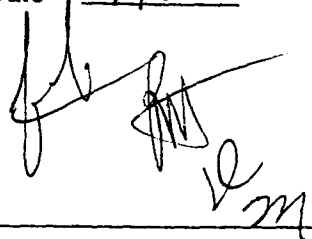


From the desk of  
Gordon Tiffany

Date 7/16

  
E.M.

Commissioners -

Attached is a NOTICE OF VIOLATION from the State issued to us (as owners) and GJ (as operators) of Perigo. This is not unexpected, as the Pot has failed to reduce odors enough to qualify.

Note that there is a potential \$25,000 per day fine. I doubt that such a fine is a current threat, but the notice may strengthen the case of area businesses and property owners for a lawsuit seeking to recover based on loss of business or depreciation of their property values.

To me this points out strongly that we must take a much more active part in operations of the plant.

