



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

DEPARTMENT ORDER

IN THE MATTER OF:

| | | |
|--|---|--------------------------------------|
| EXPERA OLD TOWN, LLC'S |) | |
| ACQUISITION OF |) | |
| RED SHIELD ACQUISITION LLC'S |) | LICENSE |
| OLD TOWN FUEL AND FIBER MILL IN |) | TRANSFER |
| OLD TOWN, MAINE |) | (Air Emission; |
| A-180-70-F-T |) | Site Location of Development; |
| L-000766-26-D-T |) | Solid Waste; Water Pollution) |
| L-001997-26-D-T |) | |
| L-003989-26-C-T |) | |
| L-004019-26-D-T |) | |
| L-13297-25-R-T |) | |
| S-021513-SX-E-T |) | |
| S-022214-WX-L-T |) | |
| W-002226-5N-K-T |) | |

Pursuant to Maine's *Water Pollution Control* laws, 38 M.R.S.A. §§ 411–424-B; *Site Location of Development* laws, 38 M.R.S.A. §§ 481–489-E; *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 Expera Old Town, LLC with its supportive data, agency review comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

1. APPLICATION SUMMARY

A. Application. Expera Old Town, LLC (“Expera”) a wholly owned subsidiary of Expera Specialty Solutions, LLC, a wholly owned subsidiary of Specialty Papers Acquisition, LLC, submitted an application to Maine DEP for the transfer of licenses. The application sought to transfer to Expera 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 Red Shield Acquisition LLC (“RSA”) relating to RSA’s Old Town Fuel and Fiber Mill in Old Town, Maine (“Facility”). 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 Expera’s license transfer application as complete for processing on November 14, 2014.

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 Expera. Any license, permit, certificate, registration, application, or decision not specifically listed in this Order is incorporated herein.

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B. History

(1) **The Transaction.** An involuntary petition under Chapter 7 of the U.S. Bankruptcy Code was filed on October 10, 2014 against RSA. On November 7, 2014, a Letter of Agreement was executed among RSA, (“Seller”); and/or Patriarch Partners Agency Services (“Seller” or together with RSA the “Sellers”) and Expera Old Town, LLC, a newly formed affiliate of Expera Specialty Solutions, LLC (“Purchaser”) to acquire certain assets and assume certain liabilities related to the Facility. At closing, Expera will acquire all tangible and intangible personal property, including inventory, related to the mill, other than the excluded assets, all real property, all permits and licenses, such material contracts, all accounts receivable, all goodwill and other intangible assets and prepaid and security deposits. Expera will assume the following liabilities: all accrued and unused vacation and paid time off; liabilities for all unpaid real property taxes and sewer liens; liabilities for specified environmental settlements with the DEP and EPA and OSHA Informal Settlement Agreement; certain mechanic’s liens previously disclosed and liabilities incurred with respect of the period following closing. Expera will not acquire the biorefinery assets or the intellectual property related thereto, any contract that is not an assumed contract, and other redacted assets listed in the Letter of Agreement.

(2) **Operations.** RSA operates a fuel and fiber mill and related facilities in Old Town, Maine.

2. TRANSFER REQUIREMENTS

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

A. Full Name and Address. The full name and address of the applicant is: Expera Old Town, LLC, c/o Expera Specialty Solutions, LLC, 4351 W. College Avenue, 2nd floor, Appleton, WI 54914.

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November, 2012. Prior to that, she was the environmental engineer/wastewater treatment plant manager for Verso Paper. Based on the foregoing, Expera has demonstrated that it 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 Facility, subject to the conditions set forth below.

E. Solid Waste Facility Disclosure. The disclosure statement provided by Expera in accordance with the Department's Solid Waste Management Rules, *General Provisions*, 06-096 CMR 400(12) reveals that the corporation, parent, and grandparent corporations and the directors and operator, have no record of any criminal violations, or civil violations, consent decrees, administrative orders or agreements, or other ongoing court proceeding or administrative enforcement action concerning environmental laws or regulations in the last five years.

BASED ON THE ABOVE FINDINGS OF FACT, the Maine DEP CONCLUDES that Expera has demonstrated title, right, or interest to the Facility 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, subject to the conditions set forth below.

THEREFORE the Maine DEP APPROVES the application of Expera Old Town, LLC, 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 1(B)(1) of this Order provided that: (1) Expera provides to the Department executed copies of documentation demonstrating completion of the transaction described in Finding of Fact 1(B)(1) of this

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Order in order to satisfy the title, right or interest requirements described in Finding of Fact 2(B) of this Order and (2) Expera provides to the Department confirmation of the final financial package on terms at least equal to that stated in the letter dated October 31, 2014 referenced in Finding of Fact 2(C) of this Order, and the letter of commitment dated November 10, 2014 referenced in Finding of Fact 2(C) of this Order. Expera shall provide the required documentation within 10 days following the closing.

2. **STANDARD CONDITIONS.** Standard Conditions of Approval for Maine *Protection and Improvement of Air* law permits; *Site Location of Development* law permits; *Maine Hazardous Waste, Septage and Solid Waste Management Act* permits; and *Maine Pollution Discharge Elimination 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 4th DAY OF DECEMBER, 2014.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: Heathen Parent For
Patricia W. Aho, Commissioner

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

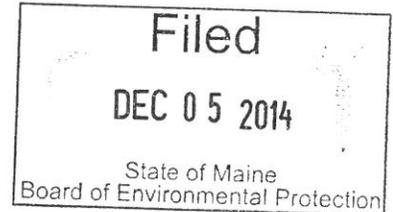
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Date of initial receipt of application: November 14, 2014

Date application accepted for processing: November 14, 2014

Date filed with the Board of Environmental Protection: _____



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APPENDIX A: CURRENT LICENSES AND APPLICATIONS

AIR EMISSION ORDERS

| NUMBER | DESCRIPTION | EFFECTIVE |
|---------------|---|---------------|
| A-180-75-G-N | Tax Exemption Cert.: Smelt Tank Scrubber | 1/14/91 |
| A-180-75-H-N | Tax Exemption Cert.: Electrostatic Precipitator | 1/14/91 |
| A-180-75-I-N | Tax Exemption Cert.: Non-Condensable Gas System | 3/25/91 |
| A-180-75-J-N | Tax Exemption Cert.: Hardwood digester cold blow cooler | 3/25/91 |
| A-180-75-N-N | Tax Exemption Cert.: Cl/CIO2 scrubber | 3/24/93 |
| A-180-75-S-N | Tax Exemption Cert.: Boiler Air Pollution Control equipment | 3/31/97 |
| A-180-75-W-X | Tax Exemption Cert.: Upgrades to Non-Condensable Gas System | 2/8/99 |
| A-180-70- A-I | Part 70 Initial Air Emission License | 12/2/09 |
| A-180-70-B-A | Part 70 Amendment: Lime Kiln stack test time extension | 9/22/10 |
| A-180-77-2-A | NSR: burn natural gas in Recovery Furnace | 1/29/10 |
| A-180-70-C-A | Part 70 Amendment: Incorporate burn natural gas in Recovery Furnace | 11/29/11 |
| A-180-70-D-A | Part 70 Amendment: Incorporate Biomass Boiler CO | 10/12/12 |
| A-180-77-4-A | NSR: Biomass Boiler CO | 10/12/12 |
| A-180-77-5-A | NSR: Biorefinery | 3/19/13 |
| A-180-77-6-A | NSR: water intake diesel, remove Riley Boiler | 7/26/13 |
| A-180-77-7-A | NSR: Biorefinery application pending | Filed 3/14/14 |

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| ME0002020/ W-2226-5N-J-M | Merc Modification | 2/6/12 |
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