STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION
17 STATE HOUSE STATION AUGUSTA, MAINE 04333-0017

DEPARTMENT ORDER

IN THE MATTER OF:

MAIBEC LUMBER INC.'S	)	
ACQUISITION OF	)	**LICENSE**
FRASER TIMBER LLC'S	)	**TRANSFER**
SAWMILL FACILITY IN	)	**(Air Emission;**
MASARDIS, MAINE	)	**Site Location of Development;**
A-165-70-F-T	)	**Solid Waste)**
L-21826-21-C-T	)	
S-20628-WR-E-T	)	
S-22090-WR-D-T	)	

Pursuant to Maine's *Site Location of Development* laws, 38 M.R.S.A. §§ 481–489; *Protection and Improvement of Air* laws, 38 M.R.S.A. §§ 581–610-D; and the *Maine Hazardous Waste, Septage and Solid Waste Management Act,* 38 M.R.S.A. §§ 1301–1319-Y, rules promulgated pursuant to these laws and the Department's *Rules Concerning the Processing of Applications and Other Administrative Matters*, 06-096 CMR 2 (effective August 25, 2013), the Maine DEP has considered the application of Maibec Lumber Inc., with its supportive data, agency review comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

1. APPLICATION SUMMARY

A. Application. Maibec Lumber Inc. ("Maibec") submitted an application to Maine DEP for the transfer of licenses. The application sought to transfer to Maibec all active Maine DEP *licenses*, as defined in 06-096 CMR 2(1)(L), any modifications, condition compliance orders, all other approvals, and all applications pending held or submitted by Fraser Timber LLC ("Fraser") relating to Fraser's sawmill facility in Masardis, Maine ("Mill property"). A schedule of permits and applications that are the subject of that application, and this Department Order, is set forth in Appendix A.[1] Maine DEP accepted Maibec's license transfer application as complete for processing on November 4, 2014.

B. History

(1) The Transaction. Fraser is transferring the Mill property to Maibec in connection with an asset purchase agreement.

(2) Operations. Fraser's operation includes a facility that produces a variety of lumber products in Masardis, Maine, and ancillary operations related thereto.

[1] The intent of this Order is to transfer any and all Maine DEP licenses, permits, certificates, registrations, applications, and decisions concerning the facility and operation purchased by Maibec. Any Department license, permit, certificate, registration, application, or decision not specifically listed in this Order is incorporated herein.

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2. TRANSFER REQUIREMENTS

The following information regarding Maibec was submitted in support of the transfer application:

A. Full Name and Address. The full name and address of the applicant is: Maibec Lumber Inc., 5e Rue, Levis, Quebec, Canada, G6W 5M6.

B. Title, Right, or Interest. Maibec submitted a copy of the asset purchase agreement made between Maibec USA LLC, and Fraser Timber LLC concerning the owned real property in Masardis, Maine, which allows Maibec USA LLC to assign some or all of its rights, interests and obligations to an affiliate. Maibec Lumber Inc. is an affiliate of Maibec USA LLC. Maibec submitted a copy of a memorandum of understanding between Maibec USA LLC, and Maibec Lumber Inc., whereby at the closing, Maibec USA LLC and Maibec Lumber Inc. intend to enter into a lease and operating agreement of the Mill property such that immediately following the closing, Maibec USA LLC will be the owner and lessor of the real estate and sawmill fixtures and equipment located at the Mill property, and Maibec Lumber Inc. will be the tenant and lessee of such assets, will own other operating assets, and operate the Mill property. Based on the foregoing, Maibec has demonstrated sufficient evidence of title, right, or interest in the Mill property to allow the transfer to Maibec Lumber Inc., the licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders, and pending applications concerning the Mill property, subject to the conditions set forth below.

C. Financial Capacity and Intent. Maibec submitted an analysis of the anticipated cost of facility operations, and a letters of intent from TD Bank dated October 16 and 27, 2014 for Maibec Lumber Inc. and Maibec USA LLC to fund operating expenses, expenses related to ongoing environmental compliance, and landfill closure matters in the form of a revolving line of credit in a principal amount contemplated to exceed $500,000. Based on the foregoing, Maibec has demonstrated sufficient financial capacity and intent to assure compliance with all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto; condition compliance orders, pending applications, as well as any statutory and regulatory criteria applicable to the Mill property, subject to the conditions set forth below.

D. Technical Capacity and Intent. Maibec indicates that Roger Gagnon, who has held the position of Safety/Environmental Manager for the facility's operations since 1993, will

be responsible for management of the Mill property at the closing. Maibec submitted a list of Mr. Gagnon's qualifications. Maibec also indicated that CES, Inc., who prepared the facility's 2013 Wood Waste Landfill Annual report, will continue to serve as their consulting engineer for the Mill property. Based on the foregoing, Maibec has demonstrated sufficient evidence that Maibec has the technical capacity and intent to comply with all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders, pending applications, and any statutory and regulatory criteria applicable to the Mill property.

E. **Solid Waste Facility Disclosure.** The disclosure statement provided by Maibec in accordance with the Department's Solid Waste Rules *General Provisions*, 06-096 CMR 400(12), reveals that the corporation, and its directors and operator, have no record of any criminal, civil violations or consent decrees in the last five years.

BASED ON THE ABOVE FINDINGS OF FACT, the Maine DEP CONCLUDES that Maibec has demonstrated title, right, or interest to the Mill property as well as the technical and financial capacity and intent to comply with the conditions of all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders and pending applications associated with the facility described in this Order's findings, including specifically those licenses and applications listed in Appendix A, and to satisfy all applicable statutory and regulatory criteria.

THEREFORE the Maine DEP APPROVES the application of Maibec SUBJECT TO THE FOLLOWING CONDITIONS and all applicable standards:

1. **POINT OF EFFECTIVE TRANSFER.** This transfer will become effective as of the date of the closing of the transaction described in Finding of Fact 2(B) of this Order provided that: (1) Maibec provides to the Department executed copies of documentation demonstrating completion of the transaction described in Finding of Fact 2(B) of this Order in order to satisfy the title, right or interest requirements described in Finding of Fact 2(B) of this Order and (2) Maibec provides to the Department confirmation of the final financial package on terms at least equal to that stated in the TD Bank letters dated October 16 and 27, 2014 referenced in Finding of Fact 2(C) of this Order. Maibec shall provide the required documentation within 10 days following the closing.

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2. **STANDARD CONDITIONS.** Standard Conditions of Approval for *Site Location of Development* law permits; *Protection and Improvement of Air* law permits; and *Maine Hazardous Waste, Septage and Solid Waste Management Act* permits, copies attached.

3. **EFFECT ON EXISTING ORDERS.** All other Findings of Fact, Conclusions, and Conditions associated with all approvals that are the subject of this Order remain as approved and are incorporated herein.

4. **SEVERABILITY.** The invalidity or unenforceability of any provision, or part thereof, of this License shall not affect the remainder of the provision or any other provisions. This License shall be construed and enforced in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

DONE AND DATED AT AUGUSTA, MAINE THIS 26th DAY OF NOVEMBER, 2014.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: _____
Patricia W. Aho, Commissioner

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of initial receipt of application: October 20, 2014

Date application accepted for processing: November 4, 2014

Date filed with the Board of Environmental Protection: _____

Filed
NOV 26 2014
State of Maine
Board of Environmental Protection

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APPENDIX A: CURRENT LICENSES AND APPLICATIONS

AIR EMISSION ORDERS

NUMBER	DESCRIPTION	EFFECTIVE
A-165-77-I-A	Part 70 Amendment to incorporate NSR Amendment A-165-77-1-A	1/6/14
A-165-70-D-R/A	Part 70 Air Emission License Renewal and Amendment	2/20/14
A-165-70-E-A	Part 70 Section 503(b)(10) Change	6/20/14
A-165-77-1-A	NSR Amendment	1/6/14
A-165-77-2-M	NSR Amendment	6/20/14

LAND DEVELOPMENT ORDERS

NUMBER	DESCRIPTION	EFFECTIVE
L-21826-21-A-N	Site location of Development/Water Quality Certification	11/10/04
L-21826-21-B-C	Condition Compliance	8/2/05

SOLID WASTE MANAGEMENT ORDERS

NUMBER	DESCRIPTION	EFFECTIVE
S-10258-WD-A-M	Bark pile closing plan	7/23/84
S-20628-11-A-N	Wood Waste Landfill	3/2/92
S-20628-WF-B-C	Condition compliance	10/23/92
S-20628-WF-C-M	Corrected copy MR-Phase 4 base fill	9/2/14
S-20628-WF-D-M	MR-Solid waste boundary adjustment	10/7/14