1 CONGRESS STREET, SUITE 1100
BOSTON, MASSACHUSETTS 02114-2023

September 15, 1999

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

Centerdale Manor Associates Limited Partnership
c/o Centerdale Associates, General Partner
75 Newman Avenue
Rumford, Rhode Island 02916

Centerdale Manor Associates Limited Partnership
c/o C/S Housing Associated Limited Partnership, General Partner
Cornerstone Corporation, Registered Agent
725 Canton Street
Norwood, Massachusetts 02062
Attn: Paul Tryder

Re: **NOTICE OF POTENTIAL LIABILITY FOR CENTREDALE MANOR SUPERFUND SITE, NORTH PROVIDENCE, RHODE ISLAND**

Dear Sir/Madam:

This letter serves to notify you of potential liability regarding the Centredale Manor Superfund Site, North Providence, Rhode Island ("Site"), as defined by Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9607(a). In addition, this letter requests that you pay certain costs related to the Site and that you participate in conducting or financing certain clean-up activities at the Site.

NOTICE OF POTENTIAL LIABILITY

The United States Environmental Protection Agency ("EPA") has documented the release or threatened release of hazardous substances or pollutants or contaminants at the Site, which is located in North Providence, Rhode Island. The main portion of the Site is known as 2072 and 2074 Smith Street (or, plat 14, lots 200 and 250). The Site extends on the flood plain of the Woonasquatucket River from the main portion of the Site south to the Allendale Dam. Currently, two high rise buildings (Centredale Manor and Brook Village) are located on the Site. In addition to the buildings, the Site is covered by roadway and parking lots. On the eastern portion of the Site is a drainage swale that begins near the northern portion of the Site and extends south, then curves to the west and discharges into a wooded wetland south of the Site and eventually into the Woonasquatucket River.

SDMS DocID 5643

Hazardous substances involved in the release or threat of release at the Site include, but are not limited to: 2,3,7,8 -Tetrachlorodibenzo-p-Dioxin and hexachlorophene ("dioxin"); pesticides; volatile organic compounds ("VOCs"), and; semivolatile organic compounds ("SVOCs"). EPA has spent or is considering spending public funds on actions to investigate and control such releases or threatened releases at the Site. Unless a potentially responsible party ("PRP") or parties commit to properly performing or financing such actions, EPA may perform these actions pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604.

Under Sections 106(a) and 107(a) of CERCLA, 42 U.S.C. §§ 9606(a) and 9607(a), and other laws, liable parties may be obligated to implement response actions deemed necessary by EPA to protect public health, welfare, or the environment and may be liable for all costs incurred by the Government in responding to any release or threatened release at the Site. Such actions and costs may include, but are not limited to, expenditures for investigations, planning, response, oversight, and enforcement activities.

Responsible parties under CERCLA include current and former owners and operators of the Site, persons who arranged for disposal or treatment of hazardous substances found at the Site (often called "generators"), and persons who accepted hazardous substances for transport to the Site (often called "transporters").

EPA has evaluated evidence gathered during investigations of the Site. Based on this evidence, EPA has information indicating that you (but not the residents of your housing complex in North Providence, Rhode Island) are a potentially responsible party under Section 107(a) of CERCLA with respect to the Site. Specifically, EPA has reason to believe that Centerdale Manor Associates Limited Partnership is the current owner of a portion of the Site. By this letter, EPA notifies you of your potential liability and urges you to voluntarily perform or finance those response activities that EPA determines are necessary 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. EPA's approximate costs as of June 30, 1999, are $490,692.43, excluding interest. The costs to date of the response actions performed at the Site through EPA funding is approximate and may not fully be fully reflective of total costs until all contractor costs have been submitted and approved by EPA. 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

In the event the addressee of this notice intends or has already filed for dissolution or reorganization under bankruptcy laws, you are hereby requested to include EPA-Region I, and the United States Department of Justice on any mailing or notice lists used in that proceeding. The United States reserves the right to file a proof of claim or application for reimbursement of administrative expenses in such a proceeding.

OUTLINE OF SITE RESPONSE ACTIVITIES

In accordance with CERCLA and other authorities, EPA has undertaken certain actions and incurred certain costs in response to conditions at the Site. These response actions have included conducting site assessments as well as other investigations which have revealed the presence of hazardous substances at the Site.

Due to the presence of hazardous substances at the Site, and in light of other conditions, EPA has determined that there may be an imminent and substantial endangerment to public health, welfare, or the environment. In response, EPA is in the process of conducting the following immediate removal activities at the Site:

- establish site security;
- restrict access to contaminated soils;
- characterize the extent of contamination;
- locate and initiate control measures to address the source of contamination; and
- conduct initial work to identify and implement technically and financially feasible long term solutions.

EPA is also preparing to propose the Site for listing on the National Priorities List ("NPL"). In anticipation of NPL listing, EPA is planning to conduct the following response activities at the Site:

- a remedial investigation to identify the characteristics of the Site, to define the nature and extent of soil, air surface water, and ground water contamination at the Site, and to characterize the risk posed by the Site.

INVITATION TO PERFORM SITE RESPONSE ACTIVITIES

Before EPA spends additional public funds to undertake removal activities at the Site, EPA urges you to voluntarily perform or finance those removal activities outlined above which EPA has not already completed. Any such work performed by you in your capacity as a PRP must be conducted pursuant to an administrative order and an EPA-approved workplan as

authorized by Section 106(a) of CERCLA, 42 U.S.C. § 9606(a). Prior to final issuance of such an order, a draft order will be sent to you or your representative for review and comment. Enclosed herewith is a copy of a summary of a generic Scope of Work. This document should provide you with an understanding of the types of plans and activities typically required by such an order.

Be advised that even if you do not indicate a willingness to perform or finance necessary response actions, EPA may order you to undertake such actions under Section 106 of CERCLA, 42 U.S.C. § 9606. Failure to comply with a Section 106(a) administrative order may result in a fine of up to $27,500 per day under Section 106(b) or imposition of treble damages under Section 107(c)(3) of CERCLA. Further, you may be held liable under Section 107(a) for the cost of the response activities EPA performs at the Site and for any damages to natural resources. In addition, by virtue of Section 113 of CERCLA, 42 U.S.C. § 9613, other PRPs who agree to perform the necessary response action may seek contribution protection.

A Notice of Potential Liability has also been sent to the following parties:

Brook Village Associates Limited Partnership
c/o William W. Wollinger, President
Winn Management Company
Six Faneuil Hall Marketplace
Boston, Massachusetts 02109-1620

New England Container Company, Inc.
c/o Bernard V. Buonanno, Registered Agent
2700 Hospital Tower Trust
Providence, Rhode Island 02917

You or your attorney may wish to discuss the matters set forth in this letter with such parties or their attorneys.

PRP RESPONSE AND EPA CONTACT

You should contact EPA within **ten (10) business days** after receipt of this letter to indicate your willingness to perform or finance the response activities outlined above. If EPA does not receive a response within that time, EPA will assume that you do not wish to negotiate a resolution of your liabilities in connection with the response and that you have declined any involvement in performing response activities. Be advised, however, that liability under CERCLA is joint and several; therefore, each PRP is potentially liable for undertaking all response actions or reimbursing the Government for the entire amount of its response costs.

Please provide the name, address, and telephone number of a designated contact for future communications. Your written response, including any technical comments or questions

concerning the proposed response activities, should be directed to the EPA On-Scene Coordinator (OSC) for the Site:

Ted Bazenas, On-Scene Coordinator
U.S. Environmental Protection Agency, Region 1 - New England
Site Evaluation and Response Section II
1 Congress Street Suite 1100, Mail Code HBR
(617) 918-1230

Legal questions and all communications from counsel should be directed to:

Catherine Garypie, Senior Enforcement Counsel
U.S. Environmental Protection Agency, Region 1 - New England
Office of Environmental Stewardship
1 Congress Street Suite 1100, Mail Code SES
Boston, Massachusetts 02203
(617) 918-1540

DECISION NOT TO USE SPECIAL NOTICE

Under Section 122(e) of CERCLA, 42 U.S.C. § 9622(e), EPA has the discretionary authority to invoke special notice procedures to formally negotiate the terms of an agreement between EPA and PRPs to conduct or finance response activities. The use of special notice procedures triggers a moratorium on certain EPA activities at the Site while formal negotiations between EPA and the PRPs are conducted.

Due to the exigencies posed by conditions present at the Site, removal activities must be conducted as expeditiously as possible. EPA has therefore decided not to invoke the Section 122(e) special notice procedures with respect to CERCLA removal actions at this Site. Nonetheless, EPA is willing to discuss settlement opportunities without invoking a moratorium, but will initiate the response action as planned if such discussions do not lead to settlement expeditiously.

ADMINISTRATIVE RECORD

Pursuant to Section 113(k) of CERCLA, 42 U.S.C. § 9613(k), EPA has established an administrative record containing documents that form the basis of EPA's decision on the selection of response actions for the Site. The administrative record files may be inspected and comments may be submitted by contacting the OSC for the Site: Ted Bazenas (617) 918-1230.

SITE ACTIVITY OUTSIDE EPA ACTIONS

If you are already involved in discussions with state or other local authorities or involved in a lawsuit regarding this Site, you should continue such activities as you see fit. This letter is not intended to advise or direct you to restrict or discontinue any such activities. However, you are advised to report the status of any such discussions or actions in your response to this letter and to provide a copy of your response to any other parties involved in those discussions or actions.

ABILITY TO PAY ISSUES

It is the understanding of EPA that the housing complex you operate at the Site is federally subsidized through the United States Department of Housing Section 8 program. EPA does not intend to force closure of affordable housing in North Providence in order to finance the cleanup of this Site. If you have an ability to pay issue, you are urged to inform EPA of that fact as soon as possible. You may also wish to review EPA policy on Superfund ability to pay issues, which can be found at the EPA website; "www.epa.gov".

PURPOSE AND USE OF THIS NOTICE LETTER

The factual and legal discussions contained in this letter are intended solely to provide notice and information. Such discussions are not intended to be, and cannot be, relied upon as EPA's final position on any matter set forth herein.

Due to the seriousness of the environmental and legal problems posed by conditions at the Site, EPA urges that you give immediate attention and provide a prompt response to this letter.

By copy of this letter EPA is notifying the State of Rhode Island and the Natural Resources Trustees of EPA's intent to perform, or to enter into negotiations for the performance or financing of, response actions at the Site.

Thank you for your attention to this matter.

Sincerely,

Patricia L. Meaney, Director
Office of Site Remediation and Restoration

Enclosure

bcc: Ted Bazenas, EPA On-Scene Coordinator - OSRR
Sharon Fennelly, EPA Enforcement Coordinator - OSRR
Donna Murray, EPA Enforcement Coordinator - OSRR
Holly Inglis, EPA Administrative Records Coordinator - OSRR
Catherine Garypie, EPA Senior Enforcement Counsel - OES
Cheryl O'Halloran, EPA CERCLIS Coordinator - OSRR
Andrew Raddant, Acting Environmental Officer, U.S. Department of the Interior
Ken Finkelstein, National Oceanic and Atmospheric Administration