UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region 1
5 Post Office Square, Suite 100
Boston, MA 02109-3912

URGENT LEGAL MATTER -- PROMPT REPLY NECESSARY
CERTIFIED MAIL: RETURN RECEIPT REQUESTED

April 20, 2016

Keddy Mill Enterprises, LLC
c/o Mr. Scott LaLumiere
Milk Street Capital, LLC
84 Middle Street
Portland, Maine 04101

Re: General Notice Letter for Keddy Mill Superfund Site, Windham, Maine

Dear Mr. LaLumiere:

The U.S. Environmental Protection Agency ("EPA") has received and reviewed your responses to its September 27, 2014 and March 18, 2015 Information Requests, which were sent to Keddy Mill Enterprises, LLC ("Keddy Mill") in connection with the Keddy Mill Site ("the Site") located at 7 Depot St. in Windham Maine. Based on your responses and other available information, EPA has determined that Keddy Mill may be responsible under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), commonly known as the federal "Superfund" law, for cleanup of the Site or costs EPA has incurred or will incur in cleaning up the Site.

Explanation of Potential Liability

Under CERCLA, specifically Sections 106(a) and 107(a), potentially responsible parties ("PRPs") may be required to perform cleanup actions to protect the public health, welfare, or the environment. PRPs may also be responsible for costs incurred by EPA in cleaning up the site, unless the PRP can demonstrate divisibility or assert one of the statutory defenses. PRPs include current and former owners and operators of a Site, as well as persons who arranged for treatment and/or disposal of any hazardous substances found at the site, and persons who accepted hazardous substances for transport and selected the site to which the hazardous substances were delivered.

Based on the information collected, EPA believes that Keddy Mill may be liable under Section 107(a) of CERCLA with respect to the Keddy Mill Site, as a current owner of the Site.
By this letter, EPA notifies Keddy Mill of its potential liability with regard to the Site. EPA also encourages Keddy Mill, as a PRP, to reimburse EPA for the costs incurred to date as set out below, and to prepare to voluntarily perform or finance future response activities which EPA determines are necessary to address the contamination at the Site.

Demand for Payment of Costs

In accordance with CERCLA and other authorities, EPA has undertaken certain actions and incurred costs in response to conditions at the Site. These response actions are described below. The costs

SEMS Doc ID 582167

associated with these actions are approximately $953,015.35, excluding interest. EPA anticipates that it will expend additional funds for response activities at the Site under the authority of CERCLA and other laws, including those response activities described below.

In accordance with Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), demand is hereby made for payment of the above amount, and all interest authorized to be recovered under that Section or under any other provisions of law. Demand is also hereby made under these authorities for payment of all future costs, and interest thereon, that EPA may accrue in regard to the Site.

Contained in Enclosure B of this letter is a current summary of the costs expended for the Site through January 21, 2016. Costs include initial site assessment work associated with listing of the Site on the National Priorities List ("NPL") of Superfund sites, enforcement-related costs, and initial removal and remedial investigation work performed at the Site.

Response Activities at the Site

To date, EPA has taken several response actions at the Site under the authority of the Superfund Program:

1. EPA conducted a Preliminary Assessment Site inspection on December 21, 2011, and completed a Trip Report in October 2012 and a Final Site Investigation Report on January 15, 2013;

2. EPA completed the Hazard Ranking Listing Package for proposal of the Site to the NPL in December 2013;

3. Following the May 12, 2014 listing of the Site to the NPL, in the Federal Register, 79 FR 26853, EPA initiated a Remedial Investigation ("RI") in 2015 to identify the characteristics of the Site, to define the nature and extent of soil, air, surface water/sediment, fish and ground water contamination at the Site, and to characterize the risk posed by the Site; and

4. EPA is in the process of conducting an evaluation of the Site mill building to determine if the risks it poses to human health may require a removal action to demolish and remove all or part of the structure.

In the future, EPA is planning to conduct the following activities at the Site:

1. A Feasibility Study ("FS") to evaluate a number of different means for addressing the contamination at the Site and the risk posed by that contamination;

2. A Proposed Plan which will summarize a preferred a cleanup plan to address the contamination at the Site, and a Record of Decision ("ROD") to document the cleanup action selected for the Site;

3. A Remedial Design and Remedial Action ("RD/RA") to design and implement the EPA approved cleanup action for the Site; and

4. Activities to monitor, operate and maintain the cleanup action after the cleanup is completed.

In addition to those activities enumerated above, EPA may, pursuant to its authorities under CERCLA and other laws, determine that other studies or clean-up activities are necessary to protect public health, welfare or the environment.

Financial Concerns/Ability to Pay Settlements

EPA is aware that the financial ability of some PRPs to contribute toward the payment of response costs at a site may be substantially limited. If you believe, and can document, that Keddy Mill falls within that category, please contact EPA attorney Susan Scott at scott.susan@epa.gov or Donna Murray, Enforcement Coordinator at murray.donna@epa.gov for information on ability to pay settlements. In response, you will receive a package of information about the potential for such settlements and a form to fill out with information about the finances of Keddy Mill, and you will be asked to submit financial records including business federal income tax returns.

Also, please note that because EPA has a potential claim against you, you must include EPA as a creditor if Keddy Mill files for bankruptcy. EPA reserves the right to file a proof of claim or an application for reimbursement of administrative expenses.

Information to Assist You

To assist you in your efforts to respond, the following information has been attached to this letter:

1. A description of the Site (Enclosure A);
2. A current Site cost summary (Enclosure B); and
3. A USEPA Small Business Resources Information Sheet (Enclosure C).

Administrative Record

EPA will establish an Administrative Record that will contain documents that serve as the basis for EPA's selection of a cleanup action for the Site. The Administrative Record will be located and available to you and the public at the Superfund Records Center, EPA Region I, at the address below:

EPA Records Center
5 Post Office Square, Suite 100
Boston, MA 02109-3912
Telephone No. 617-918-1440

Resources and Information for Small Businesses

As you may be aware, on January 11, 2002, President Bush signed into law the Superfund Small Business Liability Relief and Brownfields Revitalization Act. This Act contains several exemptions and defenses to CERCLA liability, which we suggest that all parties evaluate. You may download a copy of the law at http://www.gpo.gov/fdsys/pkg/PLAW-107publ118/pdf/PLAW-107publ118.pdf and review EPA guidances regarding these exemptions at http://cfpub.epa.gov/compliance/resources/policies/cleanup/superfund/.

EPA has created a number of helpful resources for small businesses. EPA has established the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers which offer various forms of resources to small businesses. You may inquire about these resources at http://www.epa.gov/compliance/compliance-assistance-centers. In addition, the EPA Small Business Ombudsman may be contacted at http://www.epa.gov/resources-small-businesses/forms/contact-us-about-resources-small-businesses. Finally, EPA has developed a fact sheet about the Small Business Regulatory Enforcement Fairness Act (SBREFA) and information on resources for small businesses, which is enclosed with this letter as Enclosure C and available on the Agency's website at http://www.epa.gov/compliance/small-business-resources-information-sheet.

Timing and Form of Response to This Letter

Keddy Mill should notify EPA in writing within **thirty (30) days** from the date of receipt of this letter, and of Keddy Mill's willingness to address the contamination at the Site, as appropriate, and to pay EPA's outstanding response costs set out in this letter. Your response should indicate the appropriate name, address, and telephone number for further contact with Keddy Mill. If you are already involved in discussions with state or local authorities, engaged in voluntary clean-up action, or involved in a lawsuit regarding this Site, you should continue such activities as you see fit. This letter is not intended to advise you or direct you with respect to any such activities. EPA requests that you report the status of such Site-related activities in your response to this letter.

Your response letter should be sent to:

Leslie McVickar
Remedial Project Manager
U.S. Environmental Protection Agency
Office of Site Remediation and Restoration
5 Post Office Square, Suite 100 (OSRR07-4)
Boston, MA 02109-3912

If EPA does not receive a timely response to this letter, EPA will assume that Keddy Mill does not wish to negotiate a resolution of its liabilities in connection with the Site.

If you have technical questions regarding the Site or this notice letter, please contact Remedial Project Manager Leslie McVickar at (617) 918-1374. If you have an attorney representing you in this matter, please direct his or her legal questions to Senior Enforcement Counsel Susan Scott, of the EPA Office of Environmental Stewardship at (617) 918-1778.

The factual and legal discussions in this letter are intended solely to provide notice and information, and such discussions are not to be construed as a final agency position on any matter set forth herein. Please give these matters your immediate attention and consider consulting with an attorney. Thank you for your prompt attention to this matter.

Sincerely,

Bryan Olson, Director
Office of Site Remediation and Restoration

Enclosures

cc: Susan Scott, EPA, Senior Enforcement Counsel
Leslie McVickar, EPA, Remedial Project Officer
Donna Murray, EPA, Enforcement Coordinator
Patti Ludwig, EPA, CERCLIS Data Administrator
EPA, OSRR Records Center
Rebecca Hewett, Maine DEP, Project Manager
Andy Raddant, Department of the Interior, Federal Natural Resource Trustee
Ken Finkelstein, NOAA, Federal Natural Resource Trustee

ENCLOSURE A
SITE DESCRIPTION

The Keddy Mill Superfund Site ("Site") is located at 7 Depot Street in the Town of Windham, Cumberland County, Maine. The approximate 7-acre Site is located in the Little Falls portion of Windham, Maine. The property is bounded to the north by Depot Street; to the northeast by a partially-developed commercial parcel; to the east by a former Maine Central Railroad right-of-way; to the south and southwest by undeveloped property and the Presumpscot River; to the west by the Presumpscot River, a parking lot property, and a hydroelectric dam and power generating station; and to the northwest by an occupied apartment complex. The Site is further identified on the Town of Windham, Maine tax assessors map as Map 38, lot 7 and the deed recorded at the Cumberland County Registry of Deeds in Book 29050, Pages 322-326.

Many industrial activities were conducted on the Site between 1756 and 1997, including a sawmill, grist and wool carding mill, wood pulp and boxboard manufacturing, steel manufacturing and fabrication of heavy equipment buckets, manufacturing of fire suppression piping and materials, a small machine shop and equipment storage. The site has been vacant since 1997.

Contaminants of concern at the Site include polychlorinated biphenyls ("PCBs") and metals. Contamination from PCBs is widespread throughout the Site and inside the abandoned mill building. The Site includes at least two sources of contamination. These include a pile of deposited slag material on the north side of the mill building, and an area of contaminated soil extending from north of the vacant building to the southwest side of the building adjacent to the Presumpscot River.

Samples taken from the Site indicate the presence of VOCs including 2-butanone, acetone, and methyl acetate; SVOCs including numerous polycyclic aromatic hydrocarbons ("PAHs"); polychlorinated biphenyls ("PCBs") including Aroclor-1242, Aroclor-1248, asbestos; and numerous metals (arsenic, cadmium, chromium, cobalt, copper, iron, manganese, nickel and zinc). These contaminants were detected one or more of the following Site media; surface soil, building materials, river sediments, slag, and fish tissue.

Various studies and cleanup activities have occurred at the Site. The Maine Department of Environmental Protection ("DEP") coordinated two removal actions at the site by previous owners. The first involved the excavation of 10.88 tons of petroleum impacted soil in 1997. The second, during May and July 2010, was performed in accordance with the Toxic Substances Control Act ("TSCA") Self Implementing Clean-up Plan ("SICP") submitted in 2006. Only a portion of the SICP was performed, including removal of PCB-contaminated fuel oils in remaining piping and PCB-contaminated sludge, dirt, debris and oily materials from within the building. In addition, the current owner constructed a fence around the Site at the request of the Maine DEP to deter trespassers.

The Keddy Mill Site was proposed to the National Priorities List of Sites ("NPL") in May, 2013 and placed on the NPL on May 12, 2014.

ENCLOSURE B

ITEMIZED COST SUMMARY

KEDDY MILL SITE

Reconciliation Pending

Itemized Cost Summary

KEDDY MILL, WINDHAM, ME SITE ID = 01 KJ

Draft Summary (Total Costs through January 21, 2016)

REGIONAL PAYROLL COSTS	$120,425.39
HEADQUARTERS PAYROLL COSTS	$312.18
REGIONAL TRAVEL COSTS	$1,493.71
ENVIRONMENTAL SERVICES ASSISTANCE TEAMS (ESAT) CONTRACT COSTS	
TECHLAW, INC. (EPW06017)	$1,506.29
TECHLAW, INC. (EPW13021)	$1,308.49
HAZARD RANKING SYSTEM CONTRACT COSTS	
COMPUTER SCIENCES CORP. (EPW10016)	$27,753.71
OTHER CONTRACT COSTS	
H&S/NOBIS ENVIRONMENTAL (EPS11103)	$198,011.83
RESPONSE ACTION (RAC) CONTRACT COSTS	
NOBIS, INC. (EPS10603)	$188,280.34
STATE COOPERATIVE AGREEMENT (SCA)/GRANT COSTS	
DEP, MAINE (V96199801)	$9,366.00
MAINE DEP (V97141301)	$7,989.62
SUPERFUND TECHNICAL ASSISTANCE AND RESPONSE TEAM (START) CONTRACT COSTS	
WESTON SOLUTIONS, INC. (EPS31501)	$23,437.26
WESTON SOLUTIONS, INC. (EPW05042)	$9,162.51
TECHNICAL SERVICES AND SUPPORT (TSS) CONTRACT COSTS	
PRIMUS SOLUTIONS (EPW11024)	$10,196.00
CONTRACT LAB PROGRAM (CLP) COSTS	
FINANCIAL COST SUMMARY	$22,740.71
MISCELLANEOUS COSTS (MIS)	$171.36

Reconciliation Pending

Itemized Cost Summary

KEDDY MILL, WINDHAM, ME SITE ID = 01 KJ

Draft Summary (Total Costs through January 21, 2016)

EPA INDIRECT COSTS	$330,859.95
Total Site Costs:	$953,015.35

ENCLOSURE C

SMALL BUSINESS RESOURCES INFORMATION SHEET

KEDDY MILL SITE

Office of Enforcement and Compliance Assurance (2201A)
EPA-300-B-15-001 May 2015

U.S. EPA Small Business Resources Information Sheet

The United States Environmental Protection Agency provides an array of resources to help small businesses understand and comply with federal and state environmental laws. In addition to helping small businesses understand their environmental obligations and improve compliance, these resources will also help such businesses find cost-effective ways to comply through pollution prevention techniques and innovative technologies.

Small Business Programs
www.epa.gov/smallbusiness
EPA's Office of Small Business Programs (OSBP) advocates and fosters opportunities for direct and indirect partnerships, contracts, and sub-agreements for small businesses and socio-economically disadvantaged businesses.

EPA's Asbestos Small Business Ombudsman
www.epa.gov/sbo or 1-800-368-5888
The EPA Asbestos and Small Business Ombudsman (ASBO) serves as a conduit for small businesses to access EPA and facilitates communications between the small business community and the Agency.

EPA's Compliance Assistance Homepage
www2.epa.gov/compliance
This page is a gateway industry and statute-specific environmental resources, from extensive web-based information to hotlines and compliance assistance specialists.

EPA's Compliance Assistance Centers
www.assistancecenters.net
EPA's Compliance Assistance Centers provide information targeted to industries with many small businesses. They were developed in partnership with industry, universities and other federal and state agencies.

Agriculture
www.epa.gov/agriculture/

Automotive Recycling
www.ecarcenter.org

Automotive Service and Repair
ccar-greenlink.org/ or 1-888-GRN-LINK

Chemical Manufacturing
www.chemalliance.org

Construction
www.cicacenter.org or 1-734-995-4911

Education
www.campuserc.org

Food Processing
www.fpeac.org

Healthcare
www.hercenter.org

Local Government
www.lgean.org

Metal Finishing
www.nmfrc.org

Paints and Coatings
www.paintcenter.org

Printing
www.pneac.org

Ports
www.portcompliance.org

Transportation
www.tercenter.org

U.S. Border Compliance and Import/Export Issues
www.bordercenter.org

EPA Hotlines, Helplines and Clearinghouses
www2.epa.gov/home/epa-hotlines
EPA sponsors many free hotlines and clearinghouses that provide convenient assistance regarding environmental requirements. Some examples are:

Clean Air Technology Center (CATC) Info-line
www.epa.gov/ttn/catc or 1-919-541-0800

Superfund, TRI, EPCRA, RMP and Oil Information Center
www.epa.gov/superfund/contacts/infocenter/index.htm or 1-800-424-9346

EPA Imported Vehicles and Engines Public Helpline
www.epa.gov/otaq/imports or 734-214-4100

National Pesticide Information Center
www.npic.orst.edu/ or 1-800-858-7378

National Response Center Hotline to report oil and hazardous substance spills - www.nrc.uscg.mil or 1-800-424-8802

Pollution Prevention Information Clearinghouse (PPIC) - www.epa.gov/opptintr/ppic or 1-202-566-0799

Safe Drinking Water Hotline - www.epa.gov/drink/hotline/index.cfm or 1-800-426-4791

Stratospheric Ozone Protection Hotline
www.epa.gov/ozone/comments.htm or 1-800-296-1996

Toxic Substances Control Act (TSCA) Hotline
tsca-hotline@epa.gov or 1-202-554-1404

Small Entity Compliance Guides
http://www.epa.gov/sbrefa/compliance-guides.html
EPA publishes a Small Entity Compliance Guide (SECG) for every rule for which the Agency has prepared a final regulatory flexibility analysis, in accordance with Section 604 of the Regulatory Flexibility Act (RFA).

Regional Small Business Liaisons
http://www.epa.gov/sbo/rsbl.htm
The U.S. Environmental Protection Agency (EPA) Regional Small Business Liaison (RSBL) is the primary regional contact and often the expert on small business assistance, advocacy, and outreach. The RSBL is the regional voice for the EPA Asbestos and Small Business Ombudsman (ASBO).

State Resource Locators
www.envcap.org/statetools
The Locators provide state-specific contacts, regulations and resources covering the major environmental laws.

State Small Business Environmental Assistance Programs (SBEAPs)
www.epa.gov/sbo/507program.htm
State SBEAPs help small businesses and assistance providers understand environmental requirements and sustainable business practices through workshops, trainings and site visits.

EPA's Tribal Portal
www.epa.gov/tribalportal/
The Portal provides access to information on environmental issues, laws, and resources related to federally recognized tribes.

EPA Compliance Incentives
EPA provides incentives for environmental compliance. By participating in compliance assistance programs or voluntarily disclosing and promptly correcting violations before an enforcement action has been initiated, businesses may be eligible for penalty waivers or reductions. EPA has two such policies that may apply to small businesses:

EPA's Small Business Compliance Policy
www2.epa.gov/enforcement/small-businesses-and-enforcement
This Policy offers small businesses special incentives to come into compliance voluntarily.

EPA's Audit Policy
www2.epa.gov/compliance/epas-audit-policy
The Policy provides incentives to all businesses that voluntarily discover, promptly disclose and expeditiously correct their noncompliance.

Commenting on Federal Enforcement Actions and Compliance Activities
The Small Business Regulatory Enforcement Fairness Act (SBREFA) established a SBREFA Ombudsman and 10 Regional Fairness Boards to receive comments from small businesses about federal agency enforcement actions. If you believe that you fall within the Small Business Administration's definition of a small business (based on your North American Industry Classification System designation, number of employees or annual receipts, as defined at 13 C.F.R. 121.201; in most cases, this means a business with 500 or fewer employees), and wish to comment on federal enforcement and compliance activities, call the SBREFA Ombudsman's toll-free number at 1-888-REG-FAIR (1-888-734-3247).

Every small business that is the subject of an enforcement or compliance action is entitled to comment on the Agency's actions without fear of retaliation. EPA employees are prohibited from using enforcement or any other means of retaliation against any member of the regulated community in response to comments made under SBREFA.

Your Duty to Comply
If you receive compliance assistance or submit a comment to the SBREFA Ombudsman or Regional Fairness Boards, you still have the duty to comply with the law, including providing timely responses to EPA information requests, administrative or civil complaints, other enforcement actions or communications. The assistance information and comment processes do not give you any new rights or defenses in any enforcement action. These processes also do not affect EPA's obligation to protect public health or the environment under any of the environmental statutes it enforces, including the right to take emergency remedial or emergency response actions when appropriate. Those decisions will be based on the facts in each situation. The SBREFA Ombudsman and Fairness Boards do not participate in resolving EPA's enforcement actions. Also, remember that to preserve your rights, you need to comply with all rules governing the enforcement process.

EPA is disseminating this information to you without making a determination that your business or organization is a small business as defined by Section 222 of the Small Business Regulatory Enforcement Fairness Act or related provisions.

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Keddy Mill Enterprises, LLC
c/o Mr. Scott LaLumiere
Milk Street Capital, LLC
84 Middle Street
Portland, Maine
04101

COMPLETE THIS SECTION ON DELIVERY

A. Signature
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☐ Agent
☐ Addressee

B. Received by (*Printed Name*)
C. Date of Delivery
4/22

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If YES, enter delivery address below: ☐ No

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Street, Apt. No.; or PO Box No. Milk Street Capital LLC 84 Middle Street
City, State, ZIP+4 Portland, Maine 04101

PS Form 3800, August 2006 See Reverse for Instructions

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Donna T. Murray
U.S. Environmental Protection Agency
5 Post Office Square, Suite 100
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Boston, MA 02109-3912

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- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement *"Restricted Delivery"*.
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

PS Form 3800, August 2006 *(Reverse)* PSN 7530-02-000-9047