property owner will demonstrate, on a weekly basis, removal of unapproved materials from the site. On May 18, 1999 Mark St. Germaine represented that all material on site had been inventoried so I presume the DEP will permit miscellaneous items to be removed from the site at this time. I am happy to participate in a tour of the premises with a DEP official, and a representative of the property owner, on Friday or Monday to determine those materials which may now be safely and legally removed.

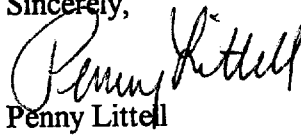
Prior to issuing an amended Order, the City is asking the property owner to advise when Durastone will accomplish clean up requirements on site. The City will consider this input prior to issuing its amended Order. I trust my correspondence of May 19, 1999 identifies for you all of those on premises "items" which must be removed either from the site or from their present location (this excludes finished product which will be removed or moved in its entirety by June 1, 1999).

As advance notice, at minimum the City will be amending its Order to require all material presently on the site which is not in conformance with the 1993 site plan to be removed no later than June 15, 1999. In addition, the property owner will need to submit a site plan application to the Planning Board by that same date.

Thimi R. Mina, Esq.
Neil C. Hurley, Esq.
Robert E. Danielson, Esq.
May 20, 1999
Page 2

I look forward to hearing back from you regarding this matter and to setting up a time to tour the site so that all parties will understand what materials are to be moved at what time.

Sincerely,



Penny Littell
Associate Corporation Counsel

PL:j

cc: Jim Dusch, DEP
Joseph E. Gray, Director of Planning
Gary Wood, Corporation Counsel
Mark Adelson, Director of Housing

O:\WP\PENNYLTRS\MINA8.DOC



CITY OF PORTLAND

May 10, 1999

James R. Duhamel, President
Durastone
66 Milliken Street
Portland, ME 04103

Dear Mr. Duhamel:

After review of 66 Milliken Street the City of Portland determined that a number of zoning and site plan violations exist at that site. As a result, Durastone is hereby Ordered to institute the following actions to bring this site into compliance with local land use codes:

- (1) Prior to its reopening, Durastone shall immediately and permanently seal the floor drains located within the building. City staff shall be notified of this and shall perform an inspection of this work.
- (2) By May 12, 1999 Durastone shall erect a barrier around the four hot spots identified by the Maine Department of Environmental Protection as problematic and shall post a sufficient number of "Restricted Area" signs clearly identifying these areas as off limits.
- (3) No later than May 12, 1999, Durastone shall post with the City of Portland a financial guarantee in the amount of ~~no~~ less than \$200,000 to assure the site is cleaned up in conformance of this Order and the Compliance Order of the Maine Department of Environmental Protection dated May 7, 1999.
- (4) By May 14, 1999 Durastone shall provide to the City an executed contract with a reputable excavator, to be approved by the City, who shall remove all scrapped product which is larger than one (1) cubic yard and found on site. This shall include broken concrete and any other material fitting such description. The contract shall state the terms of removal including the site of any off-site disposal.
- (5) By May 21, 1999 Durastone shall immediately and legally remove all refuse and debris about the site, including but not limited to 55-gallon drums of refuse and debris, miscellaneous piles of railings, steps and used materials, discarded forms, pallets of

James R. Duhamel

May 10, 1999

Page 2

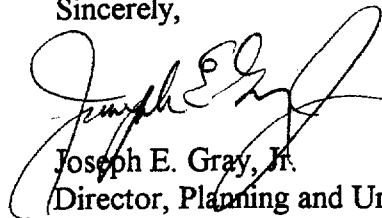
discarded materials, unauthorized dumpsters, old tires, etc. A single dumpster may be located at the rear of the site in the approved waste storage area provided that Durastone submit to the City an executed contract with a waste hauler who will remove the waste contained therein no less than twice a week and the dumpster remain covered at all times.

- (6) By May 21, 1999 Durastone shall either remove finished product to either an off-site location or move it to the approved storage area at the rear of the site.
- (7) All hazardous materials and waste shall be properly disposed of as required and approved by the Maine Department of Environmental Protection.
- (8) Durastone shall continue to post a security guard 24 hours a day until the DEP has determined the site to be hazard-free. Portland Police Department shall also routinely check this site.

In the event the land acquisition of 66 Milliken Street by Maine Tire is not consummated, Durastone shall be required to obtain site location and site plan approval with the Portland Planning Board, whereupon all site issues shall be re-examined. This will include landscaping, erosion control and embankment stabilization, signage, and the submission of all DEP permits.

I trust these measures will be implemented expeditiously.

Sincerely,



Joseph E. Gray, Jr.
Director, Planning and Urban Development

JEG:dc

c: Jim Dusch, Maine Department of Environmental Protection
Councilor Charles Harlow
Councilor-Elect Jay Hibbard
John Bannon, Esq.
Brenda Buchanan, Esq.
Mark Adelson, Director of Housing and Neighborhood Services
Penny Littell, Associate Corporation Counsel

HURLEY & MINA

Attorneys at Law

12 CITY CENTER
PORTLAND, MAINE 04101

MAY 18 1999
11 33 18 PM

TELEPHONE
(207) 772-6805
FAX
(207) 772-2953

RAYMOND C. HURLEY
THIMI R. MINA

Admitted to the Bars
of Maine and the
District of Columbia

May 18, 1999

Hand Delivery by Courier

Gary C. Wood, Esq.
Corporation Counsel
City of Portland
390 Congress Street
Portland, Maine 04101

Re: *Durastone*

Dear Gary:

In furtherance of our discussions yesterday, this letter will address Durastone's response to the issues raised in Joseph Gray's letter of May 10, 1999:

1. Durastone has permanently sealed the floor drains located within its building on Milliken Street. Steve Harris of the City has inspected the premises and can so confirm;
2. With the approval of James Dusch of the DEP, we have instructed Durastone's environmental consultants, St. Germain & Associates, to proceed with their stated plan (*see* letter of May 14, 1999 from Scott Collins to James Dusch) to erect barriers around the four designated areas on the company's property. We have been informed by Mark St. Germain that the fencing has been accomplished;
3. Durastone is posting herewith a bond in the amount of \$200,000 to secure Durastone's remediation of the property in conformance with Mr. Gray's letter of May 10, 1999 and the DEP Order of May 7, 1999, and any amendments thereto;
4. As we discussed at the meeting yesterday, Durastone itself has undertaken to remove the large concrete blocks on the surface of the property to an appropriate off-site facility – Chase Excavating, located at Exit 10 – with DEP approval;
5. Durastone, with the oversight of the DEP, has undertaken to identify and remove from the premises as soon as practicable those materials described in Mr. Gray's letter of May 10;

Gary C. Wood, Esq.
May 18, 1999
Page Two

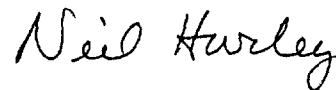
6. Durastone will remove finished products from the front of the building by June 1;
7. Durastone, through its environmental consultant, St. Germain & Associates, has submitted detailed plans for the handling and disposal of hazardous materials and waste. These plans, which we have now also provided to the City, have met with the DEP's approval. The company's proposal with respect to the acid rinse process, however, remains under review by the DEP;
8. Since May 4, Durastone has arranged for 24-hour premises security through Public Cover Security Service, Inc. The arrangement with the security firm is spelled out in the letter (and attachments) dated May 14, 1999 from Scott Collins of St. Germain & Associates to James Dusch.

We believe that Durastone has complied with the enumerated terms of Mr. Gray's letter of May 10, 1999, as well as the DEP's compliance Order of May 7. In addition, Durastone is in the process of retaining an engineering firm to prepare a site plan amendment for submission to the Portland Planning Department as soon as practicable.

On May 7, 1999, Durastone voluntarily suspended its manufacturing operations in order to allow the DEP and the City of Portland to have free access to the facility for the purpose of inspection and evaluation of the plant. Since then, Durastone has done everything in its power to address the issues raised by the DEP and the City of Portland. With DEP's approval, Durastone intends to resume certain DEP-approved aspects of its manufacturing process today and to resume full operations once the DEP has approved the last procedure under review.

Please do not hesitate to call me if you have any questions.

Sincerely,



Raymond C. Hurley

Enclosure

cc: James Duhamel, Durastone
James E. Dusch, DEP (by fax and mail)
Robert Danielson, Esq.

FRONTIER INSURANCE COMPANY

ROCK HILL, NEW YORK 12775-8000
(A Stock Company)

FINANCIAL GUARANTEE BOND

BOND No: 130466

KNOW ALL MEN BY THESE PRESENTS that DURA STONE, 66 MILLIKEN AVENUE, PORTLAND, MAINE (hereinafter called Principal), and FRONTIER INSURANCE COMPANY, 187 GRAYLYNN DRIVE, NASHVILLE, TENNESSEE 37214 (WITH A MAINE BUSINESS ADDRESS OF 174 SOUTH FREEPORT ROAD, SOUTH FREEPORT, MAINE 04078, (hereinafter called Surety), are held and firmly bound unto the CITY OF PORTLAND, CITY HALL BUILDING, 389 CONGRESS STREET, PORTLAND, MAINE AND THE STATE OF MAINE, DEPARTMENT OF ENVIRONMENTAL PROTECTION, STATE HOUSE STATION # , AUGUSTA, MAINE 04333, (hereinafter called Obligees), in the full and just sum of TWO HUNDRED THOUSAND AND 00/100 Dollars (\$200,000.00) to the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their and each of their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounded Principal has received a certain written compliance order issued by the above mentioned Obligees and dated MAY 10, 1999, for CORRECTION OF CERTAIN ZONING AND SITE PLAN VIOLATIONS, which compliance order is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein; and,

WHEREAS, the above bounded Principal has received a certain written compliance orders issued by the STATE OF MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION and dated MAY 7, 1999 for HAZARDOUS WASTE COMPLIANCE ISSUES which compliance order is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein: and,

WHEREAS, the Obligees have agreed to accept a bond guaranteeing the performance of said compliance orders, and any amendments thereto to complete all the obligation with in the specified time .

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, if the above-bounded Principal shall well and truly keep, do and perform, each and every, all and singular, the matters and things in said compliance orders, and any amendments thereto set for and specified to be by the said Principal kept, done and performed, at the time and in the manner in said compliance orders, or any amendments thereto specified during the term of this bond, and shall pay over, make good and reimburse to the above-named Obligees, all loss and damage which said Obligees may sustain by reason of failure or default on the part of said Principal, then this obligation shall be void otherwise to be and remain in full force and effect.

PROVIDED, however, this bond is subject to the following conditions and provisions:

1. The bond is for the term beginning MAY 17, 1999 and ending OCTOBER 17, 1999.
2. In the event of default by the Principal in performance of the compliance orders, or any amendments thereto during the term of this bond, and upon written notice to Principal and Surety. Principal and Surety shall have 30 days to cure said default. If said default is not cured within 30 days by the Principal, the Surety shall be liable to the Obligees for the remaining cost of the performance under the compliance orders, or any amendments thereto up to the face value of the bond. The cost of performance shall be determined by an estimate obtained by the Obligees of work or obligations remaining to be completed at the time of default. The Surety, within thirty (30) days after the cost of performance is determined, shall tender payment therefore to the Obligees, or find an acceptable Principal to complete the obligations
3. In no event shall the Surety be liable in the aggregate to both Obligees for more than the penal sum of its Surety Bond, nor shall it be liable except for a single payment for each single breach or default. At the Surety's election, any payment due to either Obligees may be made by its check issued jointly to both.
4. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless same be brought or instituted and process served upon the Surety within six months after the completion of the obligation

Signed and sealed this 17th day of MAY, 1999

DURA STONE
BY _____

FRONTIER INSURANCE COMPANY

BY _____
DAVID H. SALLINGS, ATTORNEY-IN-FACT



POWER OF ATTORNEY

Know All Men By These Presents: That FRONTIER INSURANCE COMPANY, a New York Corporation, having its principal office in Rock Hill, New York, pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 4th day of November, 1985:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT:

**David H. Skillings Robert E. Shaw, Jr.
Sharon K. Martel**

of South Freeport in the State of Maine
its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of redelegation, as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed; IN AN AMOUNT NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND (\$3,500,000.00) DOLLARS; and to bind FRONTIER INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of FRONTIER INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, FRONTIER INSURANCE COMPANY of Rock Hill, New York, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this 29th day of April, 19 97

FRONTIER INSURANCE COMPANY



BY: HARRY W. RHULEN, President

State of New York
County of Sullivan ss.:

On this 29th day of April, 19 97, before the subscriber, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force.

In Testimony Whereof, I have hereunto set my hand, and affixed my official seal at Rock Hill, New York, the day and year above written.



NANCY V. PIERRO
Notary Public State of New York
Sullivan County Clerk's No. 2395
Commission Expires July 8, 2000

CERTIFICATION

I, JOSEPH P. LOUGHLIN, Secretary of FRONTIER INSURANCE COMPANY of Rock Hill, New York, do hereby certify that the foregoing Resolution adopted by the Board of Directors of this Corporation and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Powers of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the facsimile seal of the corporation this 17TH day of MAY, 19 99


JOSEPH P. LOUGHLIN, Secretary

Corporation Counsel
Gary C. Wood



CITY OF PORTLAND

Associate Counsel
Charles A. Lane
Elizabeth L. Boynton
Donna M. Katsiaficas
Penny Littell

May 14, 1999

Thimi R. Mina, Esq.
Neil C. Hurley, Esq.
Hurley & Mina
12 City Center
Portland, ME 04101

Robert E. Danielson, Esq.
Law Offices of Robert E. Danielson
2 City Center, Suite 500
Portland, ME 04101

Dear Gentlemen:

In talking with the DEP regarding your concern that the City's May 10, 1999 Order may conflict with the Compliance Order issued to Durastone by the DEP, please allow me to clarify.

With regard to paragraph number 4 of the City's Order, please understand that referenced "scrapped product" is to be defined as cured concrete products, only. Removal or pulverization of any other material now located on the site, including piles of soil or other manufacturing waste product, shall only be accomplished after Durastone has obtained the approval from the DEP. In other words, removal or disturbance of soil, established fill, "black beauty piles" or any other material which may contain contaminants shall not be disturbed without DEP approval. I understand that you had a conversation with Jim Dusch about this yesterday.

With regard to removal of the cured concrete, the City is still waiting for the executed contract Durastone has with the excavator removing this material, as well as information on the location of the disposal of the material. I understand Durastone has actually removed material off site but the City still has not been provided with the information required in its Order. I trust we will be receiving this information shortly.

In addition, paragraph 5 of the City's Order requires the removal of refuse and debris located throughout the site. Prior to the removal, however, the DEP wants an inventory of everything now on the site, including 55 gallon drums, trash receptacles and like containers, miscellaneous piles of waste, soil, black beauty, etc. being stored outside because of the potential that these wastes have been mixed with materials that would make them unfit for disposal as common solid waste. To clarify, no material of such description shall be disturbed or removed unless and until an inventory of the matter is accomplished and the DEP is satisfied that the matter does not contain any special or hazardous waste. The City requires that upon Durastone's receipt of such permission from the DEP, Durastone notify the City of this waste removal.

Thimi Mina, Esq.
Neil Hurley, Esq.
Robert Danielson, Esq.
May 14, 1999
Page 2

I trust this clarifies the Order dated May 10, 1999. Full compliance with the remaining terms of the Order is otherwise expected.

Sincerely,

A handwritten signature in cursive script that reads "Penny Littell". The signature is written in black ink and is positioned above the printed name and title.

Penny Littell
Associate Corporation Counsel

PL:j

Corporation Counsel
Gary C. Wood



CITY OF PORTLAND

Associate Counsel
Charles A. Lane
Elizabeth L. Boynton
Donna M. Katsiaficas
Penny Littell

May 14, 1999

Fax No: 772-2953

Thimi R. Mina, Esq.
Neil C. Hurley, Esq.
Hurley & Mina
12 City Center
Portland, ME 04101

Fax No: 879-1579

Robert E. Danielson, Esq.
Law Offices of Robert E. Danielson
2 City Center, Suite 500
Portland, ME 04101

Dear Gentlemen:

I understand that the DEP has authorized Durastone to begin operating its carpentry shop provided that in the process no hazardous materials are generated and there is no interference with ongoing or future remedial efforts.

The City certainly appreciates the need for Durastone to resume operations. However, in light of the fact that no barriers have been erected around the four hot spots located on the site, nor have signs been posted at these locations warning people of the restricted area, the City is unable to allow the plant to open its carpentry shop until such barriers are erected. This is a simple process and the City is more than dismayed that such a simple order was not obeyed.

I also attach a "clarification letter" to the City's May 10, 1999 Order.

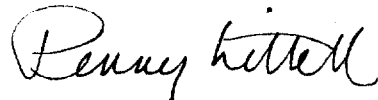
I also wanted to respond to Attorney Mina's request that Durastone be given until June 14, 1999 (from May 21, 1999) to remove finished product from its site. The City is not prepared to grant such an extension

Finally, given Maine Rubber International's withdrawal of its site plan application, Durastone must submit a site plan for Planning Board approval. I would advise Durastone to immediately contact the Planning Department to get things going in this regard.

Thima R. Mina, Esq.
Neil C. Hurley, Esq.
Robert E. Danielson, Esq.
May 14, 1999
Page 2

Please feel free to call me should you wish to discuss this matter further.

Sincerely,



Penny Littell
Associate Corporation Counsel

PL:j

Enclosure

cc: Jim Dusch, DEP
Joseph E. Gray, Director of Planning
Gary Wood, Corporation Counsel
Mark Adelson, Director of Housing

O:\WP\PENNY\LTRSMINA5.LTR

HURLEY & MINA

Attorneys at Law

12 CITY CENTER

PORTLAND, MAINE 04101

RAYMOND C. HURLEY
THOMAS R. MINA

Admitted to the Bars
of Maine and the
District of Columbia

TELEPHONE
(207) 772-6805
FAX
(207) 772-2953

May 18, 1999

By Fax and Mail

Gary C. Wood, Esq.
Corporation Counsel
City of Portland
390 Congress Street
Portland, Maine 04101

DRAFT

*These
Comments
relate only to
the City + not to
compliance w/ DEP*

Re: *Durastone*

Dear Gary:

This will confirm the substance of the understandings reached between Durastone and the City of Portland concerning the issues addressed in Joseph Gray's letter of May 10, 1999:

1. Durastone has permanently sealed the floor drains located within its building on Milliken Street. Steve Harris of the City has inspected the premises and can so confirm;
2. With the approval of James Dusch of the DEP, we have instructed Durastone's environmental consultants, St. Germain & Associates, to proceed with their stated plan (*see letter of May 14, 1999 from Scott Collins to James Dusch*) to erect barriers around the four designated areas on the company's property. We have been informed by Mark St. Germain that the fencing should be completed by 8:30a.m. today;
3. Durastone has posted a bond in the amount of \$200,000 to secure Durastone's remediation of the property in conformance with Mr. Gray's letter of May 10, 1999 and the DEP Order of May 7, 1999. In addition, Durastone has agreed to fund an account, in the total amount of \$35,000, to be held by a mutually acceptable escrow for the purpose of meeting certain specified clean-up expenses. Durastone will fund the account over a 90-day period by making payments in increments of \$7,500 by July 1, \$12,500 by August 1 and the balance of \$15,000 by September 1. Beginning on June 1, the company will make weekly deposits of amounts necessary to meet each monthly increment. The funds so deposited in escrow can be disbursed only for specific clean-up

and any amendments thereto.

10/18/99

Gary C. Wood, Esq.
May 18, 1999
Page Two

DRAFT

expenses to be defined by the City and Durastone;

Where?

- 4. As we discussed at the meeting yesterday, Durastone itself has undertaken to remove the large concrete blocks on the surface of the property to an appropriate off-site facility, with DEP approval; *Provide the City with the contract w/ Duques for further remediation (pulverizing)*
- 5. Durastone, with the oversight of the DEP, has undertaken to identify and remove from the premises those materials described in Mr. Gray's letter of May 10. *This is an on-going process;*

Gary, I think we should place a time frame on this. i.e. no later than July 1 all refuse + debris removed inventoried, approved by DEP, and removed.

- 6. At Durastone's request, the City has agreed to extend the time, from May 21 to June 1, for Durastone to remove finished product from the front of the building;

- 7. Durastone, through its environmental consultant, St. Germain & Associates, has submitted detailed plans for the handling and disposal of hazardous materials and waste. These plans, which we have now also provided to the City, have met with the DEP's approval;

- 8. Since May 4, Durastone has arranged for 24-hour premises security through Public Cover Security Service, Inc. The arrangement with the security firm is spelled out in the letter (and attachments) dated May 14, 1999 from Scott Collins of St. Germain & Associates to James Dusch.

We believe that Durastone has complied with the terms of Mr. Gray's letter of May 10, 1999, as well as the DEP's compliance Order of May 7. Durastone looks forward to resuming its operations today and to building a positive and productive working relationship with the City of Portland. We appreciate your cooperation.

we need to have a site plan application submitted no later than

Sincerely,

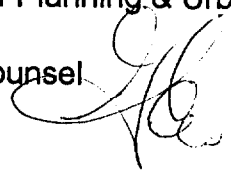
Raymond C. Hurley

Do we want it submitted before they vacate in July? This makes sense since

cc: James Duhamel, Durastone
James E. Dusch, DEP

**CITY OF PORTLAND, MAINE
M E M O R A N D U M**

TO: Robert B. Ganley, City Manager
Joseph E. Gray, Jr., Director of Planning & Urban Development

FROM: Gary C. Wood, Corporation Counsel
Ext. 8480 

DATE: May 18, 1999

RE: Durastone--PLEASE READ AND RESPOND ASAP

Durastone has requested permission to resume operations today (May 18). I recommend that we grant their request on the following conditions:

- (1) They amend their draft to reflect Penny's changes;
- (2) Someone from Inspections confirms that the fence has been erected that is described in paragraph 2 of the attached proposed draft letter from Durastone's attorney to me;
- (3) We receive verbal confirmation from DEP that the plans described in paragraph 7 have in fact been approved by DEP: N.B.: this plan proposes that all liquid waste will be hauled off-site by Clean Harbor and disposed of in accordance with law--they have at least temporarily dropped their request to neutralize this liquid and put it into our sewer system through our local permitting process;
- (4) We get a copy of the contract with Clean Harbor calling for the disposal of the liquid waste off-site;
- (5) We are provided with the name of the facility to which Durastone is hauling its large concrete blocks and with any contract Durastone has with Dugas Excavator to pulverize remaining debris.

Further, we will be amending our order to require Durastone to submit a site plan for approval by our Planning Board.

In addition to the actions outlined in the attached letter, we were able to get some very favorable language into the performance bond so that it is a much better security instrument than your standard performance bond.

I agree to the June 1 date for the removal of finished product from the Portland site

Robert B. Ganley
Joseph E. Gray, Jr
May 18, 1999
Page 2

because they clearly haven't complied with the May 17 deadline and that stuff is the least of our worries. It's already finished and packaged for delivery to different parts of the country. It's going to take a couple of weeks for them to move it to the South Portland plant or deliver it to the project sites for which it was built. If I go into court, a court is going to give them a few weeks to do it anyway.

My own basic take on this situation has not changed. I think this company is borderline in economic terms given the fact that they are trying to get a new site up and running in another city, they are trying to reopen their current site and they are spending a lot of money trying to fix things. At this point money is all going out and none is coming in. My big goal remains to get them to relocate to South Portland as soon as possible. That isn't going to happen if they don't have any money coming in. Please let me know before 11:00 a.m. if you strongly disagree with this position. Otherwise, I will tell them to go ahead and reopen as soon as the above conditions are met.

GCW:dlc
Enc.
c: Penny Littell, Associate Corporation Counsel

O:\WP\GARY\DURASTO2.MMO

HURLEY & MINA

Attorneys at Law

12 CITY CENTER
PORTLAND, MAINE 04101

RAYMOND C. HURLEY
THIMI R. MINA

Admitted to the Bars
of Maine and the
District of Columbia

TELEPHONE
(207) 772-6805
FAX
(207) 772-2953

May 18, 1999

By Fax and Mail

Gary C. Wood, Esq.
Corporation Counsel
City of Portland
390 Congress Street
Portland, Maine 04101

Re: *Durastone*

Dear Gary:

This will confirm the substance of the understanding between the City of Portland concerning the issues addressed in Joseph

1. Durastone has permanently sealed the floor on Milliken Street. Steve Harris of the City has so confirm;
2. With the approval of James Dusch of the DEP, we advised Durastone's environmental consultants, St. Germain & Associates, to proceed with their stated plan (see letter of May 14, 1999 from Scott Collins to James Dusch) to erect barriers around the four designated areas on the company's property. We have been informed by Mark St. Germain that the fencing should be completed by 8:30a.m. today;

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DRAFT

These comments relate only to the City + not to compliance w/ DEP

Here is the attachment to Gary's memo (sorry)
Deb

Will be Posting

and any amendments thereto.

Gary C. Wood, Esq.
May 18, 1999
Page Two

DRAFT

expenses to be defined by the City and Durastone;

Where?

- 4. As we discussed at the meeting yesterday, Durastone itself has undertaken to remove the large concrete blocks on the surface of the property to an appropriate off-site facility with DEP approval; *Provide the City with the contract w/ Duques for further remediation (pulverizing)*
- 5. Durastone, with the oversight of the DEP, has undertaken to identify and remove from the premises those materials described in Mr. Gray's letter of May 10. *This is an on-going process;*

Gary, I think we should place a time frame on this. i.e. no later than July 1 all refuse & debris removed inventoried, approved by DEP, and removed.

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We believe that Durastone has complied with the terms of Mr. Gray's letter of May 10, 1999, as well as the DEP's compliance Order of May 7. Durastone looks forward to resuming its operations today and to building a positive and productive working relationship with the City of Portland. We appreciate your cooperation.

we need to have a site plan application submitted no later than

Sincerely,

Raymond C. Hurley

Do we want it submitted before they vacate in July? This makes sense since

cc: James Duhamel, Durastone
James E. Dusch, DEP

333-K-35

ROBERT E. DANIELSON, ESQUIRE

ATTORNEY AND COUNSELLOR AT LAW

TWO CITY CENTER, FIFTH FLOOR

PORTLAND, MAINE 04101

(207) 879-1337

TELECOPIER (207) 879-1579

May 28, 1999

By telecopy no. 874-8716

Penny Littell, Esq.
Associate Corporation Counsel
City of Portland
389 Congress Street
Portland, ME 04101

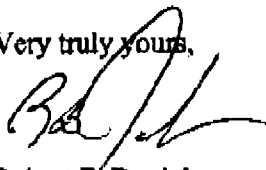
RE: DuraStone/66 Milliken Street, Portland

Dear Penny:

In furtherance of our discussion yesterday regarding the site security, I am enclosing a memo from Scott Collins to Ann Hemenway and Nate Thompson at the DEP indicating that DuraStone has complied with the requirements of the Emergency Response Mode and it will be releasing the security company at 6:00 p.m. today.

Please contact me if you have any questions or concerns.

Very truly yours,



Robert E. Danielson

RED/css

cc: James Dubamel

Thimi Mina, Esq.

Scott Collins

F:\DA\CA\FILES\LETTERS\LTT0528.LTR



CITY OF PORTLAND

June 2, 1999

Via telefax: 879-1679

James Duhamill
c/o Robert Danielson, Esq.
Two City Center, 5th Floor
Portland, Maine 04101

Re: Amended Order – City of Portland

Dear Mr. Duhamill:

This Amendment to the City of Portland's original Order of May 10, 1999 is issued in furtherance of the effort to bring the Durastone site at 66 Milliken Street into compliance with its approved site plan. Following a site visit to 66 Milliken Street on May 27, 1999, the additional requirements are added to the obligations imposed by the City's May 10, 1999 Order.

The following issues must be addressed and completed, in full, no later than 5 pm on June 9, 1999:

Remove all forms from the south side of the building to either an off-site location or to the rear of the building;

Remove from the site the crane located in the front yard;

Remove all metal rebar matting, rubber tires, stones and bricks with chicken wire fencing, metal fencing, barrels in all gullies and all other debris located on the site. Provide the City with details regarding the licenses non-hazardous waste transporter which will be used to transport the waste as well as the licensed solid waste facility to which any rebar, tires, fencing or barrels are to be hauled.

The following issues must be addressed and completed, in full, no later than 5 pm on June 15, 1999:

Remove unapproved aggregate storage bins from the front of the building;

Submit a complete site plan to the City of Portland Planning Board for review and approval.

James Duhamill

June 2, 1999

Page 2

The following issues must be addressed and completed, in full, no later than 5 pm on June 22, 1999:

Remove from the site all cured concrete located above grade which sits along the entire perimeter of the property, including that located on both sides of the entrance to the site, along all embankments.

This Order is in addition to all requirements listed in the City ' s original Order of May 10, 1999.

Sincerely,

Joseph E. Gray
Director of Planning and Urban Development

cc: Thimi Mina, Esq.
Neil Hurley, Esq.
James Dusch, DEP
Gary Wood, Esq.

O:\WP\PENNY\LTRS\DUHAMILL.DOC



CITY OF PORTLAND

June 30, 1999

Mercer Bonney
Mitchell & Associates
70 Center St.
Portland ME 04101

333-X-35

re: Durastone

Dear Mercer:

Thank you for submitting the site plans for the Durastone site restoration. We have scheduled a Planning Board workshop for July 27 and a public hearing on August 24, 1999.

Staff from the various City departments have reviewed the plans and have offered the following comments and requests for additional information:

- **Sewer Connections**
Any proposed changes to sewer connections should be noted on both the restoration and contingency plan. We will also need a letter from the Public Works Engineering Department regarding adequate capacity to accept sewage.
We understand that you are working with Steve Harris at Public Works to get an Industrial permit will be required as a condition of approval.
- **Fill/Soil Testing**
Please apply for a fill permit for the front slope area of the site. As part of the permit application, we will need to know the volume, quantity, and content of all filled areas. Aerial photographs may be a useful way to document the changes in topography at the site over the years.
Prior to public hearing, we will need to review results of the hydrogeologic soil tests that were required as part of DEP's consent order.
The results of these tests may impact the fill permit and may vary the required finish grading of the front slope area.
- **Slope/Gravel Restoration**
The contingency plan must have a larger storage area for finished product. Durastone's need for additional storage area is well documented.
A detention basin providing the DEP/Best Management Practices for stormwater quality and quantity must be included as part of the contingency plan.
Also a larger waste storage area with screened dumpsters must be shown at the rear of the site. The four dumpsters shown on the restoration plan should also be relocated out back.

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