August 25, 2006

Scott Street LLP
Attn: Michael S. Stevenson
500 Taylor Street
P.O. Box 8243
Missoula, MT 59807

RE: Commercial Development of Scott Street LLP Property, Missoula White Pine Sash Facility

Dear Mike:

The purpose of this letter is to address recent inquiries into potential commercial development of property owned by the Scott Street LLP on the Missoula White Pine Sash CECRA facility (Facility). As per discussions with several members of the Scott Street LLP, the Montana Department of Environmental Quality (DEQ) would like to clarify the steps necessary to work toward a no further action determination for this portion of the Facility.

As you are aware, the Facility is being remediated pursuant to a Unilateral Administrative Order issued under CECRA. Pursuant to § 75-10-706(3), MCA, a third party may not conduct remedial or development activities on the Facility without written permission from DEQ. DEQ has been, and remains, open to review of any interim action proposal providing for cleanup of any portion of the Facility. Any approved interim action must be part of, and consistent with, the final remedial goals for the Facility as a whole.

DEQ is in the process of developing a Proposed Plan for cleanup of the Facility and will determine reasonably anticipated future property uses and identify appropriate preferred remedial actions. As per § 75-10-701(18), the criteria DEQ will review when making a determination regarding the appropriate cleanup levels for the Facility are:

- Local land and resource use regulations, ordinances, restrictions, or covenants;
- Historical and anticipated uses of the facility;
- Patterns of development in the immediate area; and
- Relevant indications of anticipated land use from the owner of the facility and local planning officials.
Current zoning on the Scott Street LLP property allows for residential use, the property has been advertised for sale for residential and/or commercial development, and in 2004 DEQ reviewed a detailed proposal for cleanup of the property specifically for residential development.

Scott Street LLP has indicated verbally on numerous occasions to DEQ an interest in developing the property as commercial. DEQ has encouraged Scott Street LLP to pursue rezoning to clarify anticipated future use of the property for commercial, as opposed to residential, purposes (see enclosed letter dated June 12, 2002).

If Scott Street LLP wishes DEQ to determine residential use is not likely on this portion of the Facility in the future, DEQ encourages Scott Street LLP to initiate a request to change zoning of the property. When the rezoning has been accomplished, DEQ will be comfortable that sufficient layering of institutional controls is in place to ensure future use of the property as commercial, allowing for approval of an appropriate plan for characterization and remediation to commercial cleanup levels. When remedial activities have been completed, confirmation sampling indicates that the Scott Street LLP property meets commercial cleanup levels, and DEQ-approved deed restrictions are in place, DEQ will be able to move forward with a "no further action" determination for that portion of the Facility.

To reiterate for clarification purposes, rezoning of the Scott Street LLP property to prohibit future residential development must be accomplished prior to submission of a work plan for characterization and cleanup of the property to commercial levels. Without rezoning efforts the future use of the property remains undefined pending completion of the Proposed Plan for the Facility. Specific characterization and cleanup plans cannot be developed for the property without future use definition.

If you have any questions please contact me at (406) 841-5068 or cowen@mt.gov.

Sincerely,

Colleen L. Owen
Environmental Specialist
Montana Department of Environmental Quality

Enclosure (1)

cc: Dennis Dubitsky, Huttig Building Products
    Bryan Douglass, Douglass, Inc.
    Jon Harvala, MWQD
    Bob Oaks, NMCDC
    Cynthia Brooks, DEQ Legal
    Sandi Olsen, DEQ Division Administrator
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    Glenn R. Henkel, Scott Street LLP
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    Kris Kok, Scott Street LLP
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