STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

PAUL R. LEPAGE
GOVERNOR

PATRICIA W. AHO
COMMISSIONER

June 30, 2014

Mr. Terry S. Badger, President
Laundry Management, Inc.
355 Gen Turner Hill
Turner, ME 04282

Subject: Notice of Potential Liability for the Beal's Linen Site, Auburn, Maine.

Mr. Badger:

The Maine Department of Environmental Protection (DEP) is required to seek reimbursement of public funds spent at a DEP remediation project from any party that may be legally responsible. DEP is undertaking an investigation of a former dry-cleaner under the Uncontrolled Hazardous Substance Site law, 38 MRSA §§ 1361 - 1371. The site is known as the Beal's Linen Site and is located at 7 Chestnut Street, in Auburn Maine (site). DEP is notifying Laundry Management, Inc. of its potential liability, and to request your cooperation with the ongoing investigation and remediation of the site.

We are contacting all known Potential Responsible Parties (PRPs) and inviting the PRPs to enter into discussions with the DEP to either fund DEP's work at the site, or take over and fund the work themselves. We are also seeking any additional information that you may have regarding the potential liability of parties at this site. **You must respond to this notice by August 4, 2014.**

Site Background

Over the past seven (7) months the DEP has been investigating the presence of dry cleaning chemicals in the soil and indoor air in a 14 unit apartment building located at 7 Chestnut Street in Auburn, Maine. The apartment building was built over the site of former dry-cleaner operations. The DEP is mainly concerned with a dry cleaning chemical called perchloroethylene (Perc) that was used by the former dry-cleaners to clean clothing, as well as chemicals created from the breakdown of Perc once it was released into the environment.

AUGUSTA
17 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0017
(207) 287-7688 FAX: (207) 287-7826
RAY BLDG., HOSPITAL ST.

BANGOR
106 HOGAN ROAD, SUITE 6
BANGOR, MAINE 04401
(207) 941-4570 FAX: (207) 941-4584

PORTLAND
312 CANCO ROAD
PORTLAND, MAINE 04103
(207) 822-6300 FAX: (207) 822-6303

PRESQUE ISLE
1235 CENTRAL DRIVE, SKYWAY PARK
PRESQUE ISLE, MAINE 04679-2094
(207) 764-0477 FAX: (207) 760-3143

eb site: www.maine.gov/dep

The site under investigation is known to DEP as the Beal's Linen Site. Around 1950, Beal's Laundry Inc. (Beals), along with the Malo Cleaners, started dry cleaning operations at the site on adjacent parcels. The Beal's building was expanded in 1951. The site was further expanded by the purchase of an adjacent residential lot in 1968 by Lauier Malo. In 1980 the entire site was purchased by Beal's, consolidating 3 lots into one parcel. Between 1950 and 1985 the dry cleaning solvent perc was released at the site, contaminating soil, soil vapor, groundwater, and ambient air. In 1985 Parkview Associates, GP, purchased the site from Beal's Laundry, Inc. In 1986 the site's buildings were demolished, and in 1987 an apartment building was constructed on the site. In 2000 the site was purchased by Parkview Apartments, LLC, and in 2003 by Atlantic Holdings, LLC and then by Sultan Corp. In 2003, Atlantic Holdings LLC merged with ATL holdings, LLC. In 2009 Laurier Malo passed away.

Recently the DEP discovered that Perc and its breakdown products, including trichloroethylene, exist in the ground beneath the 7 Chestnut Street building and that vapors from these chemicals have intruded into the apartment units currently located on the site at concentrations above health based guidelines. Due to health concerns from exposure to these chemicals, three (3) families were relocated and a vapor mitigation system was installed to intercept and remove the chemical vapors before they enter the building. DEP has also initiated a Remedial Investigation at the site and surrounding neighborhood to determine the full extent of contamination, so that we can determine what additional remedial action may be necessary.

Liability Under Maine Law

- Perchloroethylene (Perc) and Trichloroethylene (TCE) have been found at the Beal's Linen site in concentrations that pose a risk to public health. Perc and TCE are hazardous substances, as defined by the Uncontrolled Hazardous Substance Sites law 38 M.R.S.A. § 1362(1)(C).
- Because hazardous substances are located at the Site, the Site is a potential "uncontrolled hazardous substance site" as defined in 38 M.R.S.A. § 1362(3).
- Responsible parties, as defined in 38 M.R.S.A. § 1362(2), at uncontrolled hazardous substance sites, include "the owner or operator of the uncontrolled site" and "any person who owned or operated the uncontrolled site from the time any hazardous substance arrived there." Hazardous substances arrived at the site prior to 1986.
- 38 M.R.S.A. §1367 states in relevant part that:

> Each responsible party is jointly and severally liable for all costs incurred by the State resulting from hazardous substances at the site... and for the abatement, cleanup or mitigation of the threats or hazards posed or potentially posed by an uncontrolled site... In any suit filed under this section, the State need not prove negligence in any form or matter by a defendant. The State need only prove that a defendant is a responsible party, as defined in section 1362, and the site poses or posed or potentially poses or posed a threat...

- 38 M.R.S.A. §1364(3) states in relevant part that the DEP "may require submission of information or documents that relate or may relate to the site under investigation from any person whom the commissioner has reason to believe may be a responsible party."

Notice of Potential Liability and Request for Payment

Information obtained by DEP indicates that Laundry Management, Inc. owned the site after a hazardous substance arrived at the site. DEP information also indicates that you are listed as the President of Laundry Management, Inc. Therefore, DEP hereby notifies Laundry Management, Inc. through you as the listed President that Laundry Management, Inc. is a Potentially Responsible Party (PRP) at the Beal's Linen Site.

As of June 7, 2014 the DEP has spent $80,835.44 of public funds at the site. A summary of Personnel Costs, and Contractor Costs expended by DEP are available at: http://www.maine.gov/dep/ftp/Beals-Linen-for-PRPs/ . Further, DEP is seeking from Laundry Management, Inc. payment of DEP costs incurred at the site to June7, 2014 and will be seeking payment of all subsequent DEP response costs at this site.

Request for Information

The DEP is requesting that you provide by August 4, 2014, any information that would indicate that Laundry Management, Inc. is not a Responsible Party at this site. The DEP requests that you provide answers to the following questions:

A) Provide the name, current contact information, and the dates of start-up and closure of dry cleaning operations at this site.
B) Provide a list of dry cleaning chemicals used during this time period by Laundry Management, Inc.
C) Provide all information that you know about regarding any releases of Perc. and any other dry cleaning solvents at this site, including type of chemical, dates, locations and estimated amount of release.

Additionally, we are seeking any information that you may have regarding who may be a PRP at this site, in addition to the following parties:

1. Beal's Laundry, Inc., c/o Terry S. Badger, 355 Gen Turner Hill, Turner, ME 04282.
2. Laundry Management Inc., c/o Terry S. Badger, 355 Gen Turner Hill, Turner, ME 04282.
3. Parkview Associates, GP, c/o Richard L. LeCompte, 128 Cove Road, Auburn, ME 04210-9027.
4. Parkview Apartments LLC, c/o M. Kelly Matzen, P. O. Box 470, Auburn, ME 04212.
5. ATL Holdings, LLC., c/o Susan K. Labrie, 50 Portland Pier, Suite 400, Portland, ME 04101.
6. Atlantic Holdings, LLC., c/o Susan K. Labrie, 50 Portland Pier, Suite 400, Portland, ME 04101.
7. Sultan Corp., c/o Debra Sullivan, President, P. O. Box 7065, Lewiston, ME 04243-7065.

Action that you must take by August 4, 2014

To avoid formal DEP action against Laundry Management, Inc. under the Uncontrolled Sites law, Laundry Management, Inc. must indicate in writing by **August 4, 2014** your intent to negotiate in good faith a liability settlement with DEP and the other settling PRPs as a group. The liability settlement must include payment of DEP costs and mitigation of risks to public health and the environment posed by the Beal's Linen site. The PRP group may choose to pay for a continued DEP response action, or the PRP group may choose to undertake the action itself with DEP oversight. A liability settlement template is available at: http://www.maine.gov/dep/ftp/Beals-Linen-for-PRPs/ Until a liability settlement is reached, DEP intends to continue its response actions at the site.

Additional Site Information

Site documents are on file at the DEP's main office located in Augusta. Arrangements to review files may be made with the DEP's File Room by calling 207-287-7843.

The DEP's Remedial Site Manager for the project is Becky Blais. If you have questions after reviewing the site file, she may be contacted for information related to the status of site investigation and remediation at 207-287-2651 or Becky.Blais@maine.gov .

For questions or concerns regarding this notification letter and negotiations of a liability settlement, you may contact either me at 207-287-2651/ David.W.Wright@maine.gov, or Tom Benn, at 207-287-2651 / Tom.Benn@maine.gov.

Sincerely,

David Wright

David Wright, Director
Division of Remediation
Bureau of Remediation and Waste Management

CC DEP Tom Benn, Liability Settlement Coordinator
Becky Blais, Remedial Project Manager
Melanie Loyzim, Bureau Director